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is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

This preliminary prospectus has been sent to you in an electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently the Issuer nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the preliminary prospectus distributed to you in electronic format and the hard copy version available to you on request from Deutsche Bank AG, London Branch.

A copy of this preliminary Prospectus will be available from the website operated by the Central Bank at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and the website of the Irish Stock Exchange at www.ise.ie. The contents of this website, other than copies of those documents incorporated by reference into this preliminary Prospectus, are for information purposes only and do not form part of this preliminary Prospectus. See also the section of this preliminary Prospectus entitled "*General Information*" for more details.

This preliminary Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section "*Documents Incorporated by Reference*" below).

**PRELIMINARY PROSPECTUS DATED 11 SEPTEMBER 2017 – SUBJECT TO AMENDMENT
AND COMPLETION**

SCL – SCANDINAVIAN CONSUMER LOANS VI

(being the secondary name for the company Nordax Nordic 4 AB (publ))

(Incorporated in Sweden as a public limited liability company under registered number 559049-5023)

NOK[●] CLASS A FLOATING RATE NOTES DUE DECEMBER 2040

NOK[●] CLASS B FLOATING RATE NOTES DUE DECEMBER 2040

NOK[●] CLASS C FLOATING RATE NOTES DUE DECEMBER 2040

NOK[●] CLASS D FLOATING RATE NOTES DUE DECEMBER 2040

NOK[●] CLASS E FLOATING RATE NOTES DUE DECEMBER 2040

Notes	Initial Amount	Principal	Issue Price	Interest Rate	Margin until the Step-Up Date	Margin from the Step-Up Date	Final Maturity Date	Expected Ratings (DBRS/Fitch)
Class A	NOK[●]		100%	1 month NIBOR + the applicable Margin	[●]% per annum	[●]% per annum	December 2040	[AAA(sf)]/[AA(sf)]
Class B	NOK[●]		100%	1 month NIBOR + the applicable Margin	[●]% per annum	[●]% per annum	December 2040	[AA(low)(sf)]/[AA(sf)]
Class C	NOK[●]		100%	1 month NIBOR + the applicable Margin	[●]% per annum	[●]% per annum	December 2040	[A(sf)]/[A(sf)]
Class D	NOK[●]		100%	1 month NIBOR + the applicable Margin	[●]% per annum	[●]% per annum	December 2040	[BBB(sf)]/[BBB(sf)]
Class E	NOK[●]		100%	1 month NIBOR + the applicable Margin	[●]% per annum	[●]% per annum	December 2040	N/A

Issue Date SCL - Scandinavian Consumer Loans VI (being the secondary name for the company Nordax Nordic 4 AB (publ)) (the **Issuer**) will issue the Notes in the classes set out above on or about [●] 2017 (or such later date as may be agreed between the Issuer and the Lead Manager) (the **Closing Date**). "SCL - Scandinavian Consumer Loans VI" is a registered secondary name that has been adopted for marketing purposes only.

Underlying Assets The Issuer will make payments on the Notes from, *inter alia*, a portfolio (the **Portfolio**) comprising Promissory Notes issued by consumers resident in Norway (the **Customers** and each, a **Customer**) documented as non-negotiable promissory notes in physical or paperless form, and which have been originated by Nordax Bank AB (publ) (**Nordax**, the **Originator** and the **Seller**). Each Transferred Promissory Note represents an unsecured loan to a Customer that has been sold to the Issuer by the Seller together with the benefit of any related insurance policy. See "*Description of the Portfolio*" for further information.

Credit Enhancement and Liquidity Support Subordination of the junior classes of Notes and the excess spread in the Portfolio. See "*Risk Factors*" and Condition 15 (*Subordination by Deferral*). The Credit Enhancement Reserve and Liquidity Reserve will be available to cure any shortfall in interest payments on the Class A Notes, the Class B Notes and, subject to certain conditions, the Class C Notes and the Class D Notes, see "*Cashflows*".

Redemption Provisions For information on any optional and mandatory redemption of the Notes, see the section entitled "*Transaction Overview – Summary of the Terms and Conditions and Full Capital Structure of the Notes*" and Condition 6 (*Redemption, Purchase and Cancellation*).

Rating Agencies DBRS Ratings Limited (**DBRS**) and Fitch Ratings Limited (**Fitch**, and together with DBRS, the **Rating Agencies** and each a **Rating Agency**). As of the date of this Prospectus, each Rating Agency is a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended, the **CRA Regulation**).

As such each of DBRS and Fitch is included on the list of credit agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at www.esma.europa.eu/page/list-registered-and-certified-CRAs) in accordance with the CRA Regulation. 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 the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

This document is subject to completion and amendment without notice. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Issuer. It is an advertisement and does not comprise a prospectus for the purposes of EU Directive 2003/71/EC (as amended) and/or the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (or any relevant implementing measures in Ireland) or otherwise. The definitive terms of the transactions described herein will be contained in the final version of this document. Investors should not subscribe for any securities referred to herein except on the basis of information contained in the final version of this document. When available, the final form of this document will be made public in accordance with EU Directive 2003/71/EC (as amended) and/or the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (or any other relevant implementing measures in Ireland) and investors may obtain a copy on the website of the Central Bank of Ireland.

Credit Ratings	<p>Ratings are expected to be assigned to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (together, the Rated Notes) as set out above on or before the Closing Date. The ratings assigned to each class of Rated Notes by the Rating Agencies are based on the Portfolio only and other relevant structural features of the transaction, including, among other things, the long or short term, unsecured and unsubordinated debt ratings of the Account Banks. These ratings reflect only the view of the Rating Agencies.</p> <p>DBRS rating is an opinion on the risk of default that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. For this transaction, the ratings assigned by the Rating Agencies for the Notes address the likelihood of (a) the timely payment of interest on the Class A Notes and the Class B Notes on each Interest Payment Date and ultimate payment of interest on the Class C Notes and the Class D Notes and (b) full payment of principal by a date that is not later than the Final Maturity Date for all Classes of Rated Notes.</p> <p>The Class E Notes are unrated.</p> <p>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.</p>
Listing and Admission to trading	<p>This document comprises a prospectus (the Prospectus) for the purpose of Directive 2003/71/EC (as amended) (the Prospectus Directive). The Prospectus has been approved by the Central Bank of Ireland (the Central Bank) as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the Irish Stock Exchange) for the Notes to be admitted to the Official List (the Official List) and trading on its regulated market.</p>
Obligations	<p>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 Nordax, its affiliates or any other party named in the Prospectus, except the Issuer.</p>
The Volcker Rule	<p>The Issuer was structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the U.S. Dodd-Frank Act (such statutory provision together with such implementing regulations, the Volcker Rule). Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.</p>
EU Retention Undertaking	<p>Nordax, as originator, will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405(1) of Regulation (EU) No.575/2013 (the CRR), Article 51(1) of Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Managers Regulation (the AIFM Regulation) and Article 254 of Regulation (EU) No.2015/35 (Solvency II Regulation) (in each case, not taking into account any relevant national measures). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche, in this case the [Class E] Notes, as required by the text of each of paragraph (d) of Article 405(1) of the CRR, paragraph (d) of Article 51(1) of the AIFM Regulation and paragraph (d) of Article 254(2) of the Solvency II Regulation. See "<i>EU Risk Retention Requirements</i>" for further details. Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purpose of complying with each of Part Five of the CRR (including Article 405) and Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any corresponding national measure which may be relevant and none of the Issuer, Nordax (in its capacity as Seller, the Servicer or the Cash Manager), the Lead Manager nor the Arranger makes any representation that the information described above or in the Prospectus is sufficient in all circumstances for such purposes.</p>
Significant Investor	<p>Nordax will, on the Closing Date, purchase [[100]% of the Class E Notes]. Please refer to the section entitled "<i>Subscription and Sale</i>" for further information.</p>
Language	<p>The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed by them under applicable law. In case there is any discrepancy between the English text and the Swedish or, as applicable, Norwegian text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.</p>

A "RISK FACTORS" SECTION 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.

[●] 2017

**Arranger
Deutsche Bank AG, London Branch**

Lead Manager
Deutsche Bank AG, London Branch

This Prospectus comprises a prospectus (the **Prospectus**) for the purposes of Directive 2003/71/EC (the **Prospectus Directive**).

The Notes of each Class will initially be represented by a temporary global note in bearer form, without coupons or talons (each, a **Temporary Global Note**), which will be deposited on or about [●] 2017 (or such later date as may be agreed between the Issuer, Deutsche Bank AG, London Branch (the **Lead Manager**) and Citicorp Trustee Company Limited (the **Security Trustee** and the **Note Trustee**) (the **Closing Date**) with a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg** and, together with Euroclear, the **Clearing Systems**). Each Temporary Global Note will be exchangeable not earlier than 40 days after the Closing Date (the **Exchange Date**) (and upon certification of non-U.S. beneficial ownership) for an interest in a permanent global note in bearer form, without coupons or talons, for the relevant Class (each, a **Permanent Global Note** and, together with each Temporary Global Note, the **Global Notes**), which will also be deposited with the common depository for the Clearing Systems. Save in certain limited circumstances set out in the terms and conditions of the Notes (the **Conditions**), Notes in definitive form will not be issued in exchange for the Global Notes. The Global Notes are intended to be issued in classic global note CGN form, as stated in the Terms and Conditions of the Notes.

THE NOTES AND INTEREST THEREON WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND WILL NOT BE THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OTHER ENTITY. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OR RESPONSIBILITIES OF, OR GUARANTEED BY, THE SELLER, THE PARENT COMPANY, THE ARRANGER, THE LEAD MANAGER, THE INSURANCE COMPANIES, THE SERVICER, THE STANDBY SERVICER, THE CASH MANAGER, THE STANDBY CASH MANAGER, THE ACCOUNT BANKS, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE SERVICE PROVIDER, ANY AGENT, THE STORAGE COMPANY (EACH AS DEFINED HEREIN) OR ANY OTHER COMPANY IN THE SAME GROUP OF COMPANIES AS, OR AFFILIATED TO, ANY OF SUCH ENTITIES.

THE NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. PROSPECTIVE INVESTORS ARE REFERRED TO THE SECTION HEADED “SUBSCRIPTION AND SALE—RETAIL INVESTOR RESTRICTION” ON PAGE [188] BELOW FOR FURTHER INFORMATION.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND, WITH EFFECT FROM SUCH DATE, SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY ENTITY THAT IS NOT A “FINANCIAL UNDERTAKING”. FOR THESE PURPOSES, A FINANCIAL UNDERTAKING MEANS AN ENTITY THAT IS ONE (OR MORE) OF THE FOLLOWING TYPES: (I) A “CREDIT INSTITUTION” AS DEFINED IN DIRECTIVE 2013/36/EU (THE CAPITAL REQUIREMENTS DIRECTIVE); (II) AN “INSURANCE UNDERTAKING” AS DEFINED IN DIRECTIVE 2009/138/EC (THE SOLVENCY II DIRECTIVE); (III) AN “INVESTMENT FIRM” AS DEFINED IN DIRECTIVE 2004/39/EC (THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE); (IV) AN “ALTERNATIVE INVESTMENT FUND” AS DEFINED IN THE ALTERNATIVE INVESTMENT FUNDS MANAGERS DIRECTIVE 2011/61/EU (THE ALTERNATIVE INVESTMENT FUNDS MANAGERS DIRECTIVE); (V) AN “UNDERTAKING FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES” (UCITS) WITHIN THE MEANING OF DIRECTIVE 2009/65/EC (THE UCITS DIRECTIVE); (VI) A “MULTILATERAL DEVELOPMENT BANK” AS LISTED IN PARAGRAPH 2 OF ARTICLE 117 OF REGULATION 575/2013/EU (THE CAPITAL REQUIREMENTS REGULATION) OR (VII) AN ENTITY EQUIVALENT TO ONE (OR MORE) OF THE TYPES OF ENTITIES LISTED IN ITEMS (I) TO (V) ABOVE UNDER THE LAWS OF A JURISDICTION OUTSIDE THE EUROPEAN ECONOMIC AREA TO WHICH THAT ENTITY IS SUBJECT. PROSPECTIVE INVESTORS ARE REFERRED TO THE SECTIONS HEADED “SUBSCRIPTION AND SALE—FINANCIAL UNDERTAKING

INVESTOR RESTRICTION” ON PAGE [188] AND “TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS OFFERS AND SALES” ON PAGE [190] BELOW FOR FURTHER INFORMATION.

The Issuer (the **Responsible Person** for the purposes of the Prospectus Directive) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Arranger, the Lead Manager, the Security Trustee, the Note Trustee or the Originator, its affiliates and employees has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Lead Manager, the Security Trustee, the Note Trustee or the Originator, its affiliates and employees as to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution.

The websites referred to throughout the document do not constitute part of this Prospectus.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Seller, the Parent Company, the Arranger, the Lead Manager, the Insurance Companies, the Servicer, the Standby Servicer, the Cash Manager, the Standby Cash Manager, the Account Banks, the Note Trustee, the Security Trustee, the Service Provider, any Agent, the Storage Company or any of its or their affiliates and employees. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained herein since the date hereof.

This Prospectus and any other information supplied in connection with the Notes or their distribution are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Seller, the Parent Company, the Arranger, the Lead Manager, the Insurance Companies, the Servicer, the Standby Servicer, the Cash Manager, the Standby Cash Manager, the Account Banks, the Note Trustee, the Security Trustee, the Service Provider, any Agent, the Storage Company or any of its or their affiliates and employees that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Portfolio. Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer, the Security Trustee, the Note Trustee, the Arranger, the Lead Manager or the Originator, the Seller or any of its or their affiliates and employees to subscribe for, or purchase, any of the Notes. Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an invitation or offer, and may not be used for the purpose of an invitation or offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an invitation or offer or solicitation is not authorised or is unlawful.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or any "blue sky" laws of any state or other jurisdiction, and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. persons (see "*Subscription and Sale*") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

On the Closing Date, the Notes may only be purchased by persons that are not U.S. Persons (Risk Retention U.S. Persons) within the meaning of the credit risk retention regulations implemented by the SEC pursuant to Section 15G of the Exchange Act (the U.S. Risk Retention Rules). Purchasers of the Notes, including beneficial interests therein, will be deemed to have made certain representations and agreements, including that each purchaser (1) is not a Risk Retention U.S. Person, (2) is acquiring such note or a beneficial interest therein for its own account, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules). See "*Risk Factors – U.S. Risk Retention Requirements*".

Other than the approval by the Central Bank of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part of it nor any other Prospectus, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction (including the United Kingdom and Sweden), except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof), see "*Subscription and Sale*".

References in this Prospectus to **SEK** or **Swedish Kronor** are to the lawful currency from time to time of the Kingdom of Sweden. References to **NOK** or **Norwegian Kroner** are to the lawful currency from time to time of the Kingdom of Norway and references to **€** or **Euro** or **EUR** are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited consolidated financial accounts for the first financial year ending 31 December 2016 of the Issuer prepared in accordance with IFRS [*Insert link*]¹ together with the audit report thereon, each of which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank and the Irish Stock Exchange, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any information or documents which are themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer.

The Issuer will provide, free of charge, upon oral or written request, a copy of this Prospectus (or any document incorporated by reference in this Prospectus) at the specified offices of the Note Trustee.

The hyperlinks included in this Prospectus, other than those set out above, or included in any documents incorporated by reference in this Prospectus, and the websites and their content are not incorporated into, and do not form part of, this Prospectus.

¹ To be provided by ISE as soon as published on the ISE.

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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. After the Closing Date, the identity of the Transaction Parties may change subject to the terms of the relevant Transaction Documents.

The Issuer is a public limited liability company established in Sweden. It is wholly owned by Nordax Bank AB (publ) (**Nordax**, the **Originator**, the **Seller** and the **Parent Company**).

On or about the Closing Date, the Issuer will acquire certain promissory notes (the **Initial Portfolio**) from Nordax Bank AB (publ) (acting in its capacity as Seller). Such promissory notes relate to loans made by the Originator to consumers resident in Norway.

On the Closing Date, the Issuer will issue the Notes and use the gross proceeds thereof, being NOK [●] (the **Issuance Proceeds**), towards the acquisition of the Initial Portfolio. In the event that the Initial Purchase Price of the Initial Portfolio is not fully paid utilising the Issuance Proceeds (due to a rounding down in the sizing of the Notes), such difference (the **Difference Amount**) shall be funded by an advance made by the Subordinated Loan Provider as part of the Establishment Loan.

During the Revolving Period, the Issuer will apply available Principal Receipts to acquire further Promissory Notes (the **Additional Promissory Notes**) from the Seller.

On the Closing Date, Nordax (in such capacity, the **Subordinated Loan Provider**) will make the following subordinated loans to the Issuer:

- (a) a loan to initially fund the Liquidity Reserve (the **Liquidity Reserve Loan**);
- (b) a loan to initially fund the Payment Holiday Reserve (the **Payment Holiday Reserve Loan**); and
- (c) a loan to (i) fund the payment of certain fees and expenses in connection with the issuance of the Notes (the **Set-up Fees**), such fees to be paid on any Business Day prior to the first Interest Payment Date; (ii) initially fund the Float Amount (as defined below) and (iii) fund the Difference Amount, if required (the **Establishment Loan**).

Pursuant to the terms of the Subordinated Loan Agreement, the Subordinated Loan Provider may agree from time to time to make further loans (**Further Loans** and together with the Liquidity Reserve Loan, the Payment Holiday Reserve Loan and the Establishment Loan, the **Subordinated Loans** and each a **Subordinated Loan**) to the Issuer, which (at the direction of the Subordinated Loan Provider) shall be applied by the Issuer as Revenue Receipts and/or Principal Receipts in accordance with the relevant Priority of Payments or to further fund the Payment Holiday Reserve or the Credit Enhancement Reserve.

Nordax will also acquire the Class E Notes. See further the section on "*EU Risk Retention Requirements*" in relation to Nordax' holding of the Class E Notes.

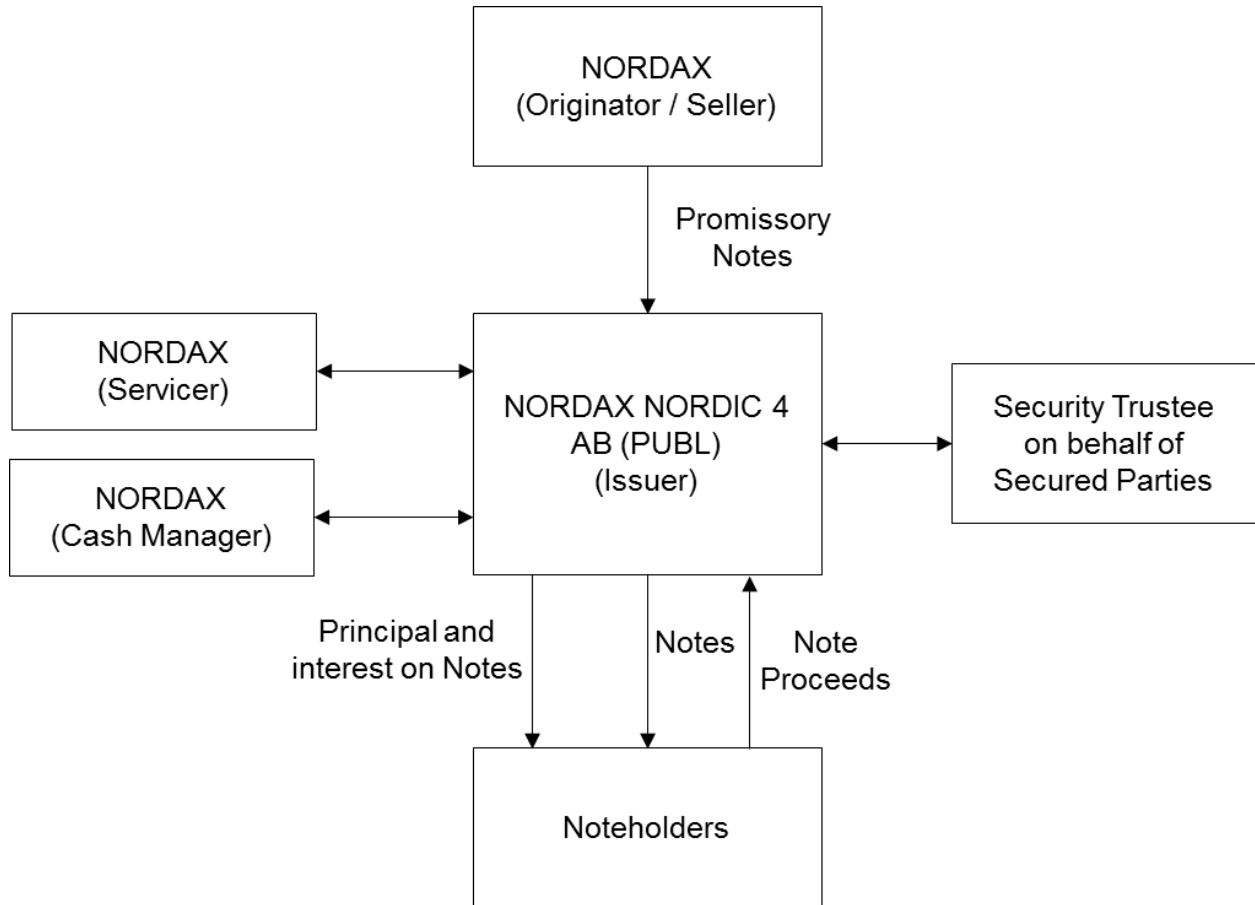
The Issuer will grant security in favour of Citicorp Trustee Company Limited (the **Security Trustee**) by way of: (i) a pledge over the assets of the Issuer governed by Norwegian law pursuant to the Norwegian Security Agreement, (ii) a pledge over the assets governed by Swedish law pursuant to the Swedish Security Agreement and (iii) an assignment by way of security or a charge, as applicable, over the relevant assets of the Issuer governed by English law pursuant to the English Deed of Charge. The Parent Company will grant security in favour of the Security Trustee over the shares in the Issuer pursuant to the Share Pledge Agreement.

The Originator will provide servicing and cash management services to the Issuer.

The Issuer will use the proceeds from the Portfolio to pay interest and principal on the Notes.

The obligations of the Issuer will be limited recourse to the assets subject to the Issuer Security and the Parent Company Security. For the avoidance of doubt this excludes any amount standing to the credit of the Equity Account, the Collection Agency Account and the Transaction Account. Upon the service of an Enforcement Notice on the Issuer, the Cash Manager shall transfer the funds standing to the credit of the Transaction Account and the Collection Agency Account and any amount which remains standing to the credit thereof to the GIC Account in accordance with the terms of the Cash Management Agreement.

A. DIAGRAMATIC OVERVIEW OF THE TRANSACTION



B. TRANSACTION PARTIES ON THE CLOSING DATE

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
Issuer	SCL - Scandinavian Consumer Loans VI (being the secondary name for the company Nordax Nordic 4 AB (publ)) (a company wholly owned by Nordax)	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	
Parent Company	Nordax	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	
Originator or Seller	Nordax	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	<p>The Seller will use its reasonable efforts to sell Promissory Notes to the Issuer pursuant to the terms of the Loan Transfer Agreement. The Seller will not sell Additional Promissory Notes to the Issuer after the Revolving Period End Date.</p> <p>The Originator will enter into the Subscription Agreement to acquire the Class E Notes from the Issuer.</p>
Servicer	Nordax	Gävlegatan 22, P.O. Box 23124, 104 35 Stockholm, Sweden	Servicing Agreement	Pursuant to the terms of the Servicing Agreement, the Servicer will service the Portfolio on behalf of the Issuer and provide corporate services to the Issuer.

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
Standby Servicer	Emric AB	Box 157 SE-101 23, Stockholm, Sweden	Standby Servicing Agreement	Pursuant to the terms of the Standby Servicing Agreement, if the appointment of Nordax as Servicer is terminated, the Standby Servicer will service the Portfolio.
Subordinated Loan Provider	Nordax	Gävlegatan 22, P.O. Box 23124, 104 35 Stockholm, Sweden	Subordinated Loan Agreement	Pursuant to the terms of the Subordinated Loan Agreement, the Subordinated Loan Provider will initially make three loans to the Issuer. The Subordinated Loans from the Subordinated Loan Provider will be used, <i>inter alia</i> , to fund the Set-up Fees (partially), the Float Amount, the Liquidity Reserve and the Payment Holiday Reserve respectively. From time to time, the Subordinated Loan Provider may make Further Loans to the Issuer to further fund the Payment Holiday Reserve or the Credit Enhancement Reserve.
Cash Manager	Nordax	P.O. Box 23124, 104 35 Stockholm, Sweden	Cash Management Agreement	The Cash Manager will provide certain cash administration, investor reporting and calculation services to the Issuer pursuant to the Cash Management Agreement.

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
Standby Cash Manager	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Cash Management Agreement	Pursuant to the terms of the Cash Management Agreement, if the appointment of Nordax as Cash Manager is terminated, the Standby Cash Manager will provide the cash management services to the Issuer.
Collection Accounts Bank	Nordea Bank AB (publ), filial i Norge (Nordea Norge)	Essendrops gate 7 P.O. Box 1166 Sentrum N-0107 Oslo, Norway	Bank Account Agreement	The Issuer has opened, and will maintain, the GIC Account, the Transaction Account, the Equity Account and the Collection Agency Account (together, the Collection Bank Accounts) with Nordea Norge in Norway.
Reserve Accounts Bank (and together with the Collection Accounts Bank, the Account Banks)	Nordea Norge	Essendrops gate 7 P.O. Box 1166 Sentrum N-0107 Oslo, Norway	Reserve Bank Accounts Agreement and, together with the Bank Account Agreement, the Bank Account Agreements	The Issuer has opened, and will maintain, the Credit Enhancement Reserve Account and the Liquidity Reserve Account (together, the Reserve Accounts and together with the Collection Bank Accounts, the Issuer Bank Accounts) with Nordea Norge in Norway.
Note Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Trust Deed	The Note Trustee will be appointed pursuant to the Trust Deed to represent the interests of the holders of the Notes (the Noteholders).

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
Security Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	English Deed of Charge, Norwegian Security Agreement, Swedish Security Agreement and Share Pledge Agreement	The Security Trustee will hold the security granted under the English Deed of Charge, the Norwegian Security Agreement, the Swedish Security Agreement and the Share Pledge Agreement on behalf of itself and the other Secured Parties. Only the Security Trustee will be entitled to enforce the Issuer Security and the Parent Company Security.
Secured Parties	The Seller, the Servicer, the Standby Servicer, the Cash Manager, the Standby Cash Manager, the Account Banks, the Note Trustee, the Noteholders, the Security Trustee, any receiver or other appointee of the Security Trustee, the Service Provider, the Agents and the Subordinated Loan Provider			
Service Provider	Tieto Sweden AB	Fjärde Bassängvägen 15, 115 41 Stockholm, Sweden	Servicing Transfer Agreement	The Service Provider will provide certain application support and operations support to the Servicer, the Standby Servicer and any replacement Standby Servicer (as appropriate) pursuant to the Servicing Transfer Agreement.

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
Principal Paying Agent	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Agency Agreement	The Principal Paying Agent will be appointed to act as principal paying agent under the Agency Agreement.
Agent Bank	Citibank, N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Agency Agreement	The Agent Bank will be appointed to act as agent bank under the Agency Agreement and, together with the Principal Paying Agent and the other Paying Agents, the Agents .
Storage Company	Iron Mountain Sweden AB	P.O. Box 30245, SE-104 25 Stockholm, Sweden	Storage Agreement	The Storage Company will be appointed to provide for the storage and safe keeping of Transferred Promissory Notes under the Storage Agreement.
Insurance Companies	Financial Assurance Company Limited and Financial Insurance Company Limited, which are both subsidiaries of Genworth Financial Inc.	Box 212, 101 24 Stockholm, Sweden	N/A	The insurance policies relating to the Promissory Notes are offered by the Originator, as a tied insurance intermediary of insurances provided by the Insurance Companies.
Arranger and Lead Manager	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB	Subscription Agreement	Deutsche Bank AG, London Branch (Deutsche Bank AG), a company incorporated under the laws of Germany and acting through its London Branch has been appointed Arranger and Lead Manager in respect of the transaction.

C. SUMMARY OF THE PORTFOLIO

The Portfolio

The Portfolio (as defined below) will consist of claims against consumers resident in Norway (the **Customers** and each, a **Customer**) documented in physical form or in electronic paperless form (as non-negotiable promissory notes) (each a **Promissory Note**) and which have been either:

- (a) transferred by the Seller to the Issuer on or about the Closing Date (such Promissory Notes comprising the Initial Portfolio); or
- (b) transferred by the Seller to the Issuer during the Revolving Period (such Promissory Notes being Additional Promissory Notes (as defined below)),

(in each case, together with accrued interest) with the benefit of any insurance policy (if there is any such insurance policy in place) and have not been repurchased by the Seller (collectively, the **Transferred Promissory Notes** and each a **Transferred Promissory Note**).

All the Transferred Promissory Notes have been originated by the Originator.

Additional Promissory Notes

After the Closing Date and during the Revolving Period, the Issuer may acquire additional Promissory Notes from the Seller. Such additional Promissory Notes (the **Additional Promissory Notes**) may constitute:

- (a) new loans made to new Customers; and/or
- (b) Further Advances made to existing Customers. In these circumstances the Transferred Promissory Note will be repurchased by the Seller from the Issuer, and during the Revolving Period, a new Promissory Note for a larger principal amount may be sold to the Issuer, subject to the terms of the Loan Transfer Agreement.

Provisional Portfolio characteristics as at 31 July 2017 (the Provisional Pool Cut Date)

Number of Promissory Notes	12,879
Total Outstanding Capital Balance	NOK 3,019,414,237.80
Average Promissory Note Current Capital Balance	NOK 234,444.77
Average Promissory Note Original Capital Balance	NOK 264,945.55
Weighted Average Yield	12.32%

Weighted Average Seasoning* 20.89 months

Weighted Average Remaining Term** 119.45 months

Weighted Average Original Term** 139.99 months

* Seasoning is based on the latest Loan / Further Advance origination date

** Based on the latest Loan / Further Advance / Extension origination date

The Seller has selected Promissory Notes that, as at 31 July 2017 (the **Provisional Pool Cut Date**), have been provisionally identified to comprise the Initial Portfolio (the **Provisional Portfolio**). The Provisional Portfolio contains 61.67 per cent. of Promissory Notes in Risk Class C, however the Actual Provisional Portfolio on the Final Pool Cut Date and the Initial Portfolio on the Closing Date will satisfy the Loan Criteria in respect of the Risk Class C Promissory Notes.

On [●] 2017 (the **Final Pool Cut Date**), the Seller has randomly selected Promissory Notes from the Provisional Portfolio to comprise the **Actual Provisional Portfolio**. The Actual Provisional Portfolio only comprises Promissory Notes that were in the Provisional Portfolio, although the principal amount of such Promissory Notes may have increased after the Provisional Pool Cut Date due to the addition of Further Advances and Payment Holidays or reduced as a result of Customer payments. A Promissory Note within the Provisional Portfolio will however no longer be in the Actual Provisional Portfolio if during the period from (and including) the Provisional Pool Cut Date to (but excluding) the Final Pool Cut Date such Promissory Note is repaid in full, if the Loan Criteria are no longer met by such Promissory Note or to ensure the composition of the Actual Provisional Portfolio satisfies the Loan Criteria (where applicable).

The Initial Portfolio as at the Closing Date will only comprise Promissory Notes that were in the Provisional Portfolio and the Actual Provisional Portfolio, although the principal amount of such Promissory Notes may have increased after the Final Pool Cut Date due to the addition of Further Advances and Payment Holidays or reduced as a result of Customer payments. A Promissory Note within the Actual Provisional Portfolio will however no longer be in the Initial Portfolio if during the period from (and including) the Final Pool Cut Date to (but excluding) the Closing Date such Promissory Note is repaid in full, if the Loan Criteria are no longer met by such Promissory Note or to ensure the composition of the Initial Portfolio satisfies the Loan Criteria (where applicable).

To compensate for any reduction of the principal amount of the Initial Portfolio from the Actual Provisional Portfolio, as described above, the Seller shall pay an amount equal to the amount (if any) by which the Issuance Proceeds exceed the Initial

Purchase Price payable by the Issuer on the Closing Date (such amount, the **Pre-Closing Amount**) to the Collection Agency Account on or around the Closing Date.

Consideration

The consideration payable by the Issuer in respect of the Portfolio is an amount equal to the Initial Purchase Price and the Deferred Consideration. The Initial Purchase Price is an amount equal to the outstanding principal amount of the Transferred Promissory Notes as at the relevant Transfer Date (or, in respect of a Promissory Note in the Initial Portfolio, as at the Final Pool Cut Date). The Deferred Consideration is paid on each Interest Payment Date subject to and in accordance with the applicable Priority of Payments.

Representations and warranties

The Originator will make certain representations and warranties in respect of the Initial Portfolio as at the Closing Date and thereafter, in respect of each Additional Promissory Note, on the relevant Transfer Date under the Loan Transfer Agreement (the **Loan Criteria**). In respect of the Loan Criteria on Deposits, the Originator will continue to repeat such representations and warranties in respect of each Transferred Promissory Note on each Interest Payment Date after, as applicable, the Closing Date or the Transfer Date.

The Loan Criteria include the following:

Ordinary Course of Business: the Promissory Note is an asset of the Seller and has been originated and administered by the Seller in accordance with the Credit Policy and the Collection and Provisioning Policy;

Origination Channel: the Promissory Note is not characterised as broker originated;

Customer: at the time of origination of the Promissory Note, the Customer was resident in Norway and each Customer is a natural person and not presently an employee of the Seller or a member of the Seller's group of companies;

Valid and Binding: the Promissory Note has been duly executed (including, as applicable, by way of electronic signature) by the Customer and constitutes a legal, valid and binding obligation of the relevant Customer (subject to bankruptcy, reorganisation, insolvency and other laws affecting the rights of creditors generally);

Currency: the Promissory Note is denominated and payable in Norwegian Kroner;

Maximum Maturity: the Promissory Note has a maximum legal maturity of 15 years and 1 month;

Minimum Term: the Promissory Note has a minimum remaining legal maturity of 1 month;

Maturity: the Promissory Note matures earlier than 66 months and 15 days before the Final Maturity Date;

Monthly Payment: the terms of the contract under which the Promissory Note arises requires the Customer to make monthly payments on the Promissory Note (although a Customer may request a Payment Holiday);

Interest Rate: the Promissory Note has a variable rate of interest set in accordance with the Originator's pricing policy;

Write-off: the Promissory Note is not Written-off;

Delinquent Promissory Note: the Promissory Note is not Delinquent;

Prepayment: no notice of prepayment has been given on the Promissory Note by the Customer to the Seller;

Solvency of the Customer: to the best of the Seller's knowledge, the Customer in respect of the Promissory Note is not bankrupt, subject to a suspension of payments or otherwise insolvent or subject to any analogous procedure;

Encumbrance: the Promissory Note is not subject to any encumbrance;

Assignability: the Promissory Note can be freely and validly transferred by way of assignment and transfer to the Issuer without any requirement to obtain any further consent from the Customer;

Set-off: the Seller is not aware of any circumstances which would give rise to any right of set-off, withholding, suspension, counterclaim, defence or deduction by a Customer in respect of any Promissory Note, other than by virtue of a Customer holding a deposit account with the Seller;

Deposits: if the Customer under the Promissory Note holds a deposit account with the Seller, (a) the funds standing to the credit of such account does not exceed NOK20,000 and (b) such account is covered by the Swedish deposit guarantee scheme operated by the Swedish National Debt Office;

Contracts: each Promissory Note has been entered into on the standard terms and conditions set out in the relevant schedules to the Loan Transfer Agreement, without material amendment or is an Approved New Promissory Note Type;

Books and records: the Seller has kept full and proper accounts, books and records showing all material transactions, payments, receipts and proceedings relating to the Promissory Note;

Loan Value: the maximum principal amount outstanding (including any capitalised interest) of the Promissory Note is NOK 520,000;

Governing Law: the contract under which the Promissory Note arises is governed by the laws of Norway;

Compliance with Laws: the terms of each Promissory Note complies with all applicable laws, including the Norwegian Promissory Notes Act 1939-02-17 no. 2 and the Norwegian Financial Contracts Act 1999-06-26 no. 46 and other similar regulations under Norwegian law including the rules and regulations of the Norwegian FSA (No: *Finanstilsynet*);

High value loans: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a principal amount outstanding (including any capitalised interest) in excess of NOK 320,000 to be greater than [45] per cent.;

Risk Class C Promissory Notes: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) falling in Risk Class C to be greater than [60] per cent.;

Risk Class D Promissory Notes and Risk Class E Promissory Notes: the Portfolio shall not contain any Promissory Notes falling in Risk Class D or Risk Class E as per the Originator's Risk Model;

Direct Debit: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) where the relevant Customer pays by direct debit or other electronic payment systems (e.g. electronic invoice) to be less than [50] per cent.;

Minimum Age: at the time of origination of the Promissory Note, the Customer is at least 20 years old; and

Unemployment: at the time of the origination of the Promissory Note, to the best of the Seller's knowledge, at least one Customer under the Promissory Note is not unemployed.

Where:

Collection and Provisioning Policy means the collection and provisioning policy as set out in the Servicing Agreement from time to time for Norwegian promissory notes which are beneficially owned by the Originator. The Originator may change the Collection and Provisioning Policy, provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Norway and any material changes are notified by the Cash Manager to the Rating Agencies.

Credit Policy means the underwriting and lending policy, as set

out in the Servicing Agreement. The Servicer may change the Credit Policy, provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Norway and any material changes are notified by the Cash Manager to the Rating Agencies.

Originator's Risk Model means the risk model used by the Originator for its origination in Norway (in accordance with good and customary business practice) to produce the matrix set out in the Loan Transfer Agreement. The Originator may change the Originator's Risk Model (including the score intervals), provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Norway. The Servicer will notify the Rating Agencies of any material changes proposed to be made to the Originator's Risk Model.

Risk Class C Promissory Note means a Transferred Promissory Note which belongs to such risk class as per the Originator's Risk Model.

Risk Class D Promissory Note means a Promissory Note which belongs to such risk class as per the Originator's Risk Model.

Risk Class E Promissory Note means a Promissory Note which belongs to such risk class as per the Originator's Risk Model.

Written-off

Written-off means in respect of a Promissory Note on a given date that the relevant Customer(s) is/are in arrears such that the amount due from that Customer is greater than the previous most recent three (3) months' invoiced instalments, interest and fees, or (B) the Promissory Note has been written-off for any other reason in accordance with the Collection and Provisioning Policy (whichever is the earlier).

For the purposes of this definition, "due" shall mean due under the Promissory Note without regard to any forgiveness, rescheduling, or other concessionary amendment to the relevant Customer's payment obligations granted by or on behalf of the Issuer, the Seller or the Servicer after the origination of the Promissory Note (including without limitation origination to consolidate Further Advances), unless such forgiveness, rescheduling or other concessionary amendment has been made in accordance with the Collection and Provisioning Policy.

For the avoidance of doubt, a Promissory Note in respect of which a Payment Holiday has been granted in accordance with the Credit Policy to a Customer which is not otherwise Written-off shall not be considered "due" so long as such Payment Holiday applies.

Re-purchase of the Transferred Promissory Notes

The Seller shall re-purchase the relevant Transferred Promissory Notes from the Issuer upon breach of any Loan Criteria (which is either not capable of remedy or if the Seller has failed to remedy it within the agreed grace period).

The Issuer may also accept a repurchase if the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement if the Seller certifies in the relevant Repurchase Notice that repurchase is required as a result of:

- a) a substitution of the Customer under a Transferred Promissory Note;
- b) any extension to the maturity date for a Transferred Promissory Note;
- c) any Conversion or amendment to be made to a Transferred Promissory Note but only where the Transferred Promissory Note subject to a Conversion or amendment does not comply with the conditions set out in the Loan Transfer Agreement;
- d) a Further Advance to be made in respect of a Transferred Promissory Note; or
- e) certain conditions to the sale of the relevant Transferred Promissory Notes not being satisfied on the relevant Transfer Date.

The Issuer may further accept a repurchase if the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement, if the Seller certifies in the relevant Repurchase Notice that such Transferred Promissory Note(s) is(are) Written-off.

Following receipt of a copy of such certification the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement.

Repurchase Price

The repurchase price payable in respect of any repurchase of a Transferred Promissory Note by the Seller shall be an amount equal to the aggregate Principal Promissory Note Amount of the relevant Transferred Promissory Notes together with all accrued and unpaid interest and all other amounts outstanding thereunder as at the Repurchase Date except in respect of:

- (a) Promissory Notes which are Delinquent (other than due to a breach of any Loan Criteria) for which the repurchase price shall be an amount equal to the aggregate Principal Promissory Note Amount of the relevant Transferred Promissory Notes together with all unpaid interest accrued and accruing thereon and all other amounts outstanding thereunder, less, provided that the Credit Enhancement Reserve is funded in an amount equal to the Credit Enhancement Reserve Required Amount as at the relevant Repurchase Date, the lower of (i) any relevant Provisions and (ii) the Delinquency Deduction for the

relevant Promissory Note, all as at the Repurchase Date (the Delinquency Deduction also being calculated as at the Repurchase Date instead of the Transfer Date); or

- (b) Promissory Notes which are Written-off (other than due to a breach of any Loan Criteria) for which the repurchase price shall be an amount equal to their net book value according to IFRS, provided further that such amount shall not be less than [43.50] per cent of the Principal Promissory Note Amount of the Transferred Promissory Notes.

Where:

Delinquency Deduction means for each Promissory Note, an amount equal to the unpaid principal balance of such Promissory Note multiplied by:

- (i) if it is in a Class 1 Promissory Note, 0;
- (ii) if it is in a Class 2 Promissory Note, 0.20; and
- (iii) if it is in a Class 3 Promissory Note, 0.40.

Class 1 Promissory Note means a Promissory Note which is current or has been Delinquent for less than a month, as at the relevant Transfer Date.

Class 2 Promissory Note means a Promissory Note which has been delinquent for 1 month but less than 2 months, as at the relevant Transfer Date.

Class 3 Promissory Note means a Promissory Note which has been Delinquent for 2 months but less than 3 months, as at the relevant Transfer Date.

Principal Promissory Note Amount means on any relevant date, the principal amount which is legally recoverable from a Customer under or pursuant to a Promissory Note.

Provisions means the amount of any provision which is made in accordance with the Collection and Provisioning Policy in respect of a loan evidenced by a Promissory Note which is Delinquent.

Delinquent

Delinquent means in respect of a Promissory Note on a given date, interest, expenses and principal which are due and payable and remain unpaid but not Written-off on the processing date on or about ten (10) Business Days after the due date. For these purposes, "due" shall mean due under the Promissory Note without regard to any forgiveness, rescheduling, or other concessionary amendment to the relevant Customer's payment obligations granted by or on behalf of the Issuer, the Seller or the Servicer after the origination of the Promissory Note (including without limitation origination to consolidate Further Advances), unless such forgiveness, rescheduling or other concessionary amendment has been made in accordance with the Collection and Provisioning Policy. For the avoidance of doubt, a Promissory Note in respect of which a Payment Holiday has been granted in accordance with the Credit Policy to a Customer which is not otherwise Delinquent shall not be considered "due" so long as such Payment Holiday applies.

D. RELEVANT DATES AND PERIODS

Closing Date	The Notes will be issued on or about [●] 2017 (or such later date as may be agreed between the Issuer, the Lead Manager, the Note Trustee and the Security Trustee).
Calculation Date	Two Business Days before each Interest Payment Date (each such date, a Calculation Date), the Cash Manager will, based on information relating to collections on the Transferred Promissory Notes (as defined below) received from the Servicer, perform calculations in respect of the immediately preceding Calculation Period and determine payments to be made to, amongst others, the Noteholders in accordance with the relevant Priority of Payments on the immediately succeeding Interest Payment Date.
Calculation Period	Amounts available for payment on the Notes on any Interest Payment Date will depend on the payments and other collections received with respect to the Transferred Promissory Notes during the applicable Calculation Period. Each Calculation Period will commence on (but exclude) a Cut-off Date (or, in the case of the first Calculation Period, the Final Pool Cut Date) and will end on (and include) the next following Cut-off Date.
Cut-off Date	Cut-off Date means the third Business Day of each month.
Monthly Acquisition Period	Subject to satisfaction of the conditions in the Loan Transfer Agreement, the Issuer may, after the Closing Date and during the Revolving Period, continuously acquire Additional Promissory Notes from the Seller. The Issuer will pay the Initial Purchase Price for such Additional Promissory Notes on the Interest Payment Date immediately following the Monthly Acquisition Period (or if there are insufficient Principal Receipts to pay the Initial Purchase Price, on any subsequent Interest Payment Date when such funds are available). The Monthly Acquisition Period is the period from (but excluding) the Closing Date, to and including the Cut-off Date of the following month, and thereafter from but excluding the Cut-off Date of each month to and including the Cut-off Date of the following month.
Transfer Date	Each date during the Revolving Period on which a transfer of Additional Promissory Notes shall be completed and title shall pass to the Issuer.
Revolving Period End Date and Revolving Period	The revolving period (Revolving Period) will commence on (and include) the Closing Date and will end on (and include) the Revolving Period End Date. The Revolving Period End Date is the earlier to occur of: (a) the date on which a Trigger Event occurs; (b) the date on which a Note Event of Default occurs; and

(c) the Interest Payment Date falling in [October 2019].

Interest Payment Date

The 15th day of each month in each year or, if such day is not a Business Day, on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not). The first Interest Payment Date will be the Interest Payment Date falling in [November] 2017.

Interest Periods

Interest on the Notes is payable by reference to successive Interest Periods. The first Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Interest Payment Date falling in [November] 2017, and each subsequent Interest Period will commence on (and include) an Interest Payment Date and end on (but exclude) the next succeeding Interest Payment Date.

Step-Up Date

The Interest Payment Date falling in [October 2020] (the **Step-Up Date**).

Final Maturity Date

The Interest Payment Date falling in December 2040 (the **Final Maturity Date**).

Business Day

Business Day means a day (other than Saturday and Sunday) on which commercial banks are open for business in London, Dublin, Oslo and Stockholm.

E. SUMMARY OF THE TERMS AND CONDITIONS AND FULL CAPITAL STRUCTURE OF THE NOTES

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

	Class A	Class B	Class C	Class D	Class E
Currency:	NOK	NOK	NOK	NOK	NOK
Initial Principal Amount:	[●]	[●]	[●]	[●]	[●]
Issue Price:	100%	100%	100%	100%	100%
Credit Enhancement Reserve:	Reserve available towards meeting any shortfall in interest payments to Class A Noteholders and curing any deficiency recorded in the Class A Principal Deficiency Ledger	Reserve available towards meeting any shortfall in interest payments to Class B Noteholders and curing any deficiency recorded in the Class B Principal Deficiency Ledger	Reserve available towards meeting any shortfall in interest payments to Class C Noteholders and curing any deficiency recorded in the Class C Principal Deficiency Ledger	Reserve available towards meeting any shortfall in interest payments to Class D Noteholders and curing any deficiency recorded in the Class D Principal Deficiency Ledger	None
Principal Deficiency Ledger:	Any Losses realised on the Portfolio will result in a Principal Deficiency.				
	In addition, prior to the service of an Enforcement Notice on the Issuer and subject to certain conditions, Principal Receipts will be available towards meeting any shortfall in interest payments to Class A Noteholders, Class B Noteholders, Class C Noteholders and Class D Noteholders in accordance with the Pre-Enforcement Principal Priority of Payments.				
	To the extent that Principal Receipts are required for this purpose and to the extent that Losses are realised on the Portfolio, the aggregate of these amounts will be debited in the following order of priority:				
	(a) first, to the Class E Principal Deficiency Ledger until the amount of principal deficiencies in respect of the Class E Notes equals the Principal Amount Outstanding of the Class E Notes;				
	(b) second, to the Class D Principal Deficiency Ledger until the amount of principal deficiencies in respect of the Class D Notes equals the Principal Amount Outstanding of the Class D Notes;				

- (c) third, to the Class C Principal Deficiency Ledger until the amount of principal deficiencies in respect of the Class C Notes equals the Principal Amount Outstanding of the Class C Notes;
- (d) fourth, to the Class B Principal Deficiency Ledger until the amount of principal deficiencies in respect of the Class B Notes equals the Principal Amount Outstanding of the Class B Notes; and
- (e) fifth, to the Class A Principal Deficiency Ledger until the amount of principal deficiencies in respect of the Class A Notes equals the Principal Amount Outstanding of the Class A Notes.

Interest Rate:	1 Month NIBOR + the applicable Margin (provided that the Interest Rate shall not be less than zero)	1 Month NIBOR + the applicable Margin (provided that the Interest Rate shall not be less than zero)	1 Month NIBOR + the applicable Margin (provided that the Interest Rate shall not be less than zero)	1 Month NIBOR + the applicable Margin (provided that the Interest Rate shall not be less than zero)	1 Month NIBOR + the applicable Margin (provided that the Interest Rate shall not be less than zero)
Margin until (but excluding) the Step-Up Date:	[●]% per annum	[●]% per annum	[●]% per annum	[●]% per annum	[●]% per annum
Margin from (and including) the Step-Up Date:	[●]% per annum	[●]% per annum	[●]% per annum	[●]% per annum	[●]% per annum
Interest Accrual Method:	Monthly	Monthly	Monthly	Monthly	Monthly
Interest Determination Date:	Second Business Day prior to each relevant Interest Period	Second Business Day prior to each relevant Interest Period	Second Business Day prior to each relevant Interest Period	Second Business Day prior to each relevant Interest Period	Second Business Day prior to each relevant Interest Period
Interest Payment Dates:	15th day of each month	15th day of each month	15th day of each month	15th day of each month	15th day of each month
Business Day Convention:	Modified Following	Modified Following	Modified Following	Modified Following	Modified Following
First Interest Payment Date:	[15 November] 2017	[15 November] 2017	[15 November] 2017	[15 November] 2017	[15 November] 2017

Mandatory Redemption:	<p>Mandatory redemption will occur in the following circumstances:</p> <ul style="list-style-type: none"> (a) Unless previously redeemed in full, the Notes will be redeemed on the relevant Final Maturity Date; and (b) Prior to the service of an Enforcement Notice on the Issuer, from and including the first Interest Payment Date following the Revolving Period End Date the Notes will be subject to mandatory redemption on each Interest Payment Date from available Principal Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Principal Priority of Payments; and (c) From any Residual Liquidity Funds, which shall comprise available Principal Receipts of the Issuer, subject to and in accordance with the Pre-Enforcement Principal Priority of Payments upon the occurrence of any Liquidity Redemption Event.
Optional Redemption:	<p>On any Interest Payment Date, the Issuer may, in accordance with the Conditions, including that it has satisfied the Note Trustee that it has sufficient funds available to it, at its option, redeem all, but not some only, of the Notes at their then Principal Amount Outstanding, together with accrued (and unpaid) interest, in any of the following circumstances:</p> <ul style="list-style-type: none"> (a) on the Step-Up Date or on any Interest Payment Date thereafter; or (b) if the aggregate Principal Amount Outstanding of the Notes is less than 10% of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; or (c) if any withholding or deduction for or on account of tax is imposed in respect of any payment under the Notes or in respect of any payment by a Customer under the Transferred Promissory Notes.
Redemption Amount:	<p>Any Note redeemed 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.</p>
Final Maturity Date:	<p>The Interest Payment Date falling in December 2040.</p>
Application for Listing:	<p>Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.</p>
Clearance/Settlement:	<p>Euroclear/Clearstream, Luxembourg.</p>
Minimum Denomination:	<p>NOK[1,000,000]², with integral multiples of NOK[10,000] in excess thereof, up to and including NOK[1,990,000]. No Notes in definitive form will be issued with a denomination above NOK[1,990,000].</p>
Distribution of	<p>Regulation S, Category 2 issuer.</p>

² NTD: May be subject to change, exchange rate to be checked prior to closing to ensure that it remains above equivalent EUR100,000.

the Notes

Constitution [On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons.]

The Notes will be constituted pursuant to a trust deed made between the Issuer and the Note Trustee dated on or before the Closing Date (the **Trust Deed**).

Ranking: The Notes of each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal respectively at all times.

Payments of interest in respect of the Class A Notes will rank ahead of payments of interest in respect of the Class B Notes, Class C Notes, Class D Notes and the Class E Notes. Payments of interest in respect of the Class B Notes will rank ahead of payments of interest in respect of the Class C Notes, Class D Notes and the Class E Notes. Payments of interest in respect of the Class C Notes will rank ahead of payments of interest in respect of the Class D Notes and Class E Notes. Payments of interest in respect of the Class D Notes will rank ahead of payments of interest in respect of the Class E Notes.

Repayments of principal in respect of the Class A Notes will rank ahead of repayments of principal in respect of the Class B Notes, Class C Notes, Class D Notes and the Class E Notes. Repayments of principal in respect of the Class B Notes will rank ahead of repayments of principal in respect of the Class C Notes, the Class D Notes and the Class E Notes. Repayments of principal in respect of the Class C Notes will rank ahead of repayments of principal in respect of the Class D Notes and the Class E Notes. Repayments of principal in respect of the Class D Notes will rank ahead of repayments of principal in respect of the Class E Notes.

Form of the Notes: Each Class of Notes will be in bearer form. The Temporary Global Notes and the Permanent Global Notes of each Class will be held by a common depositary for Euroclear and Clearstream, Luxembourg. Interests in each Temporary Global Note will, upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Note for that Class. The Permanent Global Note in respect of each Class will not be exchangeable for definitive Notes for that Class, save in certain limited circumstances.

Security: The Notes will be secured by and the Noteholders will share in (i) the Issuer Security and (ii) the Parent Company Security, together with the other Secured Parties of the Issuer, in accordance with the applicable Priorities of Payments. Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the applicable Priority of Payments. There will be no security granted over the Equity Account, the Transaction Account or the Collection Agency Account of the Issuer.

The Issuer Security for the Notes will be granted pursuant to the Norwegian Security Agreement, the Swedish Security Agreement and the English Deed of Charge. The Parent Company Security for the Notes will be granted pursuant to the Share Pledge Agreement.

Interest Deferral: The Noteholders (other than the holders of the Most Senior Class of Notes) will only be entitled to receive payments of interest on any Interest Payment Date to the extent that the Issuer has funds available for such purpose (and any other items ranking *pari passu* therewith) after making payment on such Interest Payment Date of any liabilities due for payment and ranking in priority to that Class of Notes. Any interest not paid on any Class

of Notes (other than the Most Senior Class of Notes) when due will accrue interest at the rate then applicable to such Class of Notes and, together with such accrued interest, will be paid on subsequent Interest Payment Dates to the extent that the Issuer has funds available for such purpose (and any other items ranking *pari passu* therewith), after paying in full on such Interest Payment Date all payments ranking in priority thereto. Subject to the Conditions, failure to pay interest due and payable on the Most Senior Class of Notes at any time will constitute a Note Event of Default. All deferred interest will be due and payable on the Final Maturity Date or any earlier date on which the Notes are redeemed and cannot be deferred beyond that date.

Most Senior Class: **Most Senior Class** means, in respect of the Notes, the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes then outstanding, the Class C Notes, or, if there are no Class C Notes then outstanding, the Class D Notes, or if there are no Class A Notes or Class B Notes or Class C Notes or Class D Notes then outstanding, the Class E Notes.

Withholding tax: All payments in respect of the Notes will be made subject to any withholding or deduction for or on account of tax required by applicable laws, and neither the Issuer nor any other person will be obliged to pay any additional amounts in respect of any such withholding or deduction.

Note Events of Default: **Note Events of Default** will include:

- (a) non-payment of interest and/or principal due in respect of the Most Senior Class of Notes which is continuing for a period of three days in respect of principal and five days in respect of interest; or
- (b) breach of other contractual obligations by the Issuer under the Conditions or the Transaction Documents which is continuing and, as applicable, has not been remedied for 30 days (provided that the Note Trustee has certified that such event is materially prejudicial to the interests of the holders of the Most Senior Class of Notes); or
- (c) breach of any representation or warranty by the Issuer which is continuing for 20 days (provided that the Note Trustee has certified that such event is materially prejudicial to the interests of the holders of the Most Senior Class of Notes); or
- (d) (i) an order is made or an effective resolution passed for the winding up of the Issuer, (ii) the Issuer ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of all or a part of its debts or is deemed unable to pay its debts within the meaning of chapter 2, sections 7-9 of the Swedish Bankruptcy Act (Sw: *Konkurslagen (1987:672)*), or (iii) the Issuer takes any corporate action or other steps are taken or legal proceedings are started (other than proceedings which are being disputed in good faith by appropriate legal proceedings and are withdrawn or struck out or dismissed within thirty (30) days) by any person for its dissolution, re-organisation or similar proceedings or for the appointment of a liquidator, bankruptcy administrator or similar officer (each an **Issuer Insolvency Event**); or
- (e) any occurrence where it has or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or the Transaction Documents.

See further "*Terms and Conditions of the Notes*" – Condition 9 (Note Events of Default).

No purchase of Notes by the Issuer: The Issuer will not be permitted to purchase any of the Notes.

Limited Recourse: All Secured Obligations owing to each Secured Party (including the Noteholders) are limited in recourse to the Security Assets. If:

- (a) there are no Security Assets remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Security Assets have been applied in or towards the relevant obligations specified in, and in accordance with, the provisions of the Transaction Documents; and
- (c) there are insufficient amounts available from the Security Assets to pay in full, in accordance with the provisions of the relevant Transaction Document, any amounts owed by the Issuer to any Secured Party,

then no Secured Party shall have any further claim against the Issuer in respect of any amounts owing to it which remains unpaid, and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Amounts standing on the Equity Account, Collection Agency Account or the Transaction Account are not included in the Security Assets and no Secured Party shall have any recourse to such amounts. Upon the service of an Enforcement Notice on the Issuer, the Cash Manager shall transfer the funds standing to the credit of the Transaction Account and the Collection Agency Account and any amount which remains standing to the credit thereof to the GIC Account in accordance with the terms of the Cash Management Agreement.

In the event the Issuer is declared bankrupt (Sw. *försatt i konkurs*), payment of the claims of each Secured Party against the Issuer shall (including but not limited to for the purposes of Chapter 5 Section 10 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*)) be subject to the condition that all claims with better priority under the relevant Priority of Payments have been, or will be, fully discharged as a result of payments or distributions made in connection with the bankruptcy proceedings.

Security Assets means all property, assets and undertakings of the Issuer the subject of any security created by the English Deed of Charge, the Norwegian Security Agreement, the Swedish Security Agreement and the shares of the Issuer pledged by the Parent Company pursuant to the Share Pledge Agreement, but does not include the Equity Account, the Transaction Account or the Collection Agency Account of the Issuer and amounts that remain standing to the credit thereof.

Issuer Security means any mortgage, sub-mortgage, charge, sub-charge, assignment or assignation by way of security, pledge, lien, right of set-off, retention of title or other encumbrance or security interest created in favour of the Security Trustee (for itself and as trustee on behalf of the other Secured Parties) under or pursuant to the English Deed of Charge, the Norwegian Security Agreement and/or the Swedish Security Agreement.

Parent Company Security means any security interest created by the Parent Company over the shares in the Issuer in favour of the Security Trustee (for itself and as trustee on behalf of the other Secured Parties) pursuant to the Share Pledge Agreement.

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of the Issuer which are, or are expressed to be, or may become, due, owing or payable to any of the Secured Parties under or in connection with each Transaction Document.

Notes not part of a re-securitisation The Notes are not part of a securitisation of one or more exposures where at least one of these exposures is a securitisation.

The Volcker Rule The Issuer was structured so as not to constitute a “covered fund” under the Volcker Rule. Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

Governing Law of the Notes: English law.

F. RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED PARTIES

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

Prior to a Note Event of Default: Noteholders holding not less than 10% of the Principal Amount Outstanding of the Notes of any class then outstanding are entitled to convene a Noteholders' meeting. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or Note Trustee to consider any matter affecting their interests.

Noteholders are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other Secured Parties.

Following a Note Event of Default: If a Note Event of Default occurs, then the Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the holders of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes shall (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction) give an Enforcement Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued (and unpaid) interest as provided in the Trust Deed.

Noteholders Meeting provisions: Notice period: At least 21 clear days or, following an adjourned meeting, at least 13 clear days. For the purposes of calculating a period of "clear days" in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given or the day on which such meeting is held (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held).

Quorum: *Ordinary Resolution:* One or more eligible persons present and representing in the aggregate not less than 20% of the Principal Amount Outstanding of the relevant Class or Classes of Notes or, following an adjourned meeting, one or more eligible persons (whatever the Principal Amount Outstanding of the Notes so held or represented by them).

Extraordinary Resolution: Subject to the below in respect of a Basic Terms Modification, one or more eligible persons present and representing in the aggregate not less than 50% of the Principal Amount Outstanding of such Class or Classes of Notes or, following an adjourned meeting, one or more eligible persons (whatever the Principal Amount Outstanding of the Notes so held or represented by them).

Basic Terms Modification: In respect of any Extraordinary Resolution to pass a Basic Terms

Modification, one or more eligible persons present and representing in the aggregate not less than 75% of the Principal Amount Outstanding of such Class or Classes of Notes or, following an adjourned meeting, one or more eligible persons present and holding or representing in the aggregate not less than 25% of the Principal Amount Outstanding of such Class or Classes of Notes

Required majority: *Ordinary Resolution*: a clear majority (i.e. more than half) of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll.

Extraordinary Resolution: a majority consisting of not less than 75% of the eligible persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75% of the votes cast on such poll.

The following matters (among others) require an Extraordinary Resolution:

a **Basic Terms Modification**, being:

- (a) any increase, reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes;
- (b) any alteration of the currency in which payments under the Notes are to be made;
- (c) any alteration of the quorum or majority required to pass an Extraordinary Resolution;
- (d) any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash; and
- (e) any modification to the definition of Basic Terms Modification.

**Relationship between
Classes of Noteholders:**

- (a) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of the Conditions or of the provisions of any of the

Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach of any of the Transaction Documents will not take effect unless either:

- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (as applicable).
- (b) No Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in subparagraph (a) of this section) of the Class B Noteholders shall be effective for any purpose unless either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, but subject to paragraph (c) below.
- (c) An Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on all the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of the Conditions or of any of the provisions of the Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach of any of the Transaction Documents will not take effect unless either:
- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class E Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (as applicable).
- (d) No Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in paragraph (a) or (c) of this section) of the Class C Noteholders shall be effective for any purpose unless either:
- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class B Noteholders (as applicable),

but subject to paragraph (e) below.

- (e) An Extraordinary Resolution passed at any meeting of the Class C Noteholders shall be binding on all the Class C Noteholders, the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of the Conditions or of the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach of any of the Transaction Documents will not take effect unless either:
 - (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class D Noteholders and the Class E Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class D Noteholders and the Class E Noteholders (as applicable).
- (f) No Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in paragraph (a), (c) or (e) of this section) of the Class D Noteholders shall be effective for any purpose unless either:
 - (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (as applicable),

but subject to paragraph (g) below.

- (g) An Extraordinary Resolution passed at any meeting of the Class D Noteholders shall be binding on all the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of the Conditions or of the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach thereof will not take effect unless either:
 - (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class E Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of the Class E Noteholders.
- (h) No Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in paragraph (a), (c), (e) or (g) of this section) of the Class E Noteholders shall be effective for any purpose unless either:
 - (i) the Note Trustee is of the opinion that it would not be materially

prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; or

(ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (as applicable).

(i) An Extraordinary Resolution passed at any meeting of the Class E Noteholders shall be binding on all the Class E Noteholders.

Nordax/any affiliate of any of them / any holding company of any of them or any other Subsidiary of any such holding company as Noteholder:

Where Nordax, any affiliate of Nordax, any holding company of Nordax or any other Subsidiary of any such holding company, in each case as beneficial owner holds any of the Notes, that entity will not be entitled to participate in any vote or pass any resolution in respect of those Notes, except where it is the sole Noteholder of that class of Notes. Nordax will be able to vote in respect of the Class E Notes for so long as it is the sole holder thereof.

Relationship between Noteholders and other Secured Parties:

So long as any Notes are outstanding, the Security Trustee will only take into account the interests of the Noteholders (or the relevant Class thereof) in the exercise of its discretion, to the exclusion of the interests of any other Secured Parties.

The Note Trustee will be required, in performing its duties as trustee under the Trust Deed and in directing the Security Trustee under the Issuer Security and the Parent Company Security, to have regard to the interests of all the Classes of Noteholders together. However, if (in the sole opinion of the Note Trustee) there is a conflict between the interests of the holders of one or more Classes of Notes and the interests of the holders of one or more other Classes of Notes, then the Note Trustee will be required with certain exceptions to have regard only to the interests of the holders of the Most Senior Class of Notes.

Provision of Information to the Noteholders:

The Cash Manager will provide an investor report on a monthly basis (the **Monthly Report**) containing information in relation to the Notes including, but not limited to, amounts paid by the Issuer pursuant to the Priorities of Payments in respect of the relevant period and the performance of the Portfolio.

Loan-by-loan level information in respect of the Promissory Notes in the Provisional Portfolio as at the Provisional Pool Cut Date and the Actual Provisional Portfolio as at the Final Pool Cut Date is available at a password protected website located at www.scl-ir.com. The password to access that website can be obtained from Nordax. The Servicer intends to update loan level information in respect of the Portfolio on a monthly basis. The website and information on the website is not incorporated in and does not form part of this Prospectus.

Communication with Noteholders

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

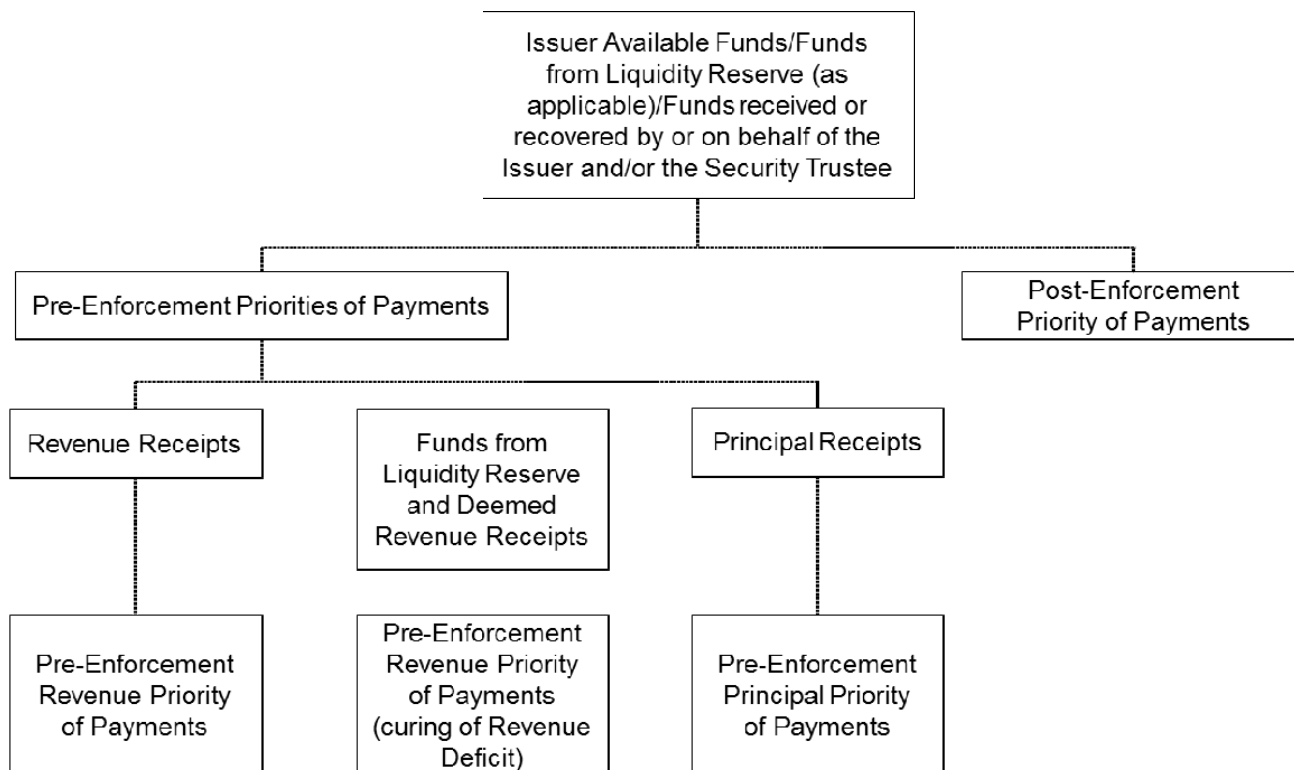
- so long as the Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to the Noteholders; and

- so long as the Notes are listed on a recognised stock exchange, by delivery in accordance with the notice requirements of that stock exchange.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

G. CREDIT STRUCTURE AND CASHFLOW

Please refer to the section entitled "Cashflows" for further detail in respect of the credit structure and cashflow of the transaction.



Bank accounts of the Issuer The Issuer will open and maintain four accounts with the Collection Accounts Bank:

- **GIC Account** (on the Closing Date, to be maintained with Nordea Norge):

All Revenue Receipts and Principal Receipts will be credited to the GIC Account. All payments by the Issuer on each Interest Payment Date in accordance with the relevant Priority of Payments will be made from the GIC Account. Amounts representing the Payment Holiday Reserve and the Initial Purchase Price Reserve respectively will also be credited to the GIC Account.

- **Transaction Account** (on the Closing Date, to be maintained with Nordea Norge):
 - (a) The Establishment Amount shall be deposited into the Transaction Account and shall be applied towards the payment of any Set-up Fees and utilised as the initial Float Amount.
 - (b) The Float Amount will be maintained in the Transaction Account.

On each Interest Payment Date, funds standing to the credit of the Transaction Account will be transferred to the GIC Account, for allocation in accordance with the relevant Priority of Payments. Upon the service of an Enforcement Notice on the Issuer, the Cash Manager shall also transfer the funds standing to the credit of the Transaction Account to the GIC Account in accordance with the terms of the Cash Management Agreement.

- **Equity Account** (on the Closing Date, to be maintained with Nordea Norge): An amount of SEK500,000 will be deposited and maintained by the Issuer in the Equity Account for so long as any Secured Obligations are outstanding.
- **Collection Agency Account** (on the Closing Date, to be maintained with Nordea Norge): The Collection Agency Account is an account into which the following amounts will be paid: (i) by the Collection Agencies, any recoveries on Transferred Promissory Notes (after deducting any fees, costs or expenses due and payable to the Collections Agency); (ii) by the Insurance Companies, the Insurance Proceeds; (iii) by the Seller, the Pre-Closing Amount; (iv) by the Servicer, any amount received incorrectly from Customers in respect of the Transferred Promissory Notes; and (v) by the Subordinated Loan Provider, the Further Loans. Amounts standing to the credit of the Collection Agency Account shall be swept to the GIC Account no later than one Business Day from the receipt of such amounts.

In addition, the Issuer will also maintain two accounts with the Reserve Accounts Bank:

- **Credit Enhancement Reserve Account** (on the Closing Date, to be maintained with Nordea Norge): Amounts representing the Credit Enhancement Reserve will be deposited in the Credit Enhancement Reserve Account.
- **Liquidity Reserve Account** (on the Closing Date, to be maintained with Nordea Norge): Amounts representing the Liquidity Reserve will be deposited in the Liquidity Reserve Account.

Available funds of the Issuer

The Issuer will apply the Revenue Receipts and any Principal Receipts for the purposes of making interest and principal payments under the Notes and meeting its other obligations under the Transaction Documents.

Income Receipts means, as at each Calculation Date and in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to the following standing to the credit of the GIC Account (except for item (e) which may be standing to the credit of the Collection Agency Account prior to being transferred to the GIC Account) at the close of business on such Cut-off Date (without double counting) representing:

- (a) payments of interest and other fees (including Insurance Premiums) received under the Transferred Promissory Notes;
- (b) interest earned on the balance from time to time in the Issuer Bank

Accounts (excluding the Equity Account);

- (c) net recoveries of interest and outstanding fees from defaulting Customers under Transferred Promissory Notes which are Delinquent but not Written-off;
- (d) net recoveries of interest, principal, fees and other amounts from defaulting Customers under Transferred Promissory Notes that are Written-off; and
- (e) payments of Insurance Proceeds from an Insurance Company to the extent attributable to interest and fees (but not principal) owing by a Customer.

Revenue Receipts means, as at each Calculation Date and in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to the following standing to the credit of the GIC Account (except for item (c) which will be standing to the credit of the Transaction Account and item (i) below which will be standing to the credit of the Credit Enhancement Reserve Account) at the close of business on such Cut-off Date representing (without double counting):

- (a) Income Receipts;
- (b) the accrued interest component of the purchase price paid by the Seller in respect of any Promissory Note repurchased by the Seller pursuant to the terms of the Loan Transfer Agreement;
- (c) the balance standing to the credit of the Transaction Account;
- (d) any other amounts not representing Principal Receipts standing to the credit of the GIC Account (excluding amounts standing to the credit of the Payment Holiday Reserve Ledger);
- (e) for so long as any Rated Notes remain outstanding, any amounts debited from the Payment Holiday Reserve Ledger, which shall be applied to pay Payment Holiday Amounts only;
- (f) (so long as there has not been an Insolvency Event in relation to the Seller) all amounts (if any) standing to the credit of the Payment Holiday Reserve Ledger following the redemption of all Rated Notes;
- (g) Further Loans (as defined in the Subordinated Loan Agreement) expressly required by the Subordinated Loan Provider to form part of Revenue Receipts;
- (h) any shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Revenue Receipt; and
- (i) all amounts standing to the credit of the Credit Enhancement Reserve Account, but such amounts shall only be available to be applied: (i) if any Rated Notes are outstanding, to make payments in accordance with items (a) to [(m)] (inclusive) and items [(o) and (r)] of the Pre-

Enforcement Revenue Priority of Payments; (ii) if no Rated Notes are outstanding but the Class E Notes remain outstanding, to make payments in accordance with item [(s)] and below of the Pre-Enforcement Revenue Priority of Payments; and [(iii) if there are no Rated Notes and no Class E Notes outstanding, in accordance with the Pre-Enforcement Revenue Priority of Payments,]

provided that, in the event of the occurrence of a Servicing Report Delivery Failure and during the continuance thereof, Revenue Receipts for the purpose of application in accordance with the Pre-Enforcement Revenue Priority of Payments shall mean the amount of Total Funds available and required to pay items (a) to [(m)] of the Pre-Enforcement Revenue Priority of Payments in accordance with the Provisional Monthly Report prepared by the Cash Manager in respect of the relevant Interest Payment Date.

Payment Holiday means a period when a Customer may suspend an instalment payment (fully or partially) on a Transferred Promissory Note, without penalty, in accordance with the Credit Policy.

This option may be granted to a Customer with the consent of the Servicer, subject to this being permitted under the Credit Policy. Furthermore, the Servicer will not be entitled to offer a Payment Holiday to a Customer or accept a request for a Payment Holiday from a Customer (in each case in respect of a Transferred Promissory Note) unless either:

- (a) a Further Loan has been granted by the Subordinated Loan Provider in an amount equivalent to or exceeding the relevant Payment Holiday Amount(s) and such amount has been credited to the Payment Holiday Reserve to fund the relevant Payment Holiday Amount(s) of that Customer during the proposed Payment Holiday period (taking into account all other Payment Holiday Amounts in respect of all other Customers that will fall due for payment during that period); or
- (b) there are sufficient funds standing to the credit of the Payment Holiday Reserve to fund the relevant Payment Holiday Amount(s) of that Customer during the proposed Payment Holiday period (taking into account all other Payment Holiday Amounts in respect of all other Customers that will fall due for payment during that period).

Payment Holiday Amount means, in respect of any Calculation Period, an amount equal to any interest not received (that would have been received but for the granting of a Payment Holiday) under the Transferred Promissory Notes as a result of a Customer taking a Payment Holiday. Payment Holiday Amounts shall be funded on each Interest Payment Date from the Payment Holiday Reserve.

Payment Holiday Reserve means a reserve maintained in the GIC Account in an amount equal to the Payment Holiday Reserve Required Amount (which shall initially be funded from the proceeds of the Payment Holiday Reserve Loan made by the Subordinated Loan Provider to the Issuer on the Closing Date), and which will thereafter be replenished from (a) available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or (b) by any Further Loans that may be made by the Subordinated Loan Provider to the Issuer and which are required to be credited to the Payment

Holiday Reserve Ledger on the GIC Account.

Payment Holiday Reserve Required Amount means an amount equal to NOK[15,000,000].

Float Amount means an amount not exceeding NOK[1,000,000] which shall be funded initially from the Establishment Loan on the Closing Date until, but not including the first Interest Payment Date, and thereafter from available Revenue Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and credited to the Transaction Account and is available to (1) the Cash Manager to pay certain costs and expenses of the Issuer between Interest Payment Dates and (2) the Servicer to repay to Customers amounts which such Customers have paid into the GIC Account in error.

Further Advance means a further loan for which a request has been made to the Issuer or the Seller by a person (or persons) who is (or are) a Customer under a Transferred Promissory Note and which request has been accepted by the Seller.

Principal Receipts will include the following (without double counting):

- (a) principal repayments received under the Transferred Promissory Notes (including any amount representing Capitalised Interest);
- (b) net recoveries of principal from defaulting Customers under the Transferred Promissory Notes that are Delinquent but not Written-off;
- (c) the proceeds (excluding the accrued interest component thereof) of the repurchase of any Transferred Promissory Note by the Originator from the Issuer pursuant to the Loan Transfer Agreement;
- (d) payments of Insurance Proceeds from an insurance company to the extent attributable to principal (but not interest and fees) owing from a Customer;
- (e) Principal Receipts standing to the credit of the GIC Account on any previous Interest Payment Date in accordance with item (e) of the Pre-Enforcement Principal Priority of Payments;
- (f) Further Loans (as defined in the Subordinated Loan Agreement) expressly required by the Subordinated Loan Provider to form part of Principal Receipts;
- (g) a shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Principal Receipt;
- (h) any Deemed Principal Receipts;
- (i) (only upon the occurrence of a Liquidity Redemption Event) all Residual Liquidity Funds; and
- (j) all amounts (if any) standing to the credit of the Payment Holiday Reserve Ledger following the occurrence of an Insolvency Event in relation to the Seller,

provided that, in the event of the occurrence of a Servicing Report Delivery Failure and during the continuance thereof, Principal Receipts for the purpose of application in accordance with the Pre-Enforcement Principal Priority of Payments shall mean the Residual Total Funds in respect of the relevant Interest Payment Date.

Capitalised Interest means the amount of fees and interest that would have been paid on a Transferred Promissory Note comprising the Portfolio if not for the Customer under that Transferred Promissory Note taking a Payment Holiday in accordance with the Credit Policy, which amount is added to the principal balance owing under the relevant Transferred Promissory Note.

Deemed Principal Receipts means, in respect of any Calculation Period, the aggregate of the amounts to be applied from Revenue Receipts on the immediately following Interest Payment Date pursuant to paragraphs (f), (h), (j), (l) and (m) of the Pre-Enforcement Revenue Priority of Payments.

Credit Enhancement Reserve means a reserve maintained in the Credit Enhancement Reserve Account (which shall remain unfunded until (but excluding) the First Interest Payment Date). On the First Interest Payment Date, the Credit Enhancement Reserve will be funded in an amount up to the Credit Enhancement Reserve Required Amount from available Revenue Receipts applied in accordance with the Pre-Enforcement Revenue Priority of Payments. Thereafter and until (and including) the Step-Up Date, the Credit Enhancement Reserve will be further replenished on each Interest Payment Date from available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or by any Further Loans that may be made by the Subordinated Loan Provider to the Issuer and which are required to be credited to the Credit Enhancement Reserve Ledger on the Credit Enhancement Reserve Account.

Following the Step-Up Date, there shall be no requirement to retain the Credit Enhancement Reserve at the Credit Enhancement Reserve Required Amount. Following the repayment in full of the Rated Notes, any remaining amounts standing to the credit of the Credit Enhancement Reserve Ledger shall be applied towards redemption of the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero in accordance with the Pre-Enforcement Revenue Priority of Payments. Following repayment in full of the Class E Notes, any remaining amounts standing to the credit of the Credit Enhancement Reserve Ledger shall be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

Credit Enhancement Reserve Required Amount means an amount as determined by the Cash Manager on each Calculation Date determined in respect of each Transferred Promissory Note which is Delinquent, as an amount equal to the Principal Promissory Note Amount of the Transferred Promissory Note multiplied by:

- (i) if that Transferred Promissory Note has been Delinquent for less than 1 month, 0;
- (ii) if that Transferred Promissory Note has been Delinquent for 1 month but less than 2 months, 0.2; and

- (iii) if that Transferred Promissory Note has been Delinquent for 2 months but less than 3 months, 0.4.

Liquidity Reserve means a reserve maintained in the Liquidity Reserve Account in an amount equal to the Liquidity Reserve Required Amount (which shall be funded from the proceeds of the Liquidity Reserve Loan made by the Subordinated Loan Provider to the Issuer on the Closing Date), and which until the repayment in full of the Rated Notes will thereafter be further replenished on each Interest Payment Date from available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

On each Interest Payment Date prior to the service of an Enforcement Notice on the Issuer, the Issuer (or the Cash Manager on its behalf) shall apply the funds in the Liquidity Reserve to cure any Revenue Deficit (as set out below, see “*Curing of Revenue Deficit*”).

After applying any funds in the Liquidity Reserve towards the curing of a Revenue Deficit, if any, and prior to the service of an Enforcement Notice on the Issuer, the Cash Manager shall apply the amount remaining in the Liquidity Reserve (the **Residual Liquidity Funds**) as available Principal Receipts on that Interest Payment Date if (i) the aggregate amounts due and payable under or in connection with the Principal Promissory Note Amount of all the Transferred Promissory Notes in the Portfolio is equal to zero, (ii) that Interest Payment Date is the Final Maturity Date or (iii) the application of such Residual Liquidity Funds as available Principal Receipts will result in all outstanding Notes being fully redeemed on that Interest Payment Date (each, a **Liquidity Redemption Event**), whichever event occurs first.

After the full repayment of the Rated Notes and prior to the service of an Enforcement Notice on the Issuer, the Cash Manager (on behalf of the Issuer) shall apply the funds in the Liquidity Reserve to repay the Liquidity Reserve Loan.

Upon service of an Enforcement Notice on the Issuer, any funds remaining in the Liquidity Reserve shall be applied by the Security Trustee (or the Cash Manager on its behalf) in accordance with the Post Enforcement Priority of Payments.

Liquidity Reserve Required Amount means:

- (a) from (and including) the Closing Date to (and including) the Revolving Period End Date, an amount equal to [0.5] per cent. of the outstanding principal balance of the Initial Portfolio as at the Closing Date; and
- (b) from (and excluding) the Revolving Period End Date, an amount equal to [1.25] per cent. of the outstanding principal balance of the Initial Portfolio as at the Closing Date.

Initial Purchase Price Reserve Amount means an amount of up to NOK[200,000,000].

Available funds following service of an

Following service of an Enforcement Notice, the Cash Manager will apply all funds received or recovered by or on behalf of the Issuer and/or the Security

Enforcement Notice

Trustee or by any Receiver, including amounts standing to the credit of the Issuer Bank Accounts (excluding the funds in the Equity Account), for the benefit of the Secured Parties in accordance with the Post-Enforcement Priority of Payments. However, upon the service of an Enforcement Notice on the Issuer, the Cash Manager shall transfer the funds standing to the credit of the Transaction Account and the Collection Agency Account to the GIC Account in accordance with the terms of the Cash Management Agreement.

Curing of Revenue Deficit

Prior to the service of an Enforcement Notice, if and to the extent, on any Interest Payment Date, there is a Revenue Deficit, then the Cash Manager shall:

- (i) *first*, apply amounts standing to the credit of the Liquidity Reserve Account (taking into account the application of funds pursuant to item (d) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date) towards curing any Revenue Deficit provided that (with the exception of the Most Senior Class of Rated Notes then outstanding) no amounts from the Liquidity Reserve Account may be applied to pay interest on a class of Rated Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Rated Notes; and
- (ii) *second*, apply Principal Receipts towards curing any residual Revenue Deficit (taking into account the prior application of funds, if any, from the Liquidity Reserve) provided that (with the exception of the Most Senior Class of Rated Notes then outstanding) no amounts of Principal Receipt may be applied to pay interest on a class of Rated Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Rated Notes (any Principal Receipts so applied being the **Deemed Revenue Receipts**).

Revenue Deficit means:

- (i) prior to the repayment in full of the Class A Notes and the Class B Notes, in respect of an Interest Payment Date, a shortfall in the amount of the applicable Revenue Receipts in respect of the immediately preceding Calculation Period available to pay paragraphs (a) to (c), (e) and (g) of the Pre-Enforcement Revenue Priority of Payments; and
- (ii) following the repayment in full of the Class A Notes and the Class B Notes, in respect of an Interest Payment Date, a shortfall in the amount of the applicable Revenue Receipts in respect of the immediately preceding Calculation Period available to pay paragraphs (a) to (c), (i) (where the Class C Notes are the Most Senior Class of Notes then outstanding) or (k) (where the Class D Notes are the Most Senior Class of Notes then outstanding) of the Pre-Enforcement Revenue Priority of Payments;.

Summary of Priorities of Payments

Below is a summary of each Priority of Payments. Full details of each Priority of Payments are set out in the section entitled "*Cashflows*".

Insurance Premiums paid by Customers shall, upon receipt be identified by the Issuer and divided accordingly as the Insurer Premium Portion or the Originator Premium Portion. The Insurer Premium Portion shall be paid by (or, on behalf of) the Issuer directly to the relevant Insurance Companies. The Originator is

entitled to the Originator Premium Portion and will be paid such amounts in accordance with the relevant Priority of Payments. For the avoidance of doubt, the Insurer Premium Portion shall not form part of the Revenue Receipts and shall not be applied in accordance with any Priority of Payments.

<u>Pre-Enforcement Priority of Payments:</u>	<u>Revenue</u>	<u>Pre-Enforcement Priority of Payments:</u>	<u>Principal</u>	<u>Post-Enforcement Priority of Payments:</u>	
(a)	Note Trustee and Security Trustee costs, fees and expenses;	(a)	Any Principal Receipts to be applied as Deemed Revenue Receipts;	(a)	Note Trustee and Security Trustee costs, fees and expenses (including the costs, fees and expenses of any receiver or other appointees properly appointed by the Note Trustee or the Security Trustee which expenses may include any amounts due and payable for the services of the Storage Company after the occurrence of an Issuer Insolvency Event);
(b)	Amounts due to the Servicer, Standby Servicer, Cash Manager, Standby Cash Manager, Account Banks, the Service Provider and Agents;	(b)	In respect of the first Interest Payment Date only, towards payment of amounts due to the Subordinated Loan Provider in an amount equal to the Difference Amount;	(b)	Amounts due to the Servicer, Standby Servicer, Cash Manager, Standby Cash Manager, Account Banks, Service Provider and Agents;
(c)	General Expenses of the Issuer, subject to an overall annual cap of NOK[2,000,000] per annum;	(c)	Until (and including) the Revolving Period End Date, towards payment of the Initial Purchase Price for Additional Promissory Notes acquired during the preceding Monthly Acquisition Period;	(c)	Prior to the occurrence of an Issuer Insolvency Event, amounts payable for the services of any Independent Director and the Storage Company;
(d)	Prior to the repayment in full of the Rated Notes, to replenish the Liquidity Reserve to the Liquidity Reserve Required Amount;	(d)	Until (and including) the Revolving Period End Date, towards payment of Deferred Consideration to the Seller under the Loan Transfer Agreement in an amount equal to any Payment Holiday Amounts debited from the Payment Holiday Reserve	(d)	Principal and interest payments on the Class A Notes;

Ledger as at the immediately preceding Calculation Date in accordance with item (e) of the definition of Revenue Receipts;

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|-----|--|-----|--|-----|---|
| (e) | Class A interest amounts to the Class A Noteholders; | (e) | Until (but excluding) the Revolving Period End Date, to credit the GIC Account with available Principal Receipts, capped at the Initial Purchase Price Reserve Amount which shall be applied to pay the Initial Purchase Price for Additional Promissory Notes on future Interest Payment Dates; | (e) | Principal and interest payments on the Class B Notes; |
| (f) | To reduce the Class A Principal Deficiency Ledger to zero; | (f) | After the Revolving Period End Date, payments to redeem the Class A Notes; | (f) | Principal and interest payments on the Class C Notes; |
| (g) | Class B interest amounts to the Class B Noteholders; | (g) | After the Revolving Period End Date, payments to redeem the Class B Notes; | (g) | Principal and interest payments on the Class D Notes; |
| (h) | To reduce the Class B Principal Deficiency Ledger to zero; | (h) | After the Revolving Period End Date, payments to redeem the Class C Notes; | (h) | Principal and interest payments on the Class E Notes; |
| (i) | Class C interest amounts due to the Class C Noteholders; | (i) | After the Revolving Period End Date, payments to redeem the Class D Notes; | (i) | To the extent not provided for elsewhere in the Post-Enforcement Priority of Payments, to pay amounts due to the Other Secured Parties; |
| (j) | To reduce the Class C Principal Deficiency Ledger to zero; | (j) | After the Revolving Period End Date, payments to redeem the Class E Notes; | (j) | Originator Premium Portion payable to the Originator; |
| (k) | Class D interest amounts due to the Class D Noteholders; | (k) | After the Revolving Period End Date, to pay <i>firstly</i> , interest, <i>secondly</i> , principal and <i>thirdly</i> , any other amounts due to the Subordinated Loan | (k) | Firstly, interest, and secondly, principal and thirdly, any other amounts due to the Subordinated Loan Provider under the Subordinated Loan |

Provider under the Subordinated Loan Agreement;

Agreement;

- (l) To reduce the Class D Principal Deficiency Ledger to zero;
- (l) After the Revolving Period End Date, payment of Deferred Consideration to the Seller; and
- (l) Firstly, any amounts of the Initial Purchase Price for Additional Promissory Notes acquired during the Revolving Period which remains outstanding after the Revolving Period End Date and secondly, Deferred Consideration due to the Seller; and
- (m) After the Revolving Period End Date, any surplus to the Equity Account.
- (m) Any surplus to the Issuer.
- (m) To reduce the Class E Principal Deficiency Ledger to zero;
- (n) Prior to the earlier of (i) repayment in full of the Rated Notes and (ii) Step-Up Date, to top-up the Credit Enhancement Reserve to the Credit Enhancement Reserve Required Amount;
- (o) Class E interest amounts due to the Class E Noteholders;
- (p) To credit the Transaction Account with an amount up to the Float Amount;
- (q) Originator Premium Portion payable to the Originator;
- (r) On and from the Step-Up Date, to pay:
 - (i) first, Class A principal amounts which will be applied towards

redemption of the
Class A Notes;

(ii) second, Class B
principal amounts
which will be
applied towards
redemption of the
Class B Notes;

(iii) third, Class C
principal amounts
which will be
applied towards
redemption of the
Class C Notes;

(iv) fourth, Class D
principal
amounts, which
will be applied
towards
redemption of the
Class D Notes;

(s) Following repayment in
full of the Rated Notes, to
pay Class E principal
amounts until the Class E
Notes are fully redeemed
(including from funds
standing to the credit of
the Credit Enhancement
Reserve);

(t) To the extent not provided
for elsewhere in the Pre-
Enforcement Priorities of
Payments, to pay amounts
due to the other relevant
Secured Parties;

(u) To pay firstly, interest,
secondly (excluding the
Liquidity Reserve Loan
unless not fully repaid
from the funds in the
Liquidity Reserve
Account after the
repayment in full of the
Rated Notes) principal
and thirdly, any other
amounts due to the
Subordinated Loan

Provider under the Subordinated Loan Agreement;

- (v) Prior to the earlier of an Insolvency Event in relation to Seller and the repayment in full of the Rated Notes, to replenish the Payment Holiday Reserve to the Payment Holiday Reserve Required Amount;
- (w) To pay firstly, any amounts of an the Initial Purchase Price for Additional Promissory Notes acquired during the Revolving Period which remains outstanding after the Revolving Period End Date and secondly, Deferred Consideration due to the Seller, less NOK[50,000] per calendar year; and
- (x) Any surplus to the Equity Account.

H. TRIGGERS TABLES

Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings</u>	<u>Possible effects of Trigger being breached include the following:</u>
Collection Accounts Bank	Each Collection Accounts Bank will be required to have ratings assigned to its unsecured, unsubordinated and unguaranteed debt obligations of at least (a) in the case of Fitch, a long-term rating of "A" or a short-term rating of "F1" and (b) in the case of DBRS, a long-term rating of "A" or a short-term rating of "R-1 (low)" (or such other rating which is consistent with the then current rating methodology of DBRS).	If a Collection Accounts Bank ceases to be an Eligible Bank, the Collection Accounts Bank will be required to, at its own cost, arrange for the transfer of the Collection Bank Accounts to an Eligible Bank on terms substantially similar to the Bank Account Agreement within 30 days of the date that it ceased to be an Eligible Bank.
Reserve Accounts Bank	Each Reserve Accounts Bank will be required to have ratings assigned to its unsecured, unsubordinated and unguaranteed debt obligations of at least (a) in the case of Fitch, a long-term rating of "A" or a short-term rating of "F1" and (b) in the case of DBRS, a long-term rating of "A" or a short-term rating of "R-1 (low)" (or such other rating which is consistent with the then current rating methodology of DBRS).	If a Reserve Accounts Bank ceases to be an Eligible Bank, the Reserve Accounts Bank will assist the Issuer in appointing an Eligible Bank as replacement Reserve Accounts Bank on terms substantially similar to the Reserve Bank Accounts Agreement within 30 days of the date that the Reserve Accounts Bank ceased to be an Eligible Bank. An Eligible Bank means a bank with ratings assigned to its unsecured, unguaranteed and unsubordinated debt obligations of at least (a) in the case of Fitch, a long-term rating of "A" or a short-term rating of "F1" and (b) in the case of DBRS, a long-term rating of "A" or a short-term rating of "R-1 (low)" (or such other rating which is consistent with, or are consistent with the then current rating methodology of DBRS).

Non-Rating Triggers Table

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Termination of the	The appointment of the Servicer may be	The Standby Servicer will be

appointment of Servicer	the	terminated in the circumstances set out in the Servicing Agreement which include, without limitation, a material breach by the Servicer of its obligations under the Servicing Agreement or the insolvency of the Servicer.	appointed as replacement servicer under the terms of the Standby Servicing Agreement and will service the Portfolio. Pursuant to the Servicing Agreement, the Servicer shall be obliged to carry out certain steps to facilitate the appointment of the Standby Servicer and will not be released from its obligations under the relevant provisions of the Servicing Agreement until a Standby Servicer has been appointed. See " <i>Summary of Transaction Documents</i> " for further information.
Termination of appointment of Standby Servicer	the	The appointment of the Standby Servicer may be terminated in the circumstances set out in the Standby Servicing Agreement which include, without limitation, a material breach by the Standby Servicer of its obligations under the Standby Servicing Agreement or the insolvency of the Standby Servicer.	Upon termination of the appointment of the Standby Servicer, the Issuer agrees to use its reasonable endeavours to appoint a substitute standby servicer. Any such substitute standby servicer will be required to enter into a standby servicing agreement on terms substantially similar to the Standby Servicing Agreement (although the fees may differ according to Market Conditions at that time) and the Standby Servicer may not be released from its obligations under the Standby Servicing Agreement until a substitute standby servicer has been appointed.
Termination of appointment of Agent	the	The appointment of any Agent may be terminated in the circumstances set out in the Agency Agreement which include, without limitation, the insolvency of such Agent.	A replacement agent approved by the Note Trustee will be appointed and any termination will only be effective where there is, <i>inter alia</i> , a Principal Paying Agent and an Agent Bank in place.
Removal of Security Trustee	the	The Noteholders may, by Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders remove any trustee or trustees appointed under the English Deed of Charge.	The Issuer undertakes that, in the event of the Security Trustee being removed, it will use its best endeavours to procure that a new security trustee approved by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, is appointed as soon

as reasonably practicable thereafter.

Removal of the Note Trustee	The Noteholders may, by Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders remove any trustee or trustees appointed under the Trust Deed.	The Issuer undertakes that, in the event of the Note Trustee being removed, it will use its best endeavours to procure that a new note trustee approved by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, is appointed as soon as reasonably practicable thereafter.
Termination of the Cash Manager	The appointment of the Cash Manager may be terminated in the circumstances set out in the Cash Management Agreement which include, without limitation, a material breach by the Cash Manager of its obligations under the Cash Management Agreement or the insolvency of the Cash Manager.	The Standby Cash Manager will be appointed as replacement cash manager under the terms of the Cash Management Agreement and will provide certain core cash management services to the Issuer. Pursuant to the Cash Management Agreement, the Cash Manager shall be obliged to carry out certain steps to facilitate the appointment of the Standby Cash Manager.
Termination of Standby Cash Manager	The appointment of the Standby Cash Manager may be terminated in the circumstances set out in the Cash Management Agreement which include, without limitation, a material breach by the Standby Cash Manager of its obligations under the Cash Management Agreement or the insolvency of the Standby Cash Manager.	Upon termination of the appointment of the Standby Cash Manager, the Issuer agrees to use its reasonable endeavours to appoint a substitute standby cash manager. Any such substitute standby cash manager will be required to enter into a cash management agreement on terms substantially similar to the Cash Management Agreement (although the fees may differ according to Market Conditions at that time) and the Standby Cash Manager may not be released from its obligations under the Cash Management Agreement until a substitute standby cash manager has been appointed.
Termination of the Storage Company	The appointment of the Storage Company may be terminated in the circumstances set out in the Storage Agreement which include, without limitation (i) a substantial breach by	Upon termination of the appointment of the Storage Company, the Issuer agrees to use its reasonable endeavours to

any of the Storage Company or the Issuer of its obligations under the Storage Agreement, (ii) the insolvency or winding up of either the Storage Company or the Issuer and (iii) the non-compliance of payment obligations or storage obligations under the Storage Agreement by the Issuer.

appoint a substitute storage company. Any such substitute storage company will be required to enter into an agreement with the Issuer regarding the storage of the Promissory Notes. Such substitute storage company shall, according to the Norwegian Security Agreement, also be duly notified and acknowledge receipt thereof, of the security interest created over the Promissory Notes and such agreement pursuant to the Norwegian Security Agreement.

Portfolio related Trigger Events

If a Trigger Event occurs, then:

- the Revolving Period shall end and the Issuer shall cease acquiring Additional Promissory Notes; and
- all Principal Receipts will be applied in accordance with the Pre-Enforcement Principal Priority of Payments to redeem the Notes then outstanding until the Notes are redeemed in full.

Trigger Event means any of the following events, to be determined on each Calculation Date:

- (a) an Insolvency Event occurs in relation to the Seller;
- (b) a Note Event of Default occurs;
- (c) there was a debit (that has not been cured) on the Principal Deficiency Ledger of any class of Notes as at the immediately preceding Interest Payment Date;
- (d) the amount of Principal Receipts available to be credited to the GIC Account as Initial Purchase Price Reserve Amount exceeds NOK 200,000,000;
- (e) the aggregate Principal Promissory Note Amount of the Transferred Promissory Notes in the Portfolio which have been Written-off on the immediately preceding Cut-off Date since the Closing Date is, prior to the Interest Payment Date falling:
 - (i) 12 months after the Closing Date, more than 3.5 per cent. of the aggregate Principal Promissory Note Amount (calculated as of the Closing Date) of all the Transferred Promissory Notes in the Portfolio on the Closing Date plus the aggregate Principal Promissory Note Amount of all Transferred Promissory Notes (as at the date that such Transferred Promissory Notes were transferred to the Issuer) in the Portfolio that have been transferred to the Issuer since the Closing Date up to the relevant Cut-off Date;
 - (ii) 18 months after the Closing Date, more than 5.5 per cent. of the aggregate Principal Promissory Note Amount (calculated as of the Closing Date) of all the Transferred Promissory Notes in the Portfolio on the Closing Date plus the aggregate Principal Promissory Note Amount of all Transferred Promissory Notes (as at the date that such Transferred Promissory Notes were transferred to the Issuer) in the Portfolio that have been transferred to the Issuer since the Closing Date up to the relevant Cut-off Date;
 - (iii) 24 months after the Closing Date, more than 7 per cent. of the aggregate Principal Promissory Note Amount (calculated as of the Closing Date) of all the Transferred Promissory Notes in the Portfolio on the Closing Date plus the aggregate Principal Promissory Note Amount of all Transferred Promissory Notes (as at the date that such Transferred Promissory Notes were transferred to the Issuer) in the Portfolio that have been transferred to the Issuer since the Closing Date up to the relevant Cut-off Date;
- (f) 3.5 per cent. or more of the Transferred Promissory Notes in the Portfolio is Delinquent for two or three months (based on a three-month rolling average of the fraction (expressed as a percentage), the numerator of which is the Principal Promissory Note Amount of the Transferred Promissory Notes which are Delinquent and the denominator of which is the Principal Promissory Note Amount of all the Transferred Promissory Notes in the Portfolio (such balances to be calculated based on amounts outstanding on that Cut-off Date and on each of the two immediately preceding Cut-off Dates,

except in respect of the Cut-off Dates falling in [●] 2017 and [●] 2017 which will be calculated based on amounts outstanding on each preceding Cut-off Date, or where no such date is available, the Closing Date)); or

- (g) the balance of the Liquidity Reserve after the application of the Revenue Receipts (but prior to application of such funds from the Liquidity Reserve Account towards any Revenue Deficit) will be less than the Liquidity Reserve Required Amount on the immediately following Interest Payment Date;
- (h) the amount of margin over NIBOR charged on the Transferred Promissory Notes in the Portfolio falls below [10.0] per cent. (based on a three-month rolling average of the difference between (i) the fraction (expressed as a percentage) the numerator of which is the aggregate of the Principal Promissory Note Amount of each Transferred Promissory Note in the Portfolio multiplied by its nominal interest rate per annum and the denominator is the Principal Promissory Note Amount of all the Transferred Promissory Notes in the Portfolio and (ii) 30-day NIBOR (such amounts to be calculated based on amounts outstanding on each of the three immediately preceding Cut-off Dates, except in respect of the Cut-off Dates falling in [●] 2017 and [●] 2017 which will be calculated based on amounts outstanding on each preceding Cut-off Date, or where no such date is available, the Closing Date);
- (i) the weighted average remaining term to maturity of the Portfolio exceeds 130 months; or
- (j) a Servicing Report Delivery Failure occurs and is continuing.

I. FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fee	Servicing Fee: a percentage of the total amount of the Portfolio calculated as follows at each Calculation Date: 0.10% of the outstanding principal balance of the Transferred Promissory Notes as calculated on the immediately preceding Cut-Off Date.	Ahead of all outstanding Notes	Monthly in arrear on each Interest Payment Date
Standby Servicing Fee	Standby Servicing Fee: SEK350,000 for the first year, and SEK225,000 for subsequent years.	Ahead of all outstanding Notes in respect of the Standby Servicing Fee	Monthly in arrear on each Interest Payment Date
	Servicing Fee: as set out in the Standby Servicing Agreement in the event that the Standby Servicer assumes the role of Servicer.	Ahead of all outstanding Notes in respect of the Servicing Fee	
Cash Management Fee	Cash Management Fee: NOK[80,000] per annum	Ahead of all outstanding Notes	Monthly in arrear on each Interest Payment Date
Standby Cash Manager Fee	Standby Cash Management Fee: An amount as agreed between the Standby Cash Manager and the Issuer from time to time	Ahead of all outstanding Notes	Monthly in arrear on each Interest Payment Date
Service Provider Fee	Service Provider Fee: No fees applicable prior to the Access Period (as defined in the Servicing Transfer Agreement). During the Access Period, the fee will be calculated in accordance with the Servicing Transfer Agreement.	Ahead of all outstanding Notes	Monthly in arrear on each Interest Payment Date

Other fees and expenses of the Issuer to be paid monthly in arrears, except in the case of the fee payable to the Independent Director of the Issuer, which is to be paid annually in advance	Estimated to be around (and subject to a cap of) NOK[2,000,000] per annum	Ahead of all outstanding Notes	When due and payable
Set-up Fees to be paid by the Issuer on or around the Closing Date	Estimated to be around NOK22,000,000	Not applicable	Payable by the Issuer utilising funds from (i) the Establishment Loan and (ii) the unconditional shareholder's contributions from the Parent Company, each made on or around the Closing Date
Extraordinary fees incurred if Standby Servicer appointed	A fixed fee of SEK500,000	Ahead of all outstanding Notes	Payable upon conversion of Data from Tieto Sweden AB's system to the Standby Servicer's system
Fees for admission to the Official List and admission to trading on the Irish Stock Exchange's market for listed securities	€[8,940] in initial fees and €[2,000] per annum thereafter (exclusive of VAT)	Ahead of all outstanding Notes	Payable on each Interest Payment Date falling in [●]

RISK FACTORS

The following is a summary of certain aspects of the issue of the Notes and the related transactions about which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should read the detailed information set out in this Prospectus and reach their own views prior to making any investment decision. If you are in any doubt about the contents of this Prospectus you should consult an appropriate professional adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

Each investor in the Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (d) understand thoroughly the Conditions of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to an investor's overall portfolio. An investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on its overall investment portfolio.

The Issuer believes that the risks described below are the principal risks inherent in the transaction for the 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. The Issuer does not represent that the below statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus may mitigate some of these risks for Noteholders, there can be no assurance that these elements will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

A. Considerations relating to the Notes and the Issuer

Risks relating to the business of Nordax

During the Revolving Period, the Issuer is dependent on Nordax' ability to originate new loans to be acquired by it. Hence, the Issuer will be affected by any economic or other business related events with a negative impact on Nordax' ability to originate new loans. Such events may include, *inter alia*, global and domestic changes in the economic climate, interest rate development, inflation and policy decisions.

The risks outlined below are related to the business activities of Nordax and may have a negative impact on the financial development of Nordax if not defined and managed properly.

Nordax' corporate strategies are under constant review, including potential acquisitions of loans or other receivables portfolios and potential divestments of non-core businesses from other financial institutions. The taking of any such action may affect the business, financial position and/or capital structure of Nordax.

Nordax product offering

Nordax derives its revenue almost entirely from unsecured personal loans. Therefore, there is a risk that changes affecting Nordax's ability to offer personal loans in any of its geographical markets will require Nordax to reduce or restrict its primary operations and amend its current business model. Furthermore, compared to competitors that have a more diversified product portfolio, Nordax will be more exposed to adverse changes in macroeconomic conditions or other factors affecting the personal loan market.

Financial risks

Nordax is through its business exposed to, besides knowingly taken credit risk, other financial risks such as market risk (including currency risk and interest rate risk), counterparty risk, investment risk and liquidity risk. Financial risks are inherent in Nordax' operations.

Liquidity risk consists of Nordax' current and future risk of losses due to its inability to pay its debts as they fall due. Liquidity risk also includes settlement risk i.e. risk of loss due to transactions in financial instruments that cannot be settled on the agreed date.

Counterparty risk and investment risk consist of current and future risk of loss due to a financial counterparty or issuer of a security being unable to fulfil its contractual obligations.

The board of directors of Nordax adopts the financial risk limits stated in its financial risk policy. Financial risks are regularly monitored and reported to the board of directors.

Nordax is actively managing the above risks. This includes a continuous assessment of the probability that a certain predictable risk event will occur and to continuously analyse the impact of such occurrence.

Nordax' credit risk consists of current and future losses due to borrowers that for different reasons are unable to meet their credit obligations. Credit risk also includes concentration risk, i.e. the risk relating to large exposures to a group of inter-linked customers.

Credit risk further includes the risk of acknowledged techniques for risk monitoring and risk reduction proving to be less effective than expected.

Operational risks

Operational risk is the risk of losses due to internal processes and procedures that are flawed or ill suited, human errors and system errors or external events including legal risks. Operational risks include current and future risk of losses due to lack of information technology and processes in relation to manageability, integrity, control and contingency or due to lack of IT-strategy and policy.

Operational risks further include current and future risk of losses due to the company acting illegally or not abiding by laws, rules, regulations, contracts, prescribed practices or ethical rules.

Strategic Risk (Competition)

Nordax operates in a market subject to competition. Strategic risk includes the risk that competition has a negative impact on the performance of Nordax due to Nordax not being able to offer a sufficiently attractive product portfolio.

Risks in relation to the financial system

The participants in the financial market are inter-linked. This means that if any of the participants encounter problems – system technical, in terms of liquidity or of any other nature – the problems can pass through the market and affect many other participants, including Nordax. This may result in financial losses for Nordax.

Risks in relation to laws and regulations

Nordax' business is subject to applicable laws, regulations and regulatory supervision. Any changes to applicable regulations may significantly affect the way in which Nordax conducts its business and may also affect Nordax' financial results.

Risk in relation to the transfer of loans to the Issuer

The Seller intends to transfer Promissory Notes to the Issuer on a regular basis during the Revolving Period. The Issuer does not pay the Initial Purchase Price for these Additional Promissory Notes transferred during a Monthly Acquisition Period until the immediately following Interest Payment Date or, if applicable, any future Interest Payment Date thereafter. The obligation of the Issuer to pay the outstanding Initial Purchase Price of the Additional Promissory Notes during the Revolving Period is conditional on the Issuer having sufficient Principal Receipts available to fulfil that obligation. After the Revolving Period End Date, the Issuer may also pay any outstanding Initial Purchase Price of such Additional Promissory Notes which have not been paid during the Revolving Period using available Revenue Receipts, if any, in accordance with the Pre-Enforcement Revenue Priority of Payments.

Risk in relation to services performed by Nordax

The Issuer has appointed Nordax as its Servicer and Cash Manager. The appointment can be terminated if Nordax breaches its obligations in a material way, or if it is subject to an insolvency related event.

Liability under the Notes and Credit Risk

The Notes will be solely obligations of the Issuer and will not be the responsibility of, or guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Parent Company, the Seller, the Servicer, the Standby Servicer, the Cash Manager, the Standby Cash Manager, the Account Banks, the Note Trustee, the Security Trustee, the Lead Manager, the Arranger, the Service Provider, the Agents, the Storage Company or the Insurance Companies, or any other company in the same group of companies as, or affiliated to, any of such entities.

Limited recourse of the Issuer

The Notes will be limited recourse obligations of the Issuer. Further, the assets of the Issuer available to meet its obligations under the Notes will themselves be limited. The ability of the Issuer to meet its obligations under the Notes will be dependent primarily upon the receipt by it of principal and interest from the Customers (and, where relevant, the Insurance Companies) under the Transferred Promissory Notes (see further "*Considerations relating to the Promissory Notes*" below), the extent and availability of the Credit Enhancement Reserve, the extent and availability of the Liquidity Reserve and the availability of funds borrowed from the Subordinated Loan Provider.

Other than the foregoing and any interest earned by the Issuer in respect of its bank accounts, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes.

Enforcement and Credit Structure

Upon enforcement of the Issuer Security and the Parent Company Security, the Secured Parties, represented by the Security Trustee, will have recourse only to the Security Assets of the Issuer (comprising, principally, the Transferred Promissory Notes) and the Parent Company (comprising, the shares in the Issuer only). Neither the Issuer nor the Security Trustee will have any recourse to the Seller or the Servicer or (if applicable) the Standby Servicer. The Issuer shall have no recourse to the Originator.

If following an enforcement of the Issuer Security and the Parent Company Security there are insufficient amounts available from the Security Assets to pay in full, in accordance with the provisions of the relevant Transaction Documents, the Secured Obligations, then the Secured Parties shall have no further claim against the Issuer in respect of any amounts owing to them which remains unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights against the Issuer shall be deemed to cease.

For the avoidance of doubt, the Issuer Security will not include the Equity Account, the Transaction Account or the Collection Agency Account, or amounts which remain standing to the credit of those accounts. Pursuant to the terms of the Cash Management Agreement, all amounts standing to the credit of the Transaction Account shall be transferred by the Cash Manager to the GIC Account upon the service of an Enforcement Notice on the Issuer. As for the Collection Agency Account, the Cash Manager shall procure that any amounts standing to the credit of the Collection Agency Account shall be transferred to the GIC Account no later than one Business Day from the receipt of such amounts.

The terms of the Transaction Documents will, however, provide for the Issuer to be a "special purpose entity", with no business operations other than the issue of the Notes, the entering into of the Transaction Documents and the transactions ancillary thereto.

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of a Note Event of Default, while any of the Promissory Notes are still outstanding may depend upon whether the Issuer's interest in the Promissory Notes and the other Security Assets can be realised to obtain an amount sufficient to redeem the Notes. There can be no assurance that the Issuer or the Security Trustee, as the case may be, will realise such an amount.

Although the Security Trustee will hold the Issuer Security and the Parent Company Security on behalf of the Noteholders, the Issuer Security and the Parent Company Security will also be held for certain third parties that will rank ahead of the Noteholders, including, amongst others, other Secured Parties in respect of certain amounts owed to them under the Transaction Documents.

Customer Consent for sale of Promissory Notes on enforcement of the Issuer Security

Following the enforcement of the Issuer Security, the Security Trustee may or may request an agent to notify the Customers to pay amounts in respect of the Transferred Promissory Notes directly to the Security Trustee, or as the Security Trustee may otherwise direct. However, if the Security Trustee sought to enforce the Issuer Security by way of a sale of the Transferred Promissory Notes to a third party that is not a financial institution as defined in the Norwegian Financial Contracts Act (see further below), then the consent of the underlying Customers to that transfer would need to be obtained. This may affect the value and/or timing of any such sale.

Yield and prepayment considerations

The yield to maturity of the Notes of each class will depend on, among other things, the amount and timing of payments of principal (including prepayments) on the Transferred Promissory Notes in the Portfolio, sale proceeds arising on enforcement of a Transferred Promissory Note and repurchases of Transferred Promissory Notes by the Originator (including voluntary repurchases and repurchases due to breaches of certain warranties relating to such Transferred Promissory Notes or a Further Advance being made by the Originator in respect of such Transferred Promissory Note in the Portfolio). The Seller will use reasonable efforts to offer to sell Promissory Notes to the Issuer from time to time pursuant to the Loan Transfer Agreement and the Issuer will (subject to certain conditions) accept such offer on any Transfer Date during the Revolving Period.

The rate of prepayment of the Promissory Notes cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the retail lending market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Portfolio will experience. See the section entitled "*Weighted Average Lives of the Notes*".

Absence of secondary market; limited liquidity

No assurance is provided that there is an active and liquid secondary market for the Notes, nor can there be any assurance that a secondary market for the Notes will develop. To the extent that a secondary market exists or develops, it may not continue for the life of the Notes or it may not provide Noteholders with liquidity of investment with the result that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield.

The nominal amount of the Notes may not be indicative of the market price for the Notes following the admission to trading of the Notes on the Irish Stock Exchange. Further, following listing of the Notes, the liquidity and trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as to market fluctuations and general economic conditions that may adversely affect the liquidity and price of the Notes, regardless of the actual performance of the Portfolio.

The Notes are generally freely transferable negotiable instruments, but subject to certain transfer restrictions and can be transferred only to certain transferees, see "Transfer Restrictions and Investor Representations Offers and Sales". Such restrictions on the transfer of the Notes may further limit their liquidity.

Potential investors should be aware of the prevailing global credit market conditions (which continue at the date of this Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Portfolio. It is not known for how long these market conditions will continue or whether they will worsen.

Ratings of Notes

The ratings assigned to each class of Rated Notes by the Rating Agencies are based on the Portfolio only and other relevant structural features of the transaction, including, among other things, the long or short term, unsecured and unsubordinated debt ratings of the Account Banks. These ratings reflect only the view of the Rating Agencies. A rating is not a recommendation to buy, sell or hold securities and there is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by one or both Rating Agencies as a result of changes in or unavailability of information or if, in any Rating Agency's judgement, circumstances so warrant. At any time, a Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Notes may

be lowered or withdrawn. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or liquidity of any Class of Notes.

The Class E Notes will not be rated by the Rating Agencies.

Rating agencies other than the Rating Agencies may seek to rate the Class A Notes, Class B Notes, the Class C Notes and/or the Class D Notes without having been requested to do so by the Issuer, and if such "unsolicited ratings" are lower than the comparable rating assigned to the Class A Notes, Class B Notes, the Class C Notes and/or the Class D Notes by the Rating Agencies, such shadow ratings could have an adverse effect on the value of the Class A Notes, Class B Notes, the Class C Notes and/or the Class D Notes. For the avoidance of doubt, and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to solicited ratings assigned by each Rating Agency only. Future events also, including but not limited to events affecting the Portfolio and/or the retail lending market generally, could have an adverse impact on the ratings of any of the Rated Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agency and ratings referred to in this Prospectus is set out on the cover page of this Prospectus.

Income and Principal Deficiency

Any Losses realised on the Portfolio will result in a principal deficiency (a **Principal Deficiency**) and a corresponding debit will be made to the appropriate Principal Deficiency Ledger (see the section "*Cashflows – Ledgers*").

In addition to the above, if, on any Interest Payment Date, Revenue Receipts (also taking into account the funds to be applied from the Liquidity Reserve pursuant to the terms set out in the Cash Management Agreement) are insufficient to enable the Issuer to pay interest (in accordance with the Pre-Enforcement Revenue Priority of Payments) on the Rated Notes or amounts ranking in paragraphs (a) to (c) of the Pre-Enforcement Revenue Priority of Payments, then the Issuer will apply Principal Receipts as Deemed Revenue Receipts to make up the shortfall in accordance with the Pre Enforcement Principal Priority of Payments. See further "*Cashflows – Pre-Enforcement Principal Priority of Payments*". With the exception of the Class A Notes, no amounts of Principal Receipt may however be applied to pay interest on a class of Rated Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Rated Notes. Any such application of Principal Receipts will result in a Principal Deficiency and a corresponding debit will also be made to the appropriate Principal Deficiency Ledger.

These Principal Deficiencies may be reduced by the subsequent application of Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, which provides that, subject to the payment of prior ranking obligations, Revenue Receipts will be first credited to the Class A Principal Deficiency Ledger and secondly (once the balance on the Class A Principal Deficiency Ledger is reduced to nil) to the Class B Principal Deficiency Ledger and thirdly (once the balance on the Class B Principal Deficiency Ledger is reduced to nil) to the Class C Principal Deficiency Ledger and fourthly (once the balance on the Class C Principal Deficiency Ledger is reduced to nil) to the Class D Principal Deficiency

Ledger and fifthly (once the balance on the Class D Principal Deficiency Ledger is reduced to nil) to the Class E Principal Deficiency Ledger.

In any event, there can be no assurance that sufficient Revenue Receipts will be received by the Issuer and available in accordance with the Pre-Enforcement Revenue Priority of Payments to cure any debit balance on the Principal Deficiency Ledgers.

If there are any income or principal deficiencies, then either of the following consequences may arise:

- (a) the interest and other income of the Issuer may not be sufficient, after making the payments to be made in priority thereto, to fund payments of interest due to holders of each Class of Notes; and/or
- (b) there may be insufficient funds to redeem each Class of Notes prior to or at any time on or after the Final Maturity Date; and/or
- (c) a Trigger Event or a Note Event of Default may occur.

Subordination of Class B Notes, Class C Notes, Class D Notes and Class E Notes

Payments of principal and interest in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class A Notes. Further, payments of principal and interest in respect of the Class C Notes, the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class B Notes. Further, payments of principal and interest in respect of the Class D Notes and the Class E Notes will be subordinated to payments of principal and interest in respect of the Class C Notes. Further, payments of principal and interest in respect of the Class E Notes will be subordinated to payments of principal and interest in respect of the Class D Notes.

If, on any Interest Payment Date when there are Class A Notes outstanding, the Issuer has insufficient funds to make payment in full of interest due on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, then the Issuer will be entitled (under **Condition 15** (Subordination by Deferral)) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. This will not constitute a Note Event of Default. If there are no Class A Notes then outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class C Notes, the Class D Notes and the Class E Notes only. If there are no Class A Notes and no Class B Notes outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class D Notes and the Class E Notes only. If there are no Class A Notes, Class B Notes or Class C Notes outstanding, the Issuer will be entitled to defer payments of interest in respect of the Class E Notes only. If there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, the Issuer will not be entitled to defer payments of interest in respect of the Class E Notes.

In addition, prior to the service of an Enforcement Notice and repayment in full of the Rated Notes (in respect of (a) and (c)) and prior to the Step-Up Date (in respect of (b)), Revenue Receipts shall be used to credit (a) the Liquidity Reserve Account in an amount up to the Liquidity Reserve Required Amount, (b) the Credit Enhancement Reserve Account in an amount up to the Credit Enhancement Reserve Required Amount and (c) the GIC Account (towards the Payment Holiday Reserve) in an amount up to the Payment Holiday Reserve Required Amount in accordance with the Pre-Enforcement Revenue Priority of Payments. After the repayment in full of the Rated Notes, any amounts (a) standing to the credit of the Liquidity Reserve Account shall be paid to the Subordinated Loan Provider towards the repayment of the Liquidity Reserve Loan outside the Priorities of Payments, (b) standing to the credit of the Credit Enhancement Reserve Account shall be applied towards repayments of the holders of the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero followed by items ranking junior to the Class E Notes in the Pre-Enforcement Revenue Priority of Payments and thereafter following repayment in full of the Class E

Notes in accordance with the Pre-Enforcement Priority of Payments and (c) in the Payment Holiday Reserve shall be released to form part of Revenue Receipts.

The terms on which the Issuer Security relating to the Portfolio will be held will provide that, both before and after service of an Enforcement Notice or the Notes otherwise becoming due and repayable in full, certain payments (including all amounts payable to any receiver, the Note Trustee and the Security Trustee, certain amounts due from the Issuer to the Servicer, the Standby Servicer, the Cash Manager, the Standby Cash Manager, the Service Provider, the Account Banks and the Agents) will be made in priority to payments in respect of interest and principal on the Notes.

Conflict of interests between Classes of Noteholders

The Note Trustee will be required, in performing its duties as trustee under the Trust Deed and in directing the Security Trustee under the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement and/or the Share Pledge Agreement, to have regard to the interests of all the Classes of Noteholders together. However, if (in the sole opinion of the Note Trustee) there is a conflict between the interests of the holders of one or more Classes of Notes and the interests of the holders of one or more other Classes of Notes, then the Note Trustee will be required in certain circumstances to have regard only to the interests of the holders of the Most Senior Class of Notes. For all purposes when the Note Trustee performs its duties under the Trust Deed and/or directs the Security Trustee under the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement and/or the Share Pledge Agreement, the interests of individual Noteholders will be disregarded and the Note Trustee will determine interests viewing the holders of any particular Class of Notes as a whole.

Conflict of interests between the Noteholders and the Secured Parties

The Security Trustee will be required, in performing its duties as trustee under the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement and/or the Share Pledge Agreement, to have regard to the interests of all the Noteholders together if so directed by the Note Trustee (so long as there are any Notes outstanding) and shall not, while any of the Notes remain outstanding, be required to have regard to the interests of any other Secured Party.

Noteholder and Secured Party representation

In accordance with the Terms and Conditions, the Note Trustee represents all Noteholders in all matters relating to the Notes and the Security Trustee represents the Secured Parties in all matters relating to the Security. However, this does not rule out the possibility that the Noteholders and/or the Secured Parties (as applicable), in certain situations, could bring their own action against the Issuer, which could negatively impact the chances of an effective sale of the Security Assets.

To enable the Note Trustee to represent Noteholders and the Security Trustee to represent the Secured Parties in court, the Noteholders and/or the Secured Parties (as applicable) may have to submit a written power of attorney in favour of the Note Trustee or, as the case may be, the Security Trustee, for legal proceedings. The failure of all Noteholders to submit such a power of attorney could negatively affect the enforcement of the Issuer Security and/or the Parent Company Security.

Each Secured Party (excluding the Noteholders and the Security Trustee) will agree in the relevant Transaction Document to provide the Security Trustee with such necessary power of attorney if requested by the Security Trustee.

Under the Conditions, the Note Trustee in some cases has the right to make decisions and take measures that bind all Noteholders and/or the Secured Parties (as applicable). In addition, certain majorities of Noteholders and/or the Secured Parties (as applicable) are permitted to bind all Noteholders and/or the Secured Parties (as applicable) in relation to certain decisions, including those who vote in a manner contrary

to the majority. Consequently, the actions of the majority and the Note Trustee in such matters could impact a Noteholder's rights under the Transaction Documents in a manner that may be undesirable for some of the Noteholders. Furthermore, the actions of the majority and the Security Trustee in such matters could impact a Secured Party's rights under the Transaction Documents in a manner that may be detrimental to some of the Secured Parties.

The Issuer has been and will continue to be controlled by its sole shareholder, whose interest may conflict with those of the Noteholders

The Parent Company wholly owns 100 per cent. of the shares in the Issuer and will continue to retain this stake. The Parent Company will have the power to control most matters to be decided by vote at a shareholder's meeting. Such matters include the election of directors. Such shares in the Issuer are pledged in favour of the Security Trustee (on behalf of itself and all other Secured Parties). In addition, the articles of association of the Issuer include a requirement that the Issuer's board of directors will include at least one independent director and a further requirement for the Parent Company, being the sole shareholder of the Issuer, to appoint a new independent director at their earliest convenience if a sole independent director resigns or is terminated. An undertaking in favour of the Security Trustee from the Parent Company to the same effect is also included in the Share Pledge Agreement.

Certain material interests

Certain of the advisors and other parties to the Transaction have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Originator in the ordinary course of business. Other parties to the Transaction may also perform multiple roles. Accordingly, conflicts of interest may exist or may arise as a result of parties having previously engaged or in the future engaging in transactions with other parties, having multiple roles or carrying out other transactions for third parties. The parties to the Transaction may pursuant to the Transaction Documents be replaced by one or more new parties. It cannot be excluded that such a new party also could have a potential conflicting interest.

Modifications, authorisations and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Note Trustee may carry out the following acts:

- (a) The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, Note Event of Default or Potential Note Event of Default at any time and from time to time but only if and in so far as in its opinion the interests of any class of the Noteholders shall not be materially prejudiced thereby (a) waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in any Transaction Document or determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such for the purposes of the Trust Deed; or (b) direct or give its consent to the Security Trustee to waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in any Transaction Document, provided in each case that the Note Trustee shall not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a direction under **Condition 9 (Note Events of Default)** but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the Noteholders and, if,

but only if, the Note Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with the Conditions as soon as practicable thereafter.

- (b) The Note Trustee may, without the consent or sanction of the Noteholders at any time and from time to time (a) concur with the Issuer or any other person; or (b) direct or give its consent to the Security Trustee to concur with the Issuer or any other person, in making any modification (i) to any Transaction Document which (A) in the opinion of the Note Trustee it may be proper to make, provided that the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of all classes of the Noteholders or (B) the Note Trustee is required to make in accordance with the Trust Deed; or (ii) to any Transaction Document if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. Any such modification, direction or consent may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and shall be notified by the Issuer to the Noteholders in accordance with the Conditions (unless the Note Trustee agrees otherwise) and to the Rating Agencies, in each case as soon as practicable thereafter.
- (c) The Note Trustee may give, or direct the Security Trustee to give, any consent or approval for the purposes of any Transaction Document if, in its opinion, the interests of all classes of the Noteholders will not be materially prejudiced thereby. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in these presents or any other Transaction Document may be given retrospectively. Notwithstanding the foregoing, the Note Trustee shall without the consent or sanction of the Noteholders at any time and from time to time agree to any waiver or modification under **Condition 11.17 (Meetings of Noteholders, Modification and Waiver)** in the following circumstances: (a) any modification of the Transaction Documents required by a Rating Agency which the Rating Agency has confirmed in writing (following a request in writing by the Issuer for such a confirmation) would lead to a downgrade or withdrawal of the current ratings of any Class of the Notes if not carried out; (b) any waiver of the replacement of the relevant Account Bank following it ceasing to be an Eligible Bank pursuant the provisions of the relevant Bank Account Agreement (or any waiver of the replacement of any other party to a Transaction Document which is required to maintain a certain rating from time to time) which the relevant Rating Agency has confirmed to the Note Trustee in writing (following a request in writing by the Issuer for such a confirmation) will not adversely affect the then current ratings of any Class of the Notes; and (c) any modification to the Priorities of Payment where such modification is made to amend or add a payment due from the Issuer which ranks behind all payments due to the Noteholders, provided, in each case, that any such modification or waiver would not (x) in the sole opinion of the Note Trustee, have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions or (y) would result in a Basic Terms Modification. Such modification or waiver, once implemented, shall be conclusive and binding on all parties and the Noteholders. Neither the Note Trustee nor the Security Trustee shall be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of the Note Trustee and/or the Security Trustee consenting to such modification or waiver. The Note Trustee shall not be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of directing the Security Trustee to consent to such modification or waiver.

Indemnification and Exoneration of the Note Trustee and the Security Trustee

Each of the Trust Deed, the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement and the Share Pledge Agreement will contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee or the Security Trustee, respectively, and providing for its indemnification in certain circumstances. These will include provisions relieving the Security Trustee from

taking enforcement proceedings or enforcing the Issuer Security and/or the Parent Company Security unless indemnified to its satisfaction.

The Note Trustee and the Security Trustee and each of their related companies will be entitled to enter into business transactions with, *inter alia*, the Issuer and the Servicer, and/or related companies of any of them without accounting for any profit resulting therefrom. The Security Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, any assets comprised in the Issuer Security or the Parent Company Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Servicer or by a clearing organisation or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Security Trustee.

Each of the Note Trustee and the Security Trustee will be entitled to accept and rely on reports from professional advisers notwithstanding that the terms of engagement may contain limitations (including financial limitations) on the liability of the relevant professional adviser and notwithstanding that such reports may not be addressed to it. However, the Trustee will have no recourse to such professional advisers unless the professional advisers have agreed to address such reports to the Trustees.

Withholding Tax under the Notes

In the event that any withholding or deduction for or on account of tax is made in respect of payments of interest on the Notes in accordance with **Condition 7 (Taxation)**, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for the lesser amounts which the Noteholders will receive as a result of the imposition of such withholding or deduction. However, the Issuer will, in certain circumstances and in accordance with **Condition 6.4 (Optional redemption for taxation reasons)** of the Notes be required to (if it would avoid the effect of the withholding or deduction) appoint a Paying Agent in another jurisdiction or use reasonable endeavours to arrange the substitution of the debtor under the Notes. If these actions would not have the effect of avoiding the withholding or deduction, the Issuer may in certain circumstances redeem the Notes, therefore shortening their average lives.

The applicability of any withholding or deduction for or on account of United Kingdom, Swedish and Norwegian tax on payments of interest on the Notes is discussed further under "*Taxation*" below.

Tax

It is not expected that the Issuer will have more than an insignificant amount of taxable profit before the Notes have been repaid in full. If the Issuer incurs unexpected tax liabilities, the Issuer may be unable to pay such taxes, in which case the Swedish Tax Authority may seek to enforce a claim against the Issuer. This may have an adverse effect on the ability of the Issuer to pay interest and principal on the Notes or may result in an Issuer Insolvency Event.

Searches, investigations and warranties

The Issuer has not made or caused to be made on its behalf all of the enquiries, searches or investigations which a prudent purchaser of assets such as the Portfolio would make (and will not do so) and the Security Trustee has made no such enquiries, searches or investigations. Each of the Issuer and the Security Trustee will rely on the representations and warranties made under the Loan Transfer Agreement by the Originator. The Security Trustee's sole remedy against the Seller in respect of breach of certain of the warranties shall be to require the Originator to remedy the breach (to the extent the same is remediable) or to require the Originator to repurchase the affected Transferred Promissory Notes pursuant to the Loan Transfer Agreement. There can be no assurance that the Originator will have the financial resources to honour such obligations under the Loan Transfer Agreement. This may affect the quality of the Transferred Promissory Notes comprising the Portfolio and accordingly the ability of the Issuer to make payments due on the Notes.

Issuer reliance on third parties

The Issuer is also party to contracts with a number of third parties who have agreed to perform services in relation to the Notes. In particular, but without limitation, the Account Banks have agreed to provide certain bank accounts to the Issuer and the Principal Paying Agent and the Agent Bank have agreed to provide agency services with respect to the Notes pursuant to the Agency Agreement. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party, Noteholders may be adversely affected.

Interest rate risk

The interest rate of the Notes are based on NIBOR. Changes in the general level of interest rates may adversely affect the value of the Notes. Changes in the expected interest rate level for different categories of risks in investments may also affect the value of the Notes.

Insolvency of the Issuer and subordination provisions

As a matter of Swedish law, a bankruptcy administrator appointed in respect of the Issuer may not be bound by the provisions of the documents which subordinate payments rights of a creditor to the payment rights of other creditors. Such a bankruptcy administrator may distribute the assets of the Issuer directly to the creditors of the Issuer, without regard to terms of the Priorities of Payments.

However, the Priorities of Payments will be effective between the Secured Parties. In addition, the Issuer has been established as a special purpose company, and its debt obligations under the Transaction Documents are expressed to be limited recourse to its assets (as to which see further sub-paragraph (c) of *Risk Factors – Involuntary liquidation*). Accordingly, the circumstances when a bankruptcy administrator could be appointed in respect of the Issuer should be limited. Nonetheless, if for any reason a bankruptcy administrator was appointed in respect of the Issuer, and that bankruptcy administrator disregarded the contractual subordination provisions set out in the Transaction Documents, then Noteholders may receive less payments on their Notes, or none at all.

Regulatory initiatives may result in increased regulatory capital requirements 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 position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager, the Arranger or the Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**"), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires

national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS funds and institutions for occupational retirement provision. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. With respect to the commitment of Nordax to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Originator in its capacity as the Servicer or the Cash Manager on the Issuer's behalf), please see the statements set out in "*EU Risk Retention Requirements*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, Nordax (in its capacity as the Seller, the Servicer or the Cash Manager), the Arranger nor the Lead Manager makes any representation that the information described above is sufficient in all circumstances for such purposes.

It should be noted that the European authorities have reached political agreement on two new regulations related to securitisation. The regulations are in the process of being formally adopted and are intended to apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. While the final texts are not yet available, there will be material differences between the coming new requirements and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is expected that securitisations established prior to the application date of 1 January 2019 and that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date will remain subject to the current risk retention and due diligence requirements and will not be subject to the revised requirements in general, although this will depend on the specific drafting of the relevant provisions included in the final text.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for the purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Seller does not intend to retain at least 5 per cent. of the credit risk of the securitized assets, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitization transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Portfolio will be comprised of Promissory Notes issued by consumers resident in Norway and documented as non-negotiable promissory notes in physical or paperless form, and which have been originated by Nordax, a company incorporated in Sweden.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(i), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "**U.S. person**" means any of the following:

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States³;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

³ The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act⁴;

On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller, the Arranger and Lead Manager that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules described herein). Non-compliance with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, such non-compliance could negatively affect the value and secondary market liquidity of the Notes.

Each of the Seller, the Issuer, the Arranger and the Lead Manager have agreed that none of the Arranger or the Lead Manager or any person who controls any of them or any director, officer, employee, agent or Affiliate of the Arranger or the Lead Manager shall have any responsibility for determining the proper characterisation of potential investors for such restriction, and none of the Arranger or the Lead Manager or any person who controls it or any director, officer, employee, agent or Affiliate of the Arranger or the Lead Manager accepts any liability or responsibility whatsoever for any such determination.

Failure on the part of Nordax to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against Nordax which may adversely affect the Notes and the ability of Nordax to perform its obligations under the Transaction Documents. Furthermore, a failure by Nordax to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

Swedish Licensing issues

Under the Banking and Financing Business Act (lag (2004:297) *om bank- och finansieringsrörelse*) (the **Swedish Banking Act**), an entity that conducts business with the purpose of (i) purchasing credits and (ii) receiving repayable funds from the public, is said to conduct “financing business”. Subject to certain exemptions, an entity conducting “financing business” is required to hold a credit institution licence from the SFSA under the Swedish Banking Act (the **licensing requirement**).

The meaning of “repayable funds from the public” for the purpose of the licensing requirement is unclear, and it is possible that securitisation special purpose entities (such as the Issuer), which issue listed asset-backed securities, could be deemed to receive “repayable funds from the public” and could therefore be subject to the licensing requirement.

⁴ The comparable provision from Regulation S "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts."

The preparatory works to the Swedish Banking Act state that “financial institutions” do not constitute “the public” for the purpose of the licensing requirement, although the term “financial institution” is not defined. Given the uncertainty and the potential consequences for the transaction, the Issuer has sought clarification and has (A) provided a list of “Financial Undertakings” that it considers to be “financial institutions” for the purpose of the licensing requirement (see item (a) to (f) of “*Subscription and Sale – Financial undertaking investor restriction*” and “*Transfer Restrictions and Investor Representations Offers and Sales*” the “Financial Undertakings”) to the SFSA; (B) informed the SFSA that according to their terms, the Notes may only be held, offered, sold or made available to these Financial Undertakings; and (C) requested the SFSA confirm that the Financial Undertakings do not constitute “the public” for the purpose of the licensing requirement. The SFSA has confirmed item (C) by email. Although the confirmation of the SFSA does not explicitly extend to entities that are subject to the laws of a jurisdiction outside the European Economic Area (Non-EEA Entities, see item (g) of “*Subscription and Sale – Financial undertaking investor restriction*” and “*Transfer Restrictions and Investor Representations Offers and Sales*”), the preparatory works of the Swedish Banking Act extends the exemption in respect of the listed institutions to corresponding foreign equivalents and the Issuer has applied the same conclusion here in relation to items (a) to (e) of the Financial Undertakings. Thus, the Issuer concludes that it is not subject to the licensing requirement contained in the Swedish Banking Act.

It must be noted that the SFSA’s email response may not bind the SFSA and the licensing issue may be affected by any future change to the relevant legislation or the SFSA's interpretation of such legislation. Given the circumstances, the Issuer believes that if such change in law occurred, the SFSA would engage in a dialogue with the Issuer to discuss how the business of the Issuer could be changed so as to avoid the licensing requirement, for example by the early termination of the Revolving Period and the Issuer ceasing to acquire Additional Promissory Notes from such point in time. However, where the licensing requirement applies and no licence is obtained, the SFSA does have the power to (i) impose a fine; and/or (ii) order a company which carries on financing business without a licence to cease the activities which trigger the licensing requirement. If the SFSA were to determine that the licensing requirement applied to the Issuer and were to impose a fine, this may have an adverse effect on the ability of the Issuer to pay interest and principal on the Notes or may result in an Issuer Insolvency Event.

Involuntary liquidation

The Issuer is a public company limited by shares (*Sw. aktiebolag*) and as such subject to the rules on involuntary liquidation due to capital deficiency. These rules prescribe that the board of directors shall immediately prepare and cause the company's auditors to examine a special balance sheet for liquidation purposes (a **Special Balance Sheet**) if there is reason to believe that the shareholders' equity as would be shown by a Special Balance Sheet is less than half of the registered share capital. The minimum required share capital of the Issuer is SEK500,000.

The rules which govern the preparation of the Special Balance Sheet allow for certain adjustments to be made compared to an ordinary balance sheet and the Special Balance Sheet may, in some circumstances, show a larger amount of shareholder's equity than would an ordinary balance sheet. If the shareholders' equity pursuant to the Special Balance Sheet is less than half of the registered share capital, the board of directors and the shareholders must restore the registered share capital or file for liquidation within a certain period of time (normally about nine months).

In order to mitigate the risk related to involuntary liquidation, the following provisions have been included in the Transaction Documents:

- (a) the Subordinated Loans may be converted into equity to improve the financial position of the Issuer;
- (b) the Issuer shall, on or before the date of the issuance of the Notes, deposit SEK500,000 in the Equity Account and maintain such amount in the Equity Account for as long as any Notes are outstanding (accordingly, subject to the assumption in sub-paragraph (c) below being correct, and subject to

there being no other debt which pushes down the equity to less than one half of its registered share capital, the Issuer will maintain at least half of the registered share capital for so long as any Notes are outstanding). The Equity Account is not included in the Security and the Secured Parties will have no recourse thereto;

- (c) the obligations of the Issuer to the Noteholders are limited in recourse to the Security Assets. Although it has not been tested in a Swedish Court, it has been suggested that such limitations of obligations should be taken into account when preparing a special balance sheet and that, when preparing a special balance sheet, the debt outstanding under the Notes can be recorded for an amount which takes such limitations into account; and
- (d) Nordax will, on or before the Closing Date, make an unconditional shareholders' contribution to the Issuer of [SEK25,000,000].

Involuntary liquidation of the Issuer may result in amounts due to Noteholders being subject to delay and/or a shortfall.

Forward-looking statements

This Prospectus contains certain statements which may constitute forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as target, expect, intend, believe or other words of similar meaning. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. As such statements are inherently subject to risks and uncertainties, there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to (a) risks and uncertainties relating to voluntary prepayments and (b) such other risks and uncertainties detailed herein. All written and oral forward-looking statements attributable to the Originator and the Issuer or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this paragraph.

Investors are cautioned not to put undue reliance on such forward-looking statements. Neither the Originator nor the Issuer will undertake any obligation to publish any revisions to these forward-looking statements to reflect circumstances or events occurring after the date of this Prospectus, except as may be required by law.

Change of counterparties

The parties to the Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Reserve Accounts Bank and the Collection Accounts Bank) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer.

These criteria include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by each Rating Agency. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which satisfies the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments on the Notes.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers.

B. Considerations relating to the Promissory Notes

Risks relating to the Kingdom of Norway

Financial instruments issued by the government of Norway are rated "AAA" (long term) and F1+ (short term) by Fitch and "AAA" (long-term) and R-1 (high) (short-term) by DBRS. Relatively healthy public finances, a declining national debt, a competitive export sector and a high level of investment in natural resources such as oil and gas, combined with a well-educated labour force and a high standard of living are circumstances that signify the creditworthiness of Norway. High tax rates and rigidities in labour and product markets are similarly also factors that may influence the creditworthiness of Norway. Although Norway has an ageing population, already implemented pension system reforms are considered to help insulate these costs from the rest of the state finances.

The level of borrowing in Norway depend on business conditions and economic activity in Norway, in particular interest rates, the state of the Norwegian economy and unemployment trends. Business conditions and economic activity in Norway are cyclical in nature and may be affected by both domestic and international economic factors (for example, fluctuations in the price of oil and gas) and political events including those which have a negative impact on the global financial markets. Continued low oil price and reduced oil related investments may have a further adverse effect on the Norwegian economy and the Customers ability to repay the relevant Transferred Promissory Note. The impact of these conditions could have a material adverse effect on the Issuer's ability to pay interest and principal on the Notes.

The global capital and credit markets have been characterised by volatility and disruption in recent years. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Global markets and economic conditions have been negatively impacted for several years by various factors including market perceptions regarding the ability of certain EU Member States to service their sovereign debt obligations, including Greece, Ireland, Italy, Portugal and Spain. Concerns about credit risk (including that of sovereign governments) are influenced by the market's perception of the global economy generally, as well as perceptions of the strength of the European banking sector.

Although Norway is not a member of the European Union, such developments significantly affect Norway, since the European Union is one of Norway's principal trading partners and as Norway is a member of the broader EEA. Economic conditions in the European Union are further subject to the risks of slowdown and volatility as a result of the considerable uncertainty surrounding the United Kingdom's exit from the European Union and the considerable uncertainty as to the political implementation of that mandate, the nature and timing of such an exit, the risk of contagion in other member states and whether and to what extent this could continue to negatively impact the European markets.

The precise nature of all the risks and uncertainties the Issuer faces as a result of the global economic outlook cannot be identified and many of these risks are outside the Issuer's control. No assurance can be given as to future economic conditions in any market or as to the sustainability of the improvement in any market.

Any of the foregoing factors could have a material adverse effect on the Issuer's ability to pay interest and principal on the Notes.

Late payment or non-payment

The Issuer's ability to make payments due under the Notes and in respect of its operational and administrative expenses will be dependent primarily upon it receiving payments from Customers in respect of the Transferred Promissory Notes.

Matters which may influence retail lending delinquency rates, prepayment rates and receivership frequency and ultimate payment of interest and principal on the Transferred Promissory Notes include, but are not limited to, changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investment, political developments and government policies. Other factors specific to each Customer's individual circumstances, including financial position, may have an impact on the ability of such Customer to repay the relevant Transferred Promissory Note.

If, upon non-payment by Customers and the exercise of all available remedies under the Portfolio and after all available claims under any relevant insurance or assurance policy have been made and settled, the Issuer does not receive the full amount due by those Customers, then the Issuer's income may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on each Class of the Notes. If there is a debit balance in any of the Principal Deficiency Ledgers as at the Final Maturity Date, the holders of the relevant Class(es) of Notes may receive by way of principal repayment less than the face value of their Notes.

However, the Credit Enhancement Reserve, the Deemed Revenue Receipts and excess spread in the Portfolio are designed to mitigate the risk of the Issuer not receiving enough funds to pay interest due on each Class of Notes. The senior Notes also benefit from the subordination of payments to be made to the more subordinated Notes.

Prepayment of the Promissory Notes

The Financial Contracts Act (*No. Finansavtaleloven av 25 juni 1999 nr. 46*) (the **FCA**), which is the fundamental legislative source for the terms of consumer credits in Norway, gives consumer borrowers a right to prepay variable rate loans (such as the Promissory Notes), at any time, in part or in full, without incurring any compensatory charges. The FCA also gives the lender a right to demand early prepayment of a loan subject to certain circumstances related to, for example, a material default such as a material payment default according to FCA section 52. Consequently, there can be no guarantee as to any particular rate or pattern at which the Notes will be redeemed.

Prepayments of the Promissory Notes as set out above may result in the Issuer having insufficient funds to meet its obligations under the Notes and/or the Notes being redeemed earlier than anticipated. However, during the Revolving Period, the Seller will use reasonable efforts to sell Additional Promissory Notes to the Issuer.

Interest Rates under the Promissory Notes

The FCA requires that any increase of the interest rate must have a "fair reason", and that these reasons are set out in the credit agreement (e.g. in the terms and conditions). The FCA does not define what such "fair reasons" can be. Under the terms and conditions that regulate interest rates under the Promissory Notes, interest rates may only be adjusted by the lender to the detriment of the consumer borrowers to the extent that the adjustment can be reasonably justified by (i) decisions by the Norwegian central bank which affects the money market rate, (ii) changes in the interest rate on Norwegian government bonds, (iii) any other decision of a credit policy nature or (iv) changes in the general interest rate level for the funding of financial institutions. The lender may also increase the interest rate if the increase is reasonably justified by individual circumstances regarding the borrower and which increase the lender's credit risk. In other circumstances than set out above, the interest rate may only be increased if the increase is reasonably justified in relation to the lender's revenue ability over time, a restructuring of the lender's funding or similar circumstances affecting the lender. Interest changes may also be justified by the lender's compliance with the authorities' view on the lender's interest policy. If the justification for an interest rate increase falls away, and no other circumstances justify the keeping of higher interest rate, the interest should be reduced accordingly. Accordingly, fluctuations in the interest rates could (if the Issuer is prevented from increasing the interest

rate on the Promissory Notes) result in the Issuer having insufficient funds to meet its obligations under the Notes.

It should be noted that the FCA (and the terms and conditions regulating the Promissory Notes) requires that the lender must give the customer written notice about the changes before the changes enter into force. The notice must include an explanation of the change, the reason behind the change, the customers' right to early redemption and charges etc. which may accrue if this right is exercised. If the change is a change of the borrowing rate the notice shall also include information regarding the new nominal annual interest rate and the effective annual interest rate. If the customer is a consumer, the changes may at the earliest enter into force six weeks after the lender has sent the notice to the customer. A shorter time-limit may be set where the interest rate is changed as a result of a material change in the money market rate, bond rate or general level of interest rates for deposits with and borrowing by institutions.

Customer Consent for sale of Promissory Notes to the Issuer

Any voluntary or involuntary sale by the Issuer of any Norwegian Promissory Note to an institution which is not a financial institution as defined in the Norwegian Financial Contracts Act 1999-06-26 no. 46 (the **Norwegian Financial Contracts Act**), will require actual consent from the Customer in order for it to be a valid sale.

In connection with the transfer of Promissory Notes by the Seller to the Issuer, no active consent has been obtained from the relevant Customers in relation to the transfer to the Issuer of such Promissory Notes. However, Nordax has been advised that it is highly likely that an assignment of Promissory Notes to a Swedish financial institution (*SW. finansiellt institut*) such as the Issuer can be made without the consent of the Customers under the Norwegian Financial Contracts Act.

Insurance

Each Customer is offered payment protection insurance to secure monthly payments in the event of illness or involuntary unemployment and to secure total repayment in the event of death. The insurance policies are optional and offered by the Originator as a tied insurance intermediary to Financial Insurance Company Limited and Financial Assurance Company Limited, which are both subsidiaries of Genworth Financial, Inc. The Originator is not party to the insurance agreements, nor does the Originator have a legal relationship with the Customer (in its capacity as an insurance customer). On the face of the insurance agreements, the Customers have no right to set-off or withhold payments owed to the Issuer under the Transferred Promissory Note. However, it cannot be completely ruled out that in specific situations a consumer-friendly court would allow a Customer to set-off or withhold payments owed to the Issuer under the Transferred Promissory Notes as a result of, for example, the insurance companies' insolvency or breach of insurance terms, by reference to the insurance having been offered as a bundled service alongside the loan.

The insurance policies are optional and approximately 20 per cent. of the Provisional Portfolio by balance were covered by insurance policies. The Insurance Premiums (typically corresponding to an additional 10 per cent. of the Customer's monthly payment of interest, principal and fees) received from the Customers are split between the Insurance Companies and the Originator, (the **Insurer Premium Portion** and the **Originator Premium Portion**, respectively). As at the date of this Prospectus, the Insurer Premium Portion and the Originator Premium Portion are 60% and 40%, respectively (with only a few exemptions). The Insurance Premiums are collected (together with the Customer's monthly instalment) on the GIC Account. The Insurer Premium Portion is payable by the Issuer directly to the Insurance Companies. On each Interest Payment Date, prior to the application of the Issuer Available Funds by the Cash Manager in accordance with the relevant Priority of Payments, the Cash Manager (on behalf of the Issuer) shall pay the Insurer Premium Portion due and payable by the Issuer on such Interest Payment Date to the Insurance Companies.

Unsecured nature of the Promissory Notes

As the obligations of each of the Customers under the Promissory Notes are unsecured, the Issuer's claims thereunder will only rank equally with all other unsecured indebtedness of that Customer and will, in all cases, rank after all secured indebtedness of that Customer.

Representations and warranties in respect of the transfer of the Portfolio

Pursuant to the Loan Transfer Agreement, Nordax has made certain representations and warranties in respect of the Portfolio. The Issuer has not undertaken, nor will it undertake any investigations, searches or other actions and will rely solely on the representations and warranties given in the Loan Transfer Agreement by Nordax. There can be no assurance that Nordax will have the financial resources to meet its obligation to make any repurchases of Promissory Notes or make any payments in the future, in respect a misrepresentation or a breach of warranty given by it.

C. Servicing Arrangements

The Servicer

The Issuer's ability to make payments on the Notes will be dependent on the Servicer performing its obligations under the Servicing Agreement to, *inter alia*, collect amounts due and payable by Customers and to manage and allocate the amounts collected from the Customers in respect of the Transferred Promissory Notes. There can be no assurance that the Servicer will diligently perform its obligations. The appointment of Nordax as Servicer under the Servicing Agreement may be terminated as a result of, among other things, a default by it in performing its obligations under the Servicing Agreement in respect of the Portfolio, its insolvency or if notice of termination is given by it.

If the appointment of Nordax as Servicer is terminated, the Standby Servicer shall assume the role of the Servicer. There can be no assurance that the Standby Servicer will diligently perform its obligations. If the appointment of the Standby Servicer is terminated, there is no guarantee that a substitute standby servicer will be found who would be willing and able to administer the Transferred Promissory Notes in accordance with the terms of the Servicing Agreement. In particular, neither the Note Trustee nor the Security Trustee will act as such substitute standby servicer. It should be noted that any substitute standby servicer may charge for the servicing services provided on a basis different from either that of the Servicer or the Standby Servicer and that all such fees will rank senior to payments in respect of the Notes.

Conflicts of interest

Various potential and actual conflicts of interest may arise from the overall activities of the Servicer. In particular, it should be noted that the Servicer is the same entity as the Originator. No provision in the Servicing Agreement prevents the Servicer or any of its affiliates from rendering services of any kind to or investing or dealing with or providing other services to or entering into any arrangements with any other person or entity.

The Servicer currently provides and will continue in the future to provide services to the Issuer. In the course of managing and administering the Portfolio, the Servicer may consider its relationships with other clients. In providing services to other clients, the Servicer may recommend activities that may compete with, or otherwise adversely affect, the Issuer or the Noteholders. The Servicer shall not be liable for any such conflicts of interest and shall not be liable to account for any profit.

D. Considerations relating to the Customers

Geographical concentration of Customers

A period of business decline in a particular region or an industry or a company specific to a certain region could have an impact on the ability of a Customer in that specific region or business area to make timely payments of interest and principal under the relevant Promissory Note. The risk of concentration in a specific region is however mitigated by the fact that a large number of the applications are generated by direct mail programmes. The Originator can, to a large extent, monitor the incoming applications and adjust mailing areas if any unhealthy concentrations appear.

Portfolio tests show that the Customers are evenly spread across the populated areas of Norway but are largely concentrated in the urban areas.

Cash Collection Procedures

For regulatory and administrative purposes and to mitigate any risks of money laundering, the Servicer does not accept any cash payments or cheques. Approximately 63 per cent. of the Customers in the Provisional Portfolio pay by direct debit. The Norwegian direct debit system is operated by Nets Norway AS.

All payments (i.e. principal payments, interest payments and fee payments (including insurance premiums and late fees)) from Customers are paid directly to the GIC Account.

An interruption in the direct debit system or the giro system could have a serious impact on the Servicer's ability to collect payment from the Customers.

E. General considerations

Enforcement in Norway

The Promissory Notes give the lender the right to apply to the relevant local court official (*No: "namsmann"*) to obtain an enforced lien over assets of the borrower when the borrower is in default under the promissory note pursuant to the terms of the promissory note. It is not necessary for the lender to obtain a court decision before the application for an enforced lien is submitted to the court official. The Norwegian Enforcement Act 1992 (*No: "tvangsfullbyrdelsesloven av 26. juni 1992 no. 86"*) sets out certain statutory notice requirements in respect of such application, notably requirements that the borrower be given the right to object to the petition. A dispute over the basis for the petition may be submitted to the courts. If the court grants an enforced lien over assets of the borrower, such assets may be sold at an auction or by other means as provided for in the Enforcement Act if the borrower does not make payment on the defaulted loan.

If, upon completion of the enforcement procedures, the Issuer does not receive the full amount due by the Customers, then the Issuer's income may not be sufficient to meet its obligations under the Notes.

Debt rescheduling

According to the Debt Rescheduling Act (*No: "gjeldsordningsloven av 17. juli 1992 no. 99"*), a physical person may apply to the local court official for a debt rescheduling which can be granted if the debtor is deemed to be permanently unable to satisfy hers/his monetary obligations. A debt rescheduling under the Debt Rescheduling Act may result in a postponement in payment of all or part of the debtor's obligations, or that the creditors wholly or partly reduce claims for the payment of interest and fees or that the debt shall be reduced wholly or partly, either right away or at the end of the debt rescheduling period, in which case the period will normally be five years.

Debtors have no duty to negotiate with its creditor(s) before applying for debt rescheduling and Norwegian citizens living outside Norway may also apply for debt rescheduling in accordance with the Debt Rescheduling Act. The Debt Rescheduling Act also include a legal basis for fixing a new minimum subsistence rate (the monthly amount the debtor is permitted to retain for subsistence after creditor deductions have been made) which is to be determined on a case-by-case basis in light of what is reasonably required by the debtor.

If debt rescheduling results in Customers not being responsible for payments of their debts to the Issuer, this could affect the Issuer's capacity to meet its obligations under the Notes.

Section 47 of the Financial Contracts Act – obligation to dissuade

Under section 47 of the Financial Contracts Act, lenders (such as Nordax) have an obligation to advise the borrower against borrowing if the borrower's financial capacity or other circumstances indicate that he or she should seriously consider refraining from taking out the loan. A failure by a lender to dissuade a borrower in such circumstances could result in a reduction in the amount of the loan outstanding at the discretion of a court. Such reductions could affect the Issuer's capacity to meet its obligations under the Notes.

Section 36 of the Norwegian Contracts Act

A contract term or condition may pursuant to section 36 of the Norwegian Contracts Act (*No. Avtaleloven av 31 mai 1918 nr.4*) be modified or set aside if such term or condition is unreasonable with consideration to the circumstances relating to the entering into the agreement, later events or other circumstances. Where a provision of the contract is of such significance to the contract that it would be unreasonable to provide for the continued enforceability of the contract with its terms unchanged, the contract may be modified or set aside in its entirety. It is also clear from the preparatory works that the provision is aimed especially at unfair terms in standard contracts and that the provision is aimed especially at protecting consumers.

If any condition in the Promissory Notes is contested based on section 36 of the Norwegian Contracts Act, the Issuer's rights according to the Promissory Notes could be affected in a manner that might also have an effect on the Issuer's ability to meet its obligations under the Notes. The terms and conditions of the Promissory Notes have been reviewed by Advokatfirmaet Thommessen AS (**Thommessen**) and it is Thommessen's view that the terms and conditions do not contain any provision which is in violation of Section 36 of the Norwegian Contracts Act. However, this view is expressed solely in relation to the wording of the terms and conditions without regard to any other circumstances a court may take into account and found to conform to the requirements of Section 36 of the Norwegian Contracts Act. In addition, from October 2005 (being the date on which Nordax started offering loans to consumers in Norway) until 2 April 2014, none of its Customers have successfully contested in a court any condition of a Promissory Note on the basis of section 36 of the Norwegian Contracts Act.

Distance Marketing

The Distance Marketing directive (2002/65/EC) and the Consumer Rights Directive (2011/83/EC) is implemented in Norway in the Consumer Purchasers Cancellation Act (*No. Angrerettloven av 20 juni 2014 nr. 27*). Such act sets out a number of requirements, notably an obligation to provide information about product details (total price including related fees etc.) and contract particulars (notably the consumers right of cancellation). A failure by a lender to meet these requirements in respect of a loan may allow the borrower to cancel the credit agreement. If a significant portion of the loans are cancelled, this could affect the Issuer's capacity to meet its obligations under the Notes. The terms and conditions of the Promissory Notes have been reviewed by Thommessen and it is Thommessen's view that the terms and conditions do not contain any provision which is in violation of the Norwegian provisions implementing the Distance Marketing Directive.

European Directive on Consumer Credit

As a member of the European Economic Area (EEA), Norway has implemented the EU Directive on Consumer Credit (directive 2008/48/EC) into Norwegian law. The Directive has been implemented into the Norwegian Financial Contracts Act chapter 3, and these rules prescribe detailed rules on *inter alia* marketing of credit agreements, information to be provided prior to entering into a consumer credit agreement, the content of credit agreements, on-going information requirements towards the customer and amendments of credit agreements. The terms and conditions of the Promissory Notes have been reviewed by Thommessen and it is Thommessen's view that the terms and conditions do not contain any provision which is in violation of the Norwegian provisions implementing the Directive on Consumer Credit.

New Norwegian initiatives to regulate consumer credit

Overview

In a report to Parliament of 5 April 2017 on the state of the Norwegian financial market (No. *Finansmarkedsmeldingen*), the Norwegian Government addressed and announced a number of measures to curb potential negative side effects associated with rising levels of consumer credit in Norway. A non-exhaustive overview of such new measures will be provided below.

Stricter requirements on the marketing of consumer credit

The Norwegian Ministry of Justice and Public Security (No. *Justisdepartementet*) adopted a new Regulation on marketing of credit that entered into force on 1 July 2017. The new regulation *inter alia* prohibits door-to-door marketing of credit and marketing that emphasises how fast the credit may be granted. The new requirements will only apply from 1 July 2017 and will consequently not impact consumer loans originated prior to this date.

Registries for private debt

The Act on Debt Information when Performing Credit Assessments of Private Persons (the **Act on Debt Registries**) was enacted 16 June 2017 and will enter into force 1 November 2017. Pursuant to the act, any person may apply for and obtain a licence to establish a debt registry. All financial institutions operating in Norway (including branches and foreign financial institutions operating on a cross-border basis) are required to report or otherwise make available to debt registries information about private persons' unsecured debt and unused credit lines. Financial institutions and credit assessments firms shall be granted access to the information held in debt registries when performing credit assessments.

Proposals on increased mandatory disclosure and marketing

Further, the Government has announced that it intends to increase consumer protection by implementing stricter mandatory disclosures in the marketing of credit to consumers and in credit agreements entered into by consumers. Such measures may include prescriptive requirements on how effective interest rates are disclosed and requirements on usage of standardised terminology so that prices and conditions can be more easily compared. Further, the Ministry of Justice and Public Security has announced that it will open a public consultation in the coming months regarding unreasonable terms in credit agreements and the marketing of credit to private person in social media and by third party distributors.

Proposal on impact of negative credit assessments

Providers of credit are currently required to dissuade consumers from obtaining credit if they receive a negative credit assessment. The Government has announced that it considers to require that credit providers shall be prohibited from granting credit to a consumer that has received a negative credit assessment.

As the proposals have not yet been finalised, the potential impact on the Issuer and the Originator is uncertain. However, the proposals are unlikely to impact the existing loan portfolio.

Unfair Commercial Practices Directive 2005

In May 2005, the European Parliament and the Council adopted a Directive on unfair business-to-consumer commercial practices (the **Unfair Practices Directive**). The Directive is of general application and is not confined to consumer credit or other financial services. It potentially affects all contracts entered into with consumers who are natural persons and acting for purposes outside their trade, business, craft or profession. The Directive is intended to protect only collective interests of consumers, and so is not intended to give any claim, defence or right of set-off to an individual consumer. It provides that enforcement bodies may take administrative action or legal proceedings against a commercial practice on the basis that it is "unfair" within the Directive.

The Directive is intended to achieve a high level of consumer protection across the EU through harmonisation of relevant EU laws and has a substantial focus on advertising and sales promotion practices. The Directive was implemented in Norway on 1 June 2009 by the Marketing Control Act 2009. The Norwegian Consumer Ombudsman (No: *Forbrukerombudet*) has publicly stated that their top priority in 2014 is the field of financial services. No assurance can be given that the implementation into Norwegian law, the application of the Unfair Practices Directive in Norway and any further harmonisation will not have a material adverse effect on the Promissory Notes or the manner in which they are serviced and accordingly on the ability of the Issuer to make payments to Noteholders.

EU financial transaction tax (FTT)

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's Proposal**) for an FTT to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate). If the Commission's Proposal was adopted, 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 the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply 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 financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. 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 and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulations (EC) No. 1287/2006 are expected to be exempt.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Risks in relation to the United Kingdom's vote to leave the EU

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the EU. The UK vote was to leave the EU. There are a number of uncertainties in connection with the future of the UK and its relationship with the EU. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the EU are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the EU and/or any related matters may have on the EU markets. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

Economic conditions in the Eurozone may affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have recently intensified. In particular, concerns have been raised with respect to continuing economic, monetary and political conditions in the Eurozone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer, one or more of the other parties to the Transaction Documents (including the Seller and the Servicer) and/or any borrower in respect of the Promissory Notes.

Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the and/or the ability of the Issuer to satisfy its obligations under the Notes.

Change of law

The transactions described in this Prospectus (including the issue 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 in England, Sweden and Norway 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 document or 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. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation.

EU RISK RETENTION REQUIREMENTS

Nordax as the Originator will retain a material net economic interest of not less than 5 per cent. in the securitisation (for so long as any Class of Notes remains outstanding) in accordance with the text of each of Article 405(1) of Regulation (EU) No 575/2013 (the **CRR**), Article 51(1) of Regulation (EU) No 231/2013 (the **AIFM Regulation**) and Article 254(2) of Regulation (EU) No 2015/35 (the **Solvency II Regulation**) (in each case, not taking into account any relevant national measures). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche as required by the text of paragraph (d) of Article 405 of the CRR, the text of paragraph (d) of Article 51(1) of the AIFM Regulation and the text of paragraph (d) of Article 254(2) of the Solvency II Regulation. Any change to the manner in which such interest is held will be notified to the Noteholders.

For a description of the information to be made available after the Closing Date by Nordax (in its capacity as the Servicer or the Cash Manager on the Issuer's behalf), please see the summary in relation to the Investor Reports set out in "*Summary of Transaction Documents – Cash Management Agreement*". Further information in respect of the Promissory Notes in the Provisional Portfolio as at the Provisional Pool Cut Date and the Actual Provisional Portfolio as at the Final Pool Cut Date is available at a password protected website located at www.scl-ir.com. Prospective investors can obtain a password to access that website from Nordax. The website and information on the website is not incorporated in and does not form part of this Prospectus.

Nordax has provided a corresponding undertaking with respect to (i) the provision of such investor information specified in the paragraph above to comply with each of Article 405 of the CRR, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation and (ii) the interest to be retained by Nordax to the Arranger and the Lead Manager in the Subscription Agreement and to the Issuer in the English Deed of Charge.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any corresponding national measure which may be relevant and none of the Issuer, Nordax, the Seller, the Servicer or the Cash Manager nor the Arranger or the Lead Manager makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks please refer to the Risk Factor entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*".

Information Regarding the Policies and Procedures of the Seller

The Seller 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 Seller 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 please see the information set out in the sections of Prospectus headed "*Summary of Transaction Documents – Servicing Agreement*", "*The Seller – Origination Process*" and "*Description of the Portfolio – Write off policy and provisioning policy*";
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the sections of this Prospectus headed "*Summary of Transaction*

Documents – Servicing Agreement", *"The Seller – Servicing of Promissory Notes"* and *"Seller – Write off policy and provisioning policy"*;

- (c) adequate diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the sections of this Prospectus headed *"Description of the Portfolio – Portfolio Characteristics"* and *"Seller – Geographical Distribution"*; and
- (d) policies and procedures in relation to risk mitigation techniques, as to which please see further the section of this Prospectus headed – *"Summary of Transaction Documents – Servicing Agreement"*.

THE ISSUER

The Issuer was registered with the Swedish companies register on 1 February 2016 with corporate registration number 559049-5023. On 16 November 2016, the Issuer was registered with the Swedish Companies Registration Office as a public company with limited liability under the name Nordax Nordic 4 AB (publ). The Issuer's secondary name, SCL - Scandinavian Consumer Loans VI, has been adopted and registered for marketing purposes only.

The registered office of the Issuer is at c/o Nordax Bank AB (publ), P.O. Box 23124, SE-104 35 Stockholm and its contact telephone number is +46 (0) 8 508 808 00. The Issuer is organised as a special purpose vehicle for the securitisation of Norwegian consumer loans originated by Nordax and its activities are limited accordingly. The Issuer has no subsidiaries. The Issuer is registered with the Swedish FSA (*Sw. Finansinspektionen*) as a financial institute (*Sw. Finansiellt institut*). The Issuer is not itself subject to regulatory supervision or regulatory capital requirements. However, as it belongs to the Nordax group, its assets trigger regulatory capital requirements on a consolidated level. The Issuer is wholly owned by Nordax, owning 500,000 ordinary shares.

1. Principal Activities

The activities of the Issuer are confined in its articles of association to (i) acquiring and owning consumer loans documented in the form of promissory notes originated by Nordax and (ii) issuance of bonds and other debt instruments to finance its operations. The Transaction Documents (excluding the Norwegian Security Agreement, the Swedish Security Agreement and the Share Pledge Agreement) contain non-petition and limited recourse provisions for bankruptcy remoteness purposes in respect of the Issuer.

2. Relevant legislation

The Issuer is a limited liability company and is governed by, *inter alia*, the Swedish Companies Act (*Sw. Aktieföretagslagen (2005:551)*), the Swedish Money Laundering and Terrorist Financing (Prevention) Act (*Sw. lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*), the Swedish Certain Financial Operations (Reporting Duty) Act (*Sw. lag (1996:1006) om anmälningsplikt avseende viss finansiell verksamhet*), the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*).

Under the Swedish Certain Financial Operations (Reporting Duty) Act, the business conducted by the Issuer requires the Issuer to be registered as a financial institute with the Swedish FSA. However, as discussed above, the Issuer, as a financial institute, will not be subject to the supervision of the Swedish FSA. The Swedish FSA does however monitor the Issuer's compliance with money laundering regulations and conducts an annual review of the management of the Issuer. Any changes in the ownership or management of the Issuer shall be reported to the Swedish FSA.

Securitisation in Norway

In January 2016, the Financial Undertakings Act entered into force which repealed the previous provisions that accommodated securitisation for Norwegian financial undertakings. However, these amendments do not impact the ability of non-Norwegian financial undertakings to securitise Norwegian loan portfolios, provided other relevant law relating to such transfers of loan portfolios are complied with.

Norwegian licensing issues

The provision of credit in Norway will as a general rule trigger a licensing requirement under the Financial Undertaking Act. The assessment of whether the services are deemed to take place "in Norway" will be based on a case-by-case evaluation. On 13 April 2016, Nordax received a general statement from the Norwegian FSA stating that services provided by entities like the Issuer will not be deemed to take place "in Norway" and that such entities will not trigger a Norwegian licensing requirement relating to the provision of credit. Notwithstanding the above, the transfer of the loan portfolio requires an authorisation from the Norwegian FSA according to the Financial Undertakings Act section 12-27 which was obtained by the Issuer on 26 January 2017.

3. Articles of Association

The Issuer is governed by its Articles of Association, in accordance with which one of the directors of the Issuer must at all times be independent in relation to Nordax and its affiliates as well as the Issuer (the **Independent Director**) and if a sole Independent Director resigns or is terminated, the shareholders of the Issuer shall appoint a new Independent Director at their earliest convenience. The articles of association also include a provision to the effect that a decision for a petition for bankruptcy must be taken by all directors jointly (including the Independent Director).

4. Directors and Secretary

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

Name	Business Address	Other Principal Activities
Christian Beck (Chairman of the board of directors of the Issuer)	Nordax Bank AB (publ), Gävlegatan 22, P.O. Box 23124, SE-104 35 Stockholm, Sweden	Chairman of the board of Arcasa Arkitekter AS, Cant Invest AS, Case Holding AS and Design og Interior AS. Member of the board of Blår AS and of the Advisory Board of Palamon Capital Partners.
Jacob Lundblad (Chief Executive Officer of the Issuer)	Nordax Bank AB (publ), Gävlegatan 22, P.O. Box 23124, SE-104 35 Stockholm, Sweden	Chief Executive Officer of Nordax
Morten Falch	Nordax Bank AB (publ), Gävlegatan 22, P.O. Box 23124, SE-104 35 Stockholm, Sweden	Member of the board of directors of Nordax
Lennart Erlandson	Nordax Bank AB (publ), Gävlegatan 22, P.O. Box 23124, SE-104 35 Stockholm, Sweden	Chief Financial Officer of Nordax Member of the board of Vilicamus AB.

Jacob Smed (Independent Director of the Issuer)
Intrtrust AB
P.O. Box 16285
SE-103 25 Stockholm,
Sweden

Chairman of the board of Intertrust Depositary Services (Denmark) A/S, member of the board of Intertrust (Sweden) AB, Intertrust Depositary Services (Sweden) AB, Intertrust (Denmark) A/S, VAHIL Sweden One AB, Care of Hemnet AB, Picsolve Denmark, a branch of Picsolve International Ltd, Den internationale sundhedsfond and Fitness fonden.

Christian Beck and Morten Falch are also directors of Nordax. All directors of the Issuer are also directors of Nordax Nordic 3 AB (publ) and Nordax Sverige 4 AB (publ). Besides the Independent Director of the Issuer, all other directors of the Issuer are also directors of Nordax Sverige AB, Nordax Nordic AB (publ) and Nordax Nordic 2 AB.

As at the date of this Prospectus, the auditor for the Issuer is Deloitte AB, SE 113 79 Stockholm, Sweden. Deloitte AB is a member of the FAR, the professional institute for authorised public accountants, approved public accountants, and other highly qualified professionals in the accountancy sector in Sweden.

Audited financial statements are prepared by the Issuer on an annual basis (the first financial period is from 6 November 2015 (the date of incorporation) to 31 December 2016). The Issuer will prepare interim financial statements on a semi-annual basis. The financial year of the Issuer ends on 31 December in each year.

None of the directors of the Issuer has any actual or potential conflict between their duties to the Issuer and their private interests or other duties as listed above.

5. Financial Information

Since the date of incorporation, the Issuer has not commenced operations other than the transactions described in this Prospectus.

6. Capitalisation and Indebtedness

The capitalisation and indebtedness of the Issuer as at the date of this Prospectus, adjusted to take account of the issue of the Notes and the payments to be made on the Closing Date is as follows:

As at Closing Date

Share capital

<i>Issued:</i>	SEK500,000
<i>Unrestricted equity:</i>	SEK[25,000,000]
Total Capitalisation	SEK[25,500,000]

Loan Capital

NOK[●] Class A Floating Rate Notes due December 2040	NOK[●]
NOK[●] Class B Floating Rate Notes due December 2040	NOK[●]
NOK[●] Class C Floating Rate Notes due December 2040	NOK[●]
NOK[●] Class D Floating Rate Notes due December 2040	NOK[●]
NOK[●] Class E Floating Rate Notes due December 2040	NOK[●]

Liquidity Reserve Loan	NOK[●]
Establishment Loan [(including the Difference Amount)]	NOK[●]
Payment Holiday Reserve Loan	NOK[●]
Total indebtedness	NOK[●]

The first financial period of the Issuer ended on 31 December 2016.

THE SELLER

Organisation and legal structure

Nordax Bank AB (publ) (**Nordax**, the **Parent Company**, the **Originator** and the **Seller**) was incorporated on 26 August 2003 in Sweden. It forms part of a group of companies to which Nordax Group AB (publ) is the ultimate parent. As of 17 June 2015 the shares of Nordax Group AB (publ) are traded on the main list of the Nasdaq Stockholm exchange.

Nordax' corporate registration number is 556647-7286 and its registered postal address is P.O. Box 23124, SE-104 35 Stockholm, Sweden, telephone number + 46 8 508 808 00. The visiting address of Nordax is Gävlegatan 22, SE-104 35 Stockholm, Sweden.

On 27 January 2004, Nordax was granted a licence as a credit market company to conduct financing business according to the Swedish Financing Business Act (*Sw. Lag (1992:1610) om finansieringsverksamhet*, replaced as of 1 July 2004 by the Banking and Financing Business Act (see below)) by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the **Swedish FSA**). On 5 December 2014, Nordax was granted a licence as a banking company to conduct banking business according to the Banking and Financing Business Act by the Swedish FSA. Nordax' strategy is to offer medium-term unsecured loans to consumers throughout the Nordic region and in Germany.

Nordax started its lending activities in Sweden in February 2004. Through a centralized business model and organization based in Stockholm, Nordax is further providing cross-border consumer credit lending in Norway, Denmark, Finland and Germany in accordance with Directive 2006/48 EC of the European Parliament and of the Council of 14 June 2006 (as amended by Directive 2013/36/EU) relating to the taking up and pursuit of the business of credit institutions (recast) (the **Directive**). Nordax started the cross border lending in Norway in October 2005, in Denmark in October 2006, in Finland in August 2007 and in Germany in May 2012. In relation to Nordax' operations in Norway, Nordax notified the Swedish FSA, in accordance with Article 28 of the Directive, of its intention to provide cross-border lending in Norway and the Swedish FSA forwarded such notification to the Financial Supervisory Authority of Norway (*No. Finanstilsynet*) (the **Norwegian FSA**) in June 2005. The Norwegian FSA confirmed receipt of such notification in July 2005.

Nordax' lending activities are supplemented by deposit-taking. Deposit taking in Norway is provided cross-border in accordance with the Directive. In accordance with Article 28 of the Directive, Nordax notified the Swedish FSA of its intention to provide cross-border deposit-taking in Norway and the Swedish FSA forwarded such notification to the Norwegian FSA in July 2009. In August 2009 the Norwegian FSA confirmed receipt of such notification and the Norwegian deposits product was launched in September 2009. Deposit-taking in Sweden was launched in December 2008, in Finland in February 2011 and in Germany in 2016.

Nordax has accepted, on a voluntary basis, the jurisdiction of the Norwegian Financial Services Ombudsman (*No. Finansklagenemnda*), an out-of-court complaints-handling body that provides non-binding decisions in disputes between customers and financial institutions.

As at 30 June 2017, Nordax employed approximately 200 full-time staff.

With regards to the lending activities, as of 30 June 2017, Nordax managed Norwegian assets of approximately NOK 4,880,000,000, Swedish assets of approximately SEK 4,679,000,000, Danish assets of approximately DKK 110,000,000, Finnish assets of approximately EUR 259,000,000, German assets of approximately EUR 91,000,000 (respectively, EUR 501,000,000 at an exchange rate of EUR1 = NOK 9.58, EUR 484,000,000 at an exchange rate of EUR1 = SEK 9.67 and EUR 15,000,000 at an exchange rate of EUR1 = DKK 7.44, in each case as at 30 June 2017).

With regards to the deposit-taking, as of 30 June 2017, Nordax managed retail deposits of approximately SEK, 8,376,000,000 (EUR866,144,000 at an exchange rate of EUR1 = SEK9.67, as at 30 June 2017).

Relevant legislation

Nordax is a limited liability company and is governed by, *inter alia*, the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*), the Swedish Money Laundering and Terrorist Financing (Prevention) Act (*Sw. lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*), the Swedish Banking and Financing Business Act (*Sw. Lag (2004:297) om bank- och finansieringsrörelse*), Council Regulation (EC) No. 575/2013, the Swedish Act on Prudential Supervision of Credit Institutions and Investment Firms (*Sw. lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*), the Swedish Act on Capital Buffers (*Sw. lagen (2014:966) om kapitalbuffertar*), the Swedish Deposit Insurance Act (*Sw. Lag (1995:1571) om insättningsgaranti*) and its articles of association.

As a banking company, Nordax is subject to the supervision of the Swedish FSA. According to the Directive, the Financial Undertakings Act (Act no.17 of 10 April 2015) (*No. Finansforetaksloven (lov av 10. april 2015 nr. 17)*) and the "Regulation on Financial Undertakings" (the **Regulation**) laid down by the Norwegian Ministry of Finance, certain sections of the Norwegian acts and regulations are applicable to Nordax for the services provided in Norway, e.g. the Financial Undertakings Act and the Norwegian Financial Contracts Act (Act no. 46 of 25 June 1999) (*No. Finansavtaleloven (lov av 25 juni 1999 nr. 46)*).

Norwegian retail deposits are subject to the Swedish deposit insurance pursuant to the Swedish Deposit Insurance Act.

Origination channels in Norway

Direct mailing is the Originator's primary sourcing channel and it provides the Originator with a key differentiating factor, since it is not widely used in the Nordic region. Through sophisticated selection and testing techniques, the Originator is able to target high quality, low risk segments while limiting price comparison with other products and thus enabling premium pricing. Applications are collected via the internet, by regular mail and by phone. All communication with the customers is executed via telephone, e-mail or regular post.

Approximately 66 per cent. of the Provisional Portfolio has been originated via direct mail programmes with the remaining percentage having been originated through unaddressed mailings and advertising (online and paper).

An essential part of the Originator's lending is related to further advances to well-performing existing customers. From 1 July 2016 to 30 June 2017, approximately 24 per cent. of the total lending in respect of Norway was attributable to further advances.

Target group

The Originator serves the prime market in Norway with a target group that comprises individuals with a stable income and good credit track record. The median yearly income in Norway for all households is estimated to be NOK491,000,⁵ which can be compared with the median yearly income of the customers in the Provisional Portfolio of approximately NOK552,000.

Approximately 62 per cent. of the Customers in the Provisional Portfolio were, at the time of origination, in the age span between 40 years and 60 years of age and approximately 33 per cent. of the Customers have co-borrowers.

⁵ Statistics Norway

The average loan size in the Provisional Portfolio is NOK234,445 (approximately NOK 215,394 in respect of loans where there is a single borrower and approximately NOK 272,374 in respect of loans where there are two borrowers with joint liability).

Loan Portfolio

Loan-by-loan level information in respect of the Promissory Notes in the Provisional Portfolio as at the Provisional Pool Cut Date and the Actual Provisional Portfolio as at the Final Pool Cut Date is available at a password protected website located at www.scl-ir.com. The password to access that website can be obtained from Nordax. The Servicer intends to update loan level information in respect of the Portfolio on a monthly basis. The website and information on the website is not incorporated in and does not form part of this Prospectus.

Characteristics of the Promissory Notes

Type of loan:	Unsecured personal loan (non-negotiable promissory notes)
Maximum loan amount:	NOK 500,595
Amortisation:	Annuity loan with mandatory monthly amortisation (subject to the Servicer's option to offer Payment Holidays in accordance with the Credit Policy)
Maximum maturity:	15 years and 1 month (non-revolving)
Voluntary prepayment:	At any time, free from fees and penalties
Interest Rate:	Variable rate

Pricing

The Originator's pricing policy is established through sophisticated and proprietary price elasticity tests. The goal is to optimise profitability through trade-offs between a number of factors including interest margin, response rate, application quality, credit risk, average loan size, average applied loan life, take up rate and cancellation rate.

The initial interest rates vary with factors such as Risk Class and origination channels etc. From 1 January 2017 to 31 July 2017, the average initial interest rates and fees were set as follows (these are guideline rates which may change over time depending on the price elasticity tests that are periodically carried out by the Originator):

Approved Loan	Interest Rate	Opening Fee (capitalised at origination)	Monthly Fee
0 – 100,000	16.5 per cent.	NOK 595	NOK 65
100,001 – 200,000	15.4 per cent.	NOK 595	NOK 65
200,001 – 300,000	13.3 per cent.	NOK 595	NOK 65
300,001 – 400,000	11.9 per cent.	NOK 595	NOK 65
400,001 – 500,000	10.8 per cent.	NOK 595	NOK 65

The interest rates are variable and linked to the lender's funding cost (adjustment of interest rate is subject to the criteria set out under "*Risk Factors – Interest Rates under the Promissory Notes*" above). Late payments are debited as at 30 June 2017 with a fee of NOK 70. The Issuer will be entitled to all payments of interest and other fees (including the monthly fee described above but excluding the Insurer Premium Portion of Insurance Premiums) in respect of the Transferred Promissory Notes in the Portfolio.

Insurance

Each Customer is offered payment protection insurance to secure monthly payments in the event of illness or involuntary unemployment and to secure total repayment in the event of death. The insurance policies are optional and offered by the Originator as a tied insurance intermediary (*Sw. anknuten försäkringsförmedlare*) to Financial Insurance Company Limited and Financial Assurance Company Limited.

As of 31 December 2016, the Insurance Premiums typically accounted for approximately 10% of the insured customer's monthly payment of interest, principal and fees.

Origination process

The Originator's underwriting process is governed by the Originator's credit policy and related credit instructions as described below. The underwriting includes a combination of: 1) policy rules (**Policy Rules**); 2) referral rules (the **Referral Rules**); 3) a statistical derived risk model based on the portfolio performance data and the Norwegian credit bureau score model (the **Nordax Internal Score Model**); and 4) a limit and score matrix (the **Limit Matrix**).

Policy Rules

The Originator has clearly defined Policy Rules to ensure the automatic rejection of applicants who do not meet the minimum acceptance criteria. The minimum acceptance criteria include, but are not limited to, the absence of bad debt in the Norwegian credit bureau register, a minimum age of 20 years and a regular income equal to or above NOK135,000 per annum.

Referral Rules

The Originator's Referral Rules sort out applications that need further investigation (e.g. confirming data, sort out discrepancies and inconsistencies, asking for co-applicant) before a final credit decision can be made.

Nordax Internal Score Model

The Nordax Internal Score Model has been developed internally by experienced analysts and based on Nordax's portfolio performance data. The model was developed using logistic regression. The predictive power of the model is strong due to the availability of high quality data. Credit bureau information in combination with application information form the basis for the model. The model is continuously evaluated and refined as the customer base expands (both in terms of customers and length of historical performance data).

Limit Assignment

In the last stage of the Originator's underwriting process, a credit limit is assigned based on the individual applicant's creditworthiness. The credit limit assigned is based on the applicant's credit score derived from Nordax Internal Score Model in combination with other factors such as income or profitability. The credit limit assignment strategy is monitored on a regular basis and adjusted when deemed appropriate.

Product utility

The Originator does not generally enquire as to the purpose of the loan. However, where enquiries have been made, they have shown that the loans are generally used for debt consolidation, home improvements, travel, used cars and general consumption.

Servicing of Promissory Notes

All Promissory Notes are processed in a standardised system (the **Receivables System**) outsourced to a third party vendor. Data capturing of loan applications, except for applications that are filled in via the website (by the Customer or the Originator) which are automatically transferred to the Originator's underwriting processing system, and printing of monthly statements are also outsourced to external vendors. The servicing of the Promissory Notes is carried out by the customer services department at the Originator's office in Stockholm. Representatives from the customer services department handle all communication with the Customers via telephone, e-mail and regular post. The servicing includes, for example, preparation and administration around the loan applications process, frequently asked questions, change of terms and processing of applications for loan increases. The servicing of the Promissory Notes is carried out in accordance with the Credit Policy and the Collection and Provisioning Policy each of which is adopted annually by the board of directors of the Originator.

As of 30 June 2017, Nordax served approximately 37,500 Norwegian accounts, 42,000 Swedish accounts, 5,400 Danish accounts, 29,000 Finnish accounts and 9,000 German accounts.

Collections of Promissory Notes

The Promissory Notes have one billing cycle per month with one due date occurring on or about the 28th day of each month (the **Payment Date**). The monthly processing takes place on or about the evening of the 10th Oslo Business Day after each Payment Date (the **Monthly Processing Date**). Delinquencies are monitored on a daily basis to identify collection movements. An account enters into "1 Due" on the first Monthly Processing Date after the immediately preceding Payment Date (i.e. after the period of about ten Oslo Business Days with an amount in arrears exceeding 5% of the amount due that month). The Delinquent accounts are split into delinquency buckets of periods of 30 days each.

The Collections Department also handles the administration of accounts belonging to deceased customers.

Pre-Collection

Pre-collection calls, text messaging when applicable and/or mailing are conducted during the period before the account actually is categorised as Delinquent in the Receivables System (i.e. during the period of about ten Oslo Business Days). Accounts with bounced direct debits are generally contacted on the first day after the Payment Date and all other Delinquent Customers are generally contacted on or about the fourth day of such period.

Collections

The main collections process starts when the account enters into "1 Due" (see above) and the customer receives a first reminder by letter and is thereafter contacted by telephone, text messaging when applicable and/or email. The Servicer's process of sending out reminders and of establishing contact with the Delinquent Customers, with the main purpose to receive scheduled amortisations, interest and fees, continues through "1 Due" and "2 Due" (i.e. 45 days past due date).

Enforcement

When an account enters "2 Due" plus 14 days (i.e. approximately 60 days past due date), a notice of default will be sent to the Customer. The customer will then have 14 days to respond to the default notice (i.e. pay at least an amount equal to or greater than one regular monthly instalment) or the entire debt will be in default (i.e. approximately 75 days past due date). If the customer does not respond or pay outstanding arrears within 30 days from when the entire debt is in default (i.e. approximately 105 days past due date), the enforcement of the debt will be administered by an appointed external legal collections agency, such as Gothia AS, Skankred AS, Kredittgjenvinning AS or another reputable collection agency. As long as the creditor does not allow the Promissory Notes to become time-barred, the debt is collectable forever (other than with respect to deceased customers and customers that have been approved for an official debt restructuring program).

Write-off policy and provisioning policy

The amount outstanding under a Promissory Note that is Written-off will be written-off entirely in the profit and loss (at the end of the current month) as a realised loss:

- (a) when the relevant Customer(s) is/are six months in arrears (i.e. the amount due is greater than the recent five months invoiced instalments, interest and fees) (each, an **Arrears Loss**);
- (b) when any fraud is detected in relation to such Promissory Note (each, a **Fraud Loss**); and
- (c) where the relevant Customer is deceased and such Promissory Note is four months in arrears or earlier if complete information about the deceased estate has been received (each, a **Deceased Loss** and, together with Arrears Losses and Fraud Losses, the **Losses**).

If any payments are subsequently received in respect of any such Promissory Notes, these payments are classified as recoveries.

Transferred Promissory Notes in arrears can be considered "current" again when the relevant number (equal to the number of months that such Transferred Promissory Note has been in arrears) of payments of interest and principal have been made consecutively in full (for instance, if a Transferred Promissory Note has been in arrears for 2 months, it will be considered current again if 2 monthly payments of interest and principal have been made consecutively in full). In this context, **full payment** shall mean a monthly payment sufficient to amortise the Promissory Note on a straight line basis over the originally agreed term subject to any permitted extension of duration according to the Credit Policy and the Collection and Provisioning

Policy. A Promissory Note will not be considered "current" until all missed payments have been made in full. Each payment is allocated to the oldest missed payment.

Geographical distribution

The Customers in the Provisional Portfolio are evenly spread across the populated areas of Norway and are largely concentrated in the urban areas.

There are no major concentrations in any specific regions that are heavily dependent on a single local industry or company.

See "*Portfolio Characteristics – 10. Top Ten Cities*" below for more information.

DESCRIPTION OF THE PORTFOLIO

Introduction

The Seller has selected Promissory Notes that as at 31 July 2017 (the **Provisional Pool Cut Date**), have been provisionally identified to comprise the Initial Portfolio (the **Provisional Portfolio**). Other than in respect of the Loan Criteria relating to Risk Class C Promissory Notes, the Seller has based the selection of the Provisional Portfolio on the relevant representations and warranties that the Seller will make in the Loan Transfer Agreement in relation to the Promissory Notes comprising the Initial Portfolio. In relation to the Promissory Notes in Risk Class C, the Provisional Portfolio contains 61.67 per cent. of Promissory Notes in Risk Class C, while the Actual Provisional Portfolio on the Final Pool Cut Date and the Initial Portfolio on the Closing Date will each satisfy the Loan Criteria and as such will contain no more than 60 per cent. of Promissory Notes in Risk Class C. The Provisional Portfolio comprises 12,879 Promissory Notes and the aggregate outstanding capital balance of such Promissory Notes was NOK3,019,414,237.80.

On [●] 2017 (the **Final Pool Cut Date**), the Seller has randomly selected Promissory Notes from the Provisional Portfolio to comprise the **Actual Provisional Portfolio**. The Actual Provisional Portfolio only comprises Promissory Notes that were in the Provisional Portfolio, although the principal amount of such Promissory Notes may have increased after the Provisional Pool Cut Date due to the addition of Further Advances and Payment Holidays or reduced as a result of Customer payments. A Promissory Note within the Provisional Portfolio will however no longer be in the Actual Provisional Portfolio if during the period from (and including) the Provisional Pool Cut Date to (but excluding) the Final Pool Cut Date such Promissory Note is repaid in full, if the Loan Criteria are no longer met by such Promissory Note or to ensure the composition of the Actual Provisional Portfolio satisfies the Loan Criteria (where applicable).

The Initial Portfolio as at the Closing Date will only comprise Promissory Notes that were in the Provisional Portfolio and the Actual Provisional Portfolio, although the principal amount of such Promissory Notes may have increased after the Final Pool Cut Date due to the addition of Further Advances and Payment Holidays or reduced as a result of Customer payments. A Promissory Note within the Actual Provisional Portfolio will however no longer be in the Initial Portfolio if during the period from (and including) the Final Pool Cut Date to (but excluding) the Closing Date such Promissory Note is repaid in full, if the Loan Criteria are no longer met by such Promissory Note or to ensure the composition of the Initial Portfolio satisfies the Loan Criteria (where applicable). To compensate for any reduction of the principal amount of the Initial Portfolio from the Actual Provisional Portfolio, as described above, the Seller shall pay an amount equal to the amount (if any) by which the Issuance Proceeds exceed the Initial Purchase Price payable by the Issuer on the Closing Date (such amount, the **Pre-Closing Amount**) to the Collection Agency Account on or around the Closing Date.

Credit assessment

Before the conclusion of the Promissory Notes, Nordax assesses the Customer's creditworthiness on the basis of sufficient information, where appropriate obtained from the Customer and, where necessary, on the basis of a consultation of the relevant databases.

In respect of Further Advances made to existing Customers, Nordax updates the financial information at its disposal concerning the Customer and assesses the Customer's creditworthiness before any increase in the total amount of credit.

Purchase of the Portfolio

On the Closing Date, the Issuer will acquire the Initial Portfolio from the Seller pursuant to a Loan Transfer Agreement dated on or about the Closing Date. On and from the Closing Date until the Revolving Period

End Date, the Issuer will continue to purchase Promissory Notes from the Seller pursuant to the Loan Transfer Agreement.

All the Transferred Promissory Notes have been originated by the Originator.

Provisional Portfolio characteristics

The following tables set out certain information with respect to the Promissory Notes in the Provisional Portfolio as at the Provisional Pool Cut Date on 31 July 2017.

1. Summary

Number of Promissory Notes	12,879
Total Outstanding Capital Balance	NOK 3,019,414,237.80
Average Promissory Note Current Capital Balance	NOK 234,444.77
Average Promissory Note Original Capital Balance	NOK 264,945.55
Weighted Average Yield	12.32%
Weighted Average Seasoning*	20.89 months
Weighted Average Remaining Term**	119.45 months
Weighted Average Original Term**	139.99 months

* Seasoning is based on the latest Loan / Further Advance origination date

** Based on the latest Loan / Further Advance / Extension origination date

2. Origination Channel

Origination Channel	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Direct Mail	2,003,126,529.34	66.34	8,690	67.47
Other	494,715,410.92	16.38	2,016	15.65
Unaddressed Mail	521,572,297.54	17.27	2,173	16.87
Total:	3,019,414,237.80	100.00	12,879	100.00

3. Outstanding Capital Balance

Outstanding Capital Balance	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
<= 25,000	5,240,017.50	0.17	340	2.64
25,001 to 50,000	19,830,497.68	0.66	520	4.04
50,001 to 75,000	33,813,031.83	1.12	539	4.19
75,001 to 100,000	72,800,399.23	2.41	819	6.36
100,001 to 125,000	72,400,464.96	2.40	642	4.98
125,001 to 150,000	106,750,524.10	3.54	768	5.96
150,001 to 175,000	98,048,468.10	3.25	603	4.68
175,001 to 200,000	199,900,765.61	6.62	1,053	8.18
200,001 to 225,000	140,269,412.91	4.65	664	5.16
225,001 to 250,000	216,519,377.22	7.17	906	7.03
250,001 to 275,000	175,571,676.48	5.81	670	5.20
275,001 to 300,000	404,652,218.78	13.40	1,395	10.83
300,001 to 325,000	175,899,552.19	5.83	570	4.43
325,001 to 350,000	166,254,909.71	5.51	491	3.81
350,001 to 375,000	261,903,104.87	8.67	719	5.58
375,001 to 400,000	683,536,694.24	22.64	1,757	13.64
400,001 to 425,000	94,346,150.89	3.12	234	1.82
425,001 to 450,000	7,903,352.01	0.26	18	0.14
450,001 to 475,000	8,342,166.89	0.28	18	0.14
475,001 to 500,000	62,886,070.20	2.08	128	0.99
500,001 >=	12,545,382.40	0.42	25	0.19
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Outstanding Capital Balance: NOK 506,065.06

Minimum Outstanding Capital Balance: NOK 5,000.16

Average Outstanding Capital Balance: NOK 234,444.77

4. Original Limit (NOK)

Original Limit (NOK)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
<= 25,000	888,740.89	0.03	65	0.50
25,001 to 50,000	5,163,859.47	0.17	187	1.45
50,001 to 75,000	17,757,068.72	0.59	416	3.23
75,001 to 100,000	26,130,138.21	0.87	375	2.91
100,001 to 125,000	74,348,826.69	2.46	891	6.92
125,001 to 150,000	54,797,180.71	1.81	459	3.56
150,001 to 175,000	89,953,976.09	2.98	701	5.44
175,001 to 200,000	106,732,087.58	3.53	637	4.95
200,001 to 225,000	183,481,166.48	6.08	1,057	8.21
225,001 to 250,000	78,040,758.65	2.58	383	2.97
250,001 to 275,000	193,300,640.94	6.40	873	6.78
275,001 to 300,000	268,357,803.35	8.89	1,039	8.07
300,001 to 325,000	480,000,812.21	15.90	1,826	14.18
325,001 to 350,000	98,507,186.09	3.26	317	2.46
350,001 to 375,000	120,179,853.87	3.98	375	2.91
375,001 to 400,000	773,667,444.75	25.62	2,128	16.52
400,001 to 425,000	352,606,568.90	11.68	949	7.37
425,001 to 450,000	5,261,604.11	0.17	13	0.10
450,001 to 475,000	7,619,450.32	0.25	17	0.13
475,001 to 500,000	50,378,251.34	1.67	104	0.81
500,001 >=	32,240,818.43	1.07	67	0.52
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Original Limit: NOK 500,595.00

Minimum Original Limit: NOK 10,000.00

Average Original Limit: NOK 264,945.55

5. Origination Year**

Origination Year	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
2011	63,174,005.56	2.09	451	3.50
2012	77,398,850.51	2.56	559	4.34
2013	158,881,451.48	5.26	910	7.07
2014	473,772,058.91	15.69	1,985	15.41
2015	654,040,340.86	21.66	2,726	21.17
2016	980,538,104.45	32.47	3,828	29.72
2017	611,609,426.03	20.26	2,420	18.79
Total:	3,019,414,237.80	100.00	12,879	100.00

**Based on the latest Loan / Further Advance origination date

6. Seasoning* (Months)

Seasoning (Months)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
<= 0.00	60,695,711.99	2.01	251	1.95
0.01 to 10.00	948,028,530.93	31.40	3,726	28.93
10.01 to 20.00	696,731,450.17	23.08	2,729	21.19
20.01 to 30.00	540,732,178.25	17.91	2,268	17.61
30.01 to 40.00	417,081,782.53	13.81	1,757	13.64
40.01 to 50.00	182,578,751.36	6.05	904	7.02
50.01 to 60.00	69,501,329.29	2.30	502	3.90
60.01 to 70.00	77,845,347.07	2.58	550	4.27
70.01 to 80.00	26,219,156.21	0.87	192	1.49
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Seasoning (Months): 74.00

Minimum Seasoning (Months): 0.00

Weighted Average Seasoning (Months): 20.89

* Seasoning is based on the latest Loan / Further Advance origination date

7. Original Loan Term (Months)**

Original Loan Term (Months)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
10.01 to 20.00	1,515,612.72	0.05	33	0.26
20.01 to 30.00	4,827,010.83	0.16	96	0.75
30.01 to 40.00	12,652,596.96	0.42	157	1.22
40.01 to 50.00	21,029,718.24	0.70	215	1.67
50.01 to 60.00	78,006,998.38	2.58	611	4.74
60.01 to 70.00	15,532,671.22	0.51	113	0.88
70.01 to 80.00	81,884,043.87	2.71	654	5.08
80.01 to 90.00	80,218,418.07	2.66	476	3.70
90.01 to 100.00	261,775,075.20	8.67	1,398	10.85
100.01 to 110.00	63,354,944.19	2.10	303	2.35
110.01 to 120.00	374,774,664.86	12.41	1,595	12.38
120.01 to 130.00	66,407,884.69	2.20	407	3.16
130.01 to 140.00	91,145,662.91	3.02	366	2.84
140.01 to 150.00	779,960,411.28	25.83	3,332	25.87
150.01 to 160.00	62,804,980.62	2.08	193	1.50
160.01 >=	1,023,523,543.76	33.90	2,930	22.75
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Original Term (Months): 180.00

Minimum Original Term (Months): 12.00

Weighted Average Original Term (Months): 139.99

** Based on the latest Loan / Further Advance / Extension origination date

8. Remaining Loan Term**

Remaining Loan Term (Months)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
0.01 to 10.00	2,675,948.76	0.09	108	0.84
10.01 to 20.00	9,176,185.94	0.30	198	1.54
20.01 to 30.00	25,910,995.94	0.86	351	2.73
30.01 to 40.00	46,217,921.86	1.53	447	3.47
40.01 to 50.00	65,796,241.65	2.18	519	4.03
50.01 to 60.00	98,179,396.71	3.25	654	5.08
60.01 to 70.00	101,763,125.94	3.37	610	4.74
70.01 to 80.00	188,737,415.19	6.25	1,027	7.97
80.01 to 90.00	209,617,040.63	6.94	1,027	7.97
90.01 to 100.00	231,113,753.64	7.65	1,041	8.08
100.01 to 110.00	211,661,079.85	7.01	895	6.95
110.01 to 120.00	235,560,728.70	7.80	914	7.10
120.01 to 130.00	226,447,264.95	7.50	876	6.80
130.01 to 140.00	299,514,239.53	9.92	1,064	8.26
140.01 to 150.00	314,754,826.34	10.42	1,023	7.94
150.01 to 160.00	250,950,626.09	8.31	744	5.78
160.01 >=	501,337,446.08	16.60	1,381	10.72
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Remaining Term (Months): 180.00

Minimum Remaining Term (Months): 3.00

Weighted Average Remaining Term (Months): 119.45

** Based on the latest Loan / Further Advance / Extension origination date

9. Yield (%)

Yield (%)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
2.51 to 5.00	2,269,769.65	0.08	41	0.32
5.01 to 7.50	18,354,207.33	0.61	180	1.40
7.51 to 10.00	411,772,799.34	13.64	1,468	11.40
10.01 to 12.50	1,311,640,553.18	43.44	4,348	33.76
12.51 to 15.00	1,048,901,552.76	34.74	4,884	37.92
15.01 to 17.50	210,239,218.87	6.96	1,713	13.30
17.51 to 20.00	16,236,136.67	0.54	245	1.90
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Yield: 18.15%

Minimum Yield: 3.90%

Weighted Average Yield: 12.32%

10. Delinquency Status

Delinquency Status	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Current	3,019,414,237.80	100.00	12,879	100.00
Total:	3,019,414,237.80	100.00	12,879	100.00

11. Main Applicant Current Age

Main Applicant Current Age	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
21 to 30	127,796,291.09	4.23	527	4.09
31 to 40	565,007,126.86	18.71	2,270	17.63
41 to 50	995,496,758.30	32.97	3,987	30.96
51 to 60	940,075,280.32	31.13	4,067	31.58
61 to 70	390,023,619.12	12.92	2,023	15.71
71 to 80	1,015,162.11	0.03	5	0.04
Total:	3,019,414,237.80	100.00	12,879	100.00

Maximum Age: 74

Minimum Age: 23

Weighted Average Age: 49

12. Nordax Risk Class

Nordax Risk Class	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Risk Class A	255,310,248.75	8.46	811	6.30
Risk Class B	901,976,783.53	29.87	3,380	26.24
Risk Class C*	1,862,127,205.52	61.67*	8,688	67.46
Total:	3,019,414,237.80	100.00	12879	100.00

* Promissory Notes in Risk Class C in respect of the Initial Portfolio as at the Closing Date will, in accordance with the Loan Criteria, represent no greater than 60 per cent. of the Initial Portfolio.

13. Housing Status

Housing Status	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Apartment owner	383,655,643.41	12.71	1,703	13.22
House owner	2,201,936,099.49	72.93	9,394	72.94
Living with parents	30,778,741.47	1.02	128	0.99
Renter	403,043,753.43	13.35	1,654	12.84
Total:	3,019,414,237.80	100.00	12,879	100.00

14. Employment Type

Employment Type	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Job training	22,523,617.47	0.75	99	0.77
Retired	91,733,984.39	3.04	530	4.12
Retired due to sickness	324,850,108.36	10.76	1,681	13.05
Salary income	2,445,311,634.39	80.99	10,004	77.68
Self employed	112,427,949.24	3.72	464	3.60
Temporary employed	16,075,682.89	0.53	76	0.59
Unemployed	6,491,261.06	0.21	25	0.19
Total:	3,019,414,237.80	100.00	12,879	100.00

15. Civil Status

Civil Status	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
Divorced	246,213,710.41	8.15	1,198	9.30
Living together	572,881,284.52	18.97	2,447	19.00
Married	1,636,430,248.17	54.20	6,617	51.38
Separated	56,118,502.49	1.86	248	1.93
Unmarried	457,572,252.69	15.15	2,087	16.20
Widow	50,198,239.52	1.66	282	2.19
Total:	3,019,414,237.80	100.00	12,879	100.00

16. Direct Debit Payment

Direct Debit Payment	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
No	1,076,852,927.66	35.66	4,789	37.18
Yes	1,942,561,310.14	64.34	8,090	62.82
Total:	3,019,414,237.80	100.00	12,879	100.00

17. Gross Income Both Applicants (NOK)

Gross Income Both Applicants (NOK)	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
0.01 to 200,000.00	6,199,723.31	0.21	81	0.63
200,000.01 to 300,000.00	107,439,980.71	3.56	863	6.70
300,000.01 to 400,000.00	345,998,514.06	11.46	1,942	15.08
400,000.01 to 500,000.00	530,980,750.90	17.59	2,378	18.46
500,000.01 to 600,000.00	495,375,275.36	16.41	2,045	15.88
600,000.01 to 700,000.00	370,149,150.91	12.26	1,417	11.00
700,000.01 to 800,000.00	348,404,206.35	11.54	1,293	10.04
800,000.01 to 900,000.00	303,677,339.06	10.06	1,077	8.36
900,000.01 to 1,000,000.00	151,190,655.89	5.01	545	4.23
1,000,000.01 to 1,200,000.00	193,218,769.90	6.40	664	5.16
1,200,000.01 to 1,400,000.00	68,825,393.34	2.28	245	1.90
1,400,000.01 to 1,600,000.00	39,220,167.11	1.30	134	1.04
1,600,000.01 to 1,800,000.00	24,673,600.76	0.82	83	0.64
1,800,000.01 to 2,000,000.00	10,396,743.28	0.34	35	0.27
2,000,000.01 >=	23,663,966.86	0.78	77	0.60
Total:	3,019,414,237.80	100.00	12,879	100.00

18. Top 10 Cities

Top 10 Cities	Total Capital Balance	% Total Capital Balance	Number of Loans	% Number of Loans
OSLO	288,224,201.98	9.55	1,188	9.22
STAVANGER	49,341,647.59	1.63	193	1.50
DRAMMEN	42,179,076.72	1.40	172	1.34
SKIEN	41,024,570.42	1.36	170	1.32
SANDNES	41,019,712.63	1.36	164	1.27
TRONDHEIM	38,708,453.81	1.28	161	1.25
BERGEN	31,980,514.12	1.06	131	1.02
SANDEFJORD	31,290,435.08	1.04	128	0.99
MOSS	28,851,366.96	0.96	128	0.99
KRISTIANSAND	27,717,093.70	0.92	108	0.84
Other	2,399,077,164.79	79.46	10,336	80.25
Total:	3,019,414,237.80	100.00	12,879	100.00

THE UNSECURED CONSUMER CREDIT MARKET IN NORWAY

Market overview

The Norwegian FSA (No. *Finanstilsynet*) has for a number of years surveyed the extent of unsecured consumer credits in the market. Statistics have been collected from a number of finance companies and banks (both Norwegian companies and foreign branches) offering unsecured consumer credit cards (including overdrafts) and unsecured consumer loans.⁶

The historical surveys have shown a yearly growth in the unsecured credit market of approximately 20 per cent per annum from 2005 to 2008. During the international financial crisis in 2008 the increase came to a halt in 2009. The market recovered some in 2010 and has after that showed an increasing annual average growth. Yearly growth in Q1 2017 was 20.9%.

Norwegian unsecured consumer loan products generally offer a maximum maturity of 15 years and range from NOK 10,000 to NOK 600,000.

In a report to Parliament of 5 April 2017 on the state of the Norwegian financial market (No. *Finansmarkedsmeldingen*), the Norwegian Government addressed and announced a number of measures to curb potential negative side effects associated with rising levels of consumer credit in Norway, the effect of which is still uncertain, see further the section on “*Risk Factors - New Norwegian initiatives to regulate consumer credit*” in relation to these measures.

Lenders in Norway

The Norwegian unsecured consumer credit market has for some years now seen steadily increased competition. Having been a market which was originally dominated by subsidiaries of the Norwegian high street banks, the market is now dominated by niche players like Bank Norwegian, Gjensidige Bank/Opp Finans, Ya Bank, Komplet Bank and Santander Consumer Bank on the consumer loan side. The last couple of years have also seen a number of new entrances in the market (Monobank, Instabank, Easybank, Mybank, Avida Finans, Collector Bank, Resurs Bank and Enter Card).

The major Norwegian unsecured consumer loan lenders include:

Bank Norwegian	Ikano Bank
Gjensidige Bank / Opp Finans	DNB – Cresco
Santander Consumer Bank	Nordea
Komplett bank	Resurs Bank
Instabank	Ya Bank
Enter Card Norge / Remember	Monobank

As of Q1 2017, the portfolio managed by Nordax represents a market share of approximately 4 per cent of Norwegian unsecured consumer credits.

⁶ For reference, please see 'Resultatrapport for finansinstitusjoner 1. kvartal 2017', published by the Norwegian FSA on 24 May 2017.

SUMMARY OF TRANSACTION DOCUMENTS

Loan Transfer Agreement

The Issuer will enter into a loan transfer agreement between the Issuer, the Seller and the Security Trustee on or about the Closing Date (the **Loan Transfer Agreement**) pursuant to which the Issuer will acquire from the Seller:

- (a) claims under the Promissory Notes comprised in the Initial Portfolio on the Closing Date; and
- (b) claims under Additional Promissory Notes during each Monthly Acquisition Period during the Revolving Period.

The sale by Nordax to the Issuer of Promissory Notes pursuant to the Loan Transfer Agreement is not subject to material clawback risk.

Consideration

The consideration payable in respect of Transferred Promissory Notes comprise of:

- (a) the Initial Purchase Price; and
- (b) the Deferred Consideration.

The Initial Purchase Price in respect of the Initial Portfolio is an amount equal to the outstanding principal amount of the relevant Transferred Promissory Notes as at the Final Pool Cut Date and is payable on the Closing Date. The Initial Purchase Price in respect of each Additional Promissory Note shall be an amount equal to the aggregate outstanding principal amount of the relevant Additional Promissory Note as at the relevant Transfer Date. Such Initial Purchase Price is payable on the immediately following Interest Payment Date, subject to and in accordance with the Pre-Enforcement Principal Priority of Payments.

On each Interest Payment Date (prior to the Note Trustee serving an Enforcement Notice to the Issuer), in accordance with the Pre-Enforcement Revenue Priority of Payments or Pre-Enforcement Principal Priority of Payments, as the case may be, (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full and provided that no Trigger Event has occurred) available Revenue Receipts or Principal Receipts, as the case may be, will be applied by the Cash Manager (on behalf of the Issuer) towards payment to the Seller of Deferred Consideration for the purchase of the Transferred Promissory Notes.

Transfer of Legal Title

The Business Day specified in a Transfer Notice as the date on which a transfer of Promissory Notes shall be completed and title to the Promissory Notes shall pass to the Issuer is referred to as a **Transfer Date**. Title to any Promissory Note assigned and transferred by the Issuer to the Seller following a breach of warranty or other repurchase obligation under the Loan Transfer Agreement shall pass on the date of such repurchase (each a **Repurchase Date**).

Further Advances

If the Issuer (or the Servicer on behalf of the Issuer) receives a request for a Further Advance from a Customer under a Transferred Promissory Note, the Issuer (or the Servicer on behalf of the Issuer) shall immediately notify the Seller thereof and if the Seller elects (at its sole discretion) to fund such Further Advance, the Seller shall repurchase the relevant Transferred Promissory Note from the Issuer. The Issuer is not obliged to fund any Further Advance requested by the Customer. If the Issuer is not notified of the

Seller's intention to repurchase the relevant Transferred Promissory Note within 14 days of the request from the Customer for a Further Advance, the Issuer (or the Servicer on behalf of the Issuer) shall be entitled to notify the Customer that its request for a Further Advance is declined.

Any Transferred Promissory Note repurchased by the Seller for the purpose of funding a Further Advance may subsequently be acquired by the Issuer as an Additional Promissory Note during the Revolving Period.

The repurchase price payable in respect of any repurchase of a Further Advance by the Seller shall be an amount equal to the aggregate outstanding principal amount of the relevant Transferred Promissory Notes together with all unpaid interest accrued and accruing thereon and all other amounts outstanding thereunder as at the Repurchase Date.

Where any such repurchase by the Seller and assignment and transfer back to the Issuer is to occur on the same day, the parties hereto have agreed to net-off the repurchase price payable by the Seller against the Purchase Price payable by the Issuer, and the difference only will be payable by the Issuer. The terms of the relevant Repurchase Notice and Transfer Notice shall state whether such netting off is to occur.

Representations and Warranties - General

Neither the Issuer nor the Security Trustee has made (or will make) any of the enquiries, searches or investigations in relation to the purchase of the Promissory Notes. In addition, neither the Issuer nor the Security Trustee has made (or will make) any enquiry, search or investigation at any time in relation to compliance by any party with respect to the provisions of the Loan Transfer Agreement or in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Promissory Notes.

In relation to all of the foregoing matters concerning the Promissory Notes and the circumstances in which the Promissory Notes were made to the Customers prior to the transfer of the Promissory Notes to the Issuer, both the Issuer and the Security Trustee will rely entirely on the representations and warranties to be given by the Seller to the Issuer and the Security Trustee which are set out in the Loan Transfer Agreement.

Seller Representations and Warranties

The representations and warranties described below (together, the **Loan Criteria**) given or to be given by the Seller under the Loan Transfer Agreement in respect of each Transferred Promissory Note as at the Closing Date or, as applicable, the relevant Transfer Date (other than in respect of the Loan Criteria on Deposits, where the Originator will continue to repeat such representations and warranties in respect of each Transferred Promissory Note on each Interest Payment Date after, as applicable, the Closing Date or the Transfer Date), will include:

- (a) **Ordinary Course of Business:** the Promissory Note is an asset of the Seller and has been originated and administered by the Seller in accordance with the Credit Policy and the Collection and Provisioning Policy;
- (b) **Origination Channel:** the Promissory Note is not characterised as broker originated;
- (c) **Customer:** at the time of origination of the Promissory Note, the Customer was resident in Norway and each Customer is a natural person and not presently an employee of the Seller or a member of the Seller's group of companies;
- (d) **Valid and Binding:** the Promissory Note has been duly executed (including, as applicable, by way of electronic signature) by the Customer and constitutes a legal, valid and binding obligation of the relevant Customer (subject to bankruptcy, reorganisation, insolvency and other laws affecting the rights of creditors generally);

- (e) **Currency:** the Promissory Note is denominated and payable in Norwegian Kroner;
- (f) **Maximum Maturity:** the Promissory Note has a maximum legal maturity of 15 years and 1 month;
- (g) **Minimum Term:** the Promissory Note has a minimum remaining legal maturity of 1 month;
- (h) **Maturity:** the Promissory Note matures earlier than 66 months and 15 days before the Final Maturity Date;
- (i) **Monthly Payment:** the terms of the contract under which the Promissory Note arises requires the Customer to make monthly payments on the Promissory Note (although a Customer may request a Payment Holiday);
- (j) **Interest Rate:** the Promissory Note has a variable rate of interest set in accordance with the Originator's pricing policy;
- (k) **Write-off:** the Promissory Note is not Written-off;
- (l) **Delinquent Promissory Note:** the Promissory Note is not Delinquent;
- (m) **Prepayment:** no notice of prepayment has been given on the Promissory Note by the Customer to the Seller;
- (n) **Solvency of the Customer:** to the best of the Seller's knowledge, the Customer in respect of the Promissory Note is not bankrupt, subject to a suspension of payments or otherwise insolvent or subject to any analogous procedure;
- (o) **Encumbrance:** the Promissory Note is not subject to any encumbrance;
- (p) **Assignability:** the Promissory Note can be freely and validly transferred by way of assignment and transfer to the Issuer without any requirement to obtain any further consent from the Customer;
- (q) **Set-off:** the Seller is not aware of any circumstances which would give rise to any right of set off, withholding, suspensions, counterclaim, defence or deduction by a Customer in respect of any Promissory Note, other than by virtue of a Customer holding a deposit account with the Seller;
- (r) **Deposits:** if the Customer under the Promissory Note holds a deposit account with the Seller, (a) the funds standing the credit of such account do not exceed NOK20,000 and (b) such account is covered by the Swedish deposit guarantee scheme operated by the Swedish National Debt Office;
- (s) **Contracts:** the Promissory Note has been entered into on the standard terms and conditions set out in the relevant schedules to the Loan Transfer Agreement, without material amendment thereto or is an Approved New Promissory Note Type;
- (t) **Books and records:** the Seller has kept full and proper accounts, books and records showing all material transactions, payments, receipts and proceedings relating to the Promissory Note;
- (u) **Loan Value:** the maximum principal amount outstanding (including any capitalised interest) of the Promissory Note is NOK520,000;
- (v) **Governing Law:** the contract under which the Promissory Note arises is governed by the laws of Norway;
- (w) **Compliance with Laws:** the terms of the Promissory Note complies with all applicable laws, including the Norwegian Promissory Notes Act 1939-02-17 no. 2 and the Norwegian Financial

Contracts Act 1999-06-26 no. 46 and other similar regulations under Norwegian law including the rules and regulations of the Norwegian Financial Supervisory Authority (No: *Finanstilsynet*);

- (x) **High value loans:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a principal amount outstanding (including any capitalised interest) in excess of NOK320,000 to be greater than [45] per cent.;
- (y) **Direct Debit:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) where the relevant Customer pays by direct debit or other electronic payment systems (e.g. electronic invoice) to be less than [50] per cent.;
- (z) **Minimum Age:** at the time of origination of the Promissory Note, the Customer is at least 20 years old;
- (aa) **Unemployment:** at the time of origination of the Promissory Note, to the best of the Seller's knowledge, at least one Customer under the Promissory Note is not unemployed (*Sw. arbetslös*);
- (bb) **Risk Class C Promissory Notes:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) falling in Risk Class C to be greater than [60] per cent.; and
- (cc) **Risk Class D Promissory Notes and Risk Class E Promissory Notes:** the Portfolio shall not contain any Promissory Notes falling in Risk Class D or Risk Class E as per the Originator's Risk Model.

Credit Policy and Collection and Provisioning Policy means the policies of the Seller in respect of the underwriting and collecting of loans made under the Promissory Notes, as set out in the Servicing Agreement.

Originator's Risk Model means the risk model used by the Originator for its origination in Norway (in accordance with good and customary business practice) to produce the matrix set out in the Loan Transfer Agreement. The Originator may change the Originator's Risk Model (including the score intervals), provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Norway. The Servicer will notify to the Rating Agencies any proposed material changes to the Originator's Risk Model.

Risk Class C Promissory Note means a Transferred Promissory Note which belongs to such risk class as per the Originator's Risk Model.

Risk Class D Promissory Note means a Promissory Note which belongs to such risk class as per the Originator's Risk Model.

Risk Class E Promissory Note means a Promissory Note which belongs to such risk class as per the Originator's Risk Model.

New Promissory Note Type

After the Closing Date and during the Revolving Period, the Originator may transfer Promissory Notes to the Issuer that are made on different standard terms and conditions to those set out in the relevant schedule to the Loan Transfer Agreement and/or in electronic rather than physical form (a **New Promissory Note Type**). The Issuer will approve the inclusion of New Promissory Note Types in the Portfolio (without prejudice to the application of the Loan Criteria), provided that:

- (a) the Issuer, the Security Trustee and the Note Trustee have received a legal opinion from Norwegian counsel, on terms satisfactory to the Security Trustee and the Note Trustee, relating to that New Promissory Note Type; and
- (b) the Rating Agencies have been notified of the terms of the New Promissory Note Type and have not raised any objections to the inclusion of that New Promissory Note Type in the Portfolio or indicated that the current rating of the Rated Notes would be adversely affected by the inclusion of the New Promissory Note Type in the Portfolio.

Any New Promissory Note Type that has satisfied the criteria set out above will be an **Approved New Promissory Note Type**.

Remedy for breach of Representation and Warranty

If there is a breach of the Loan Criteria by the Seller, the Seller will, if the breach cannot be remedied or (if capable of remedy) has not been remedied within a period of 25 days from the date on which the Seller first discovered the relevant breach, be required to purchase the relevant Transferred Promissory Note from the Issuer for a consideration equal to the aggregate outstanding principal amount of the relevant Transferred Promissory Note together with all unpaid interest accrued and accruing thereon and all other amounts outstanding thereunder as at the Repurchase Date.

Repurchases

The Seller shall re-purchase the relevant Transferred Promissory Notes from the Issuer upon breach of any Loan Criteria (which is either not capable of remedy or if the Seller has failed to remedy it within the agreed grace period).

The Issuer may also accept a repurchase if the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement if the Seller certifies in the relevant Repurchase Notice that repurchase is required as a result of:

- (a) a substitution of the Customer under a Transferred Promissory Note;
- (b) any extension to the maturity date for a Transferred Promissory Note;
- (c) any Conversion or amendment to be made to a Transferred Promissory Note but only where the Transferred Promissory Note subject to a Conversion or amendment does not comply with the conditions set out in the Loan Transfer Agreement;
- (d) a Further Advance to be made in respect of a Transferred Promissory Note; or
- (e) certain conditions to the sale of the relevant Transferred Promissory Notes not being satisfied on the relevant Transfer Date.

The Issuer may further accept a repurchase if the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement, if the Seller certifies in the relevant Repurchase Notice that such Transferred Promissory Note(s) is(are) Written-off.

Following receipt of a copy of such certification the Security over the relevant Transferred Promissory Note(s) shall be released pursuant to the Security Agreement.

The repurchase price payable in respect of any repurchase of a Transferred Promissory Note by the Seller shall be an amount equal to the aggregate Principal Promissory Note Amount of the relevant Transferred

Promissory Notes together with all accrued and unpaid interest and all other amounts outstanding thereunder as at the Repurchase Date except in respect of:

- (a) Promissory Notes which are Delinquent (other than due to a breach of any Loan Criteria) for which the repurchase price shall be an amount equal to the aggregate Principal Promissory Note Amount of the relevant Transferred Promissory Notes together with all unpaid interest accrued and accruing thereon and all other amounts outstanding thereunder, less, provided that the Credit Enhancement Reserve is funded in an amount equal to the Credit Enhancement Reserve Required Amount as at the relevant Repurchase Date, the lower of (i) any relevant Provisions and (ii) the Delinquency Deduction for the relevant Promissory Note, all as at the Repurchase Date (the Delinquency Deduction also being calculated as at the Repurchase Date instead of the Transfer Date); or
- (b) Promissory Notes which are Written-off (other than due to a breach of any Loan Criteria) for which the repurchase price shall be an amount equal to their net book value according to IFRS provided further that such amount shall not be less than [43.50] per cent of the Principal Promissory Note Amount of the Transferred Promissory Notes.

Where:

Delinquency Deduction means for each Promissory Note, an amount equal to the unpaid principal balance of such Promissory Note multiplied by:

- (i) if it is in a Class 1 Promissory Note, 0;
- (ii) if it is in a Class 2 Promissory Note, 0.20; and
- (iii) if it is in a Class 3 Promissory Note, 0.40.

Class 1 Promissory Note means a Promissory Note which is current or has been Delinquent for less than a month, as at the relevant Transfer Date.

Class 2 Promissory Note means a Promissory Note which has been Delinquent for 1 month but less than 2 months, as at the relevant Transfer Date.

Class 3 Promissory Note means a Promissory Note which has been Delinquent for 2 months but less than 3 months, as at the relevant Transfer Date.

Principal Promissory Note Amount means on any relevant date, the principal amount which is legally recoverable from a Customer under or pursuant to a Promissory Note.

Provisions means the amount of any provision which is made in accordance with the Collection and Provisioning Policy in respect of a loan evidenced by a Promissory Note which is Delinquent.

Trigger Events

If a Trigger Event has occurred, the Issuer shall cease acquiring Additional Promissory Notes from the Seller pursuant to the Loan Transfer Agreement.

Governing law

The Loan Transfer Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Norwegian law.

Servicing Agreement

General

The Servicing Agreement will be entered into between the Issuer, the Servicer, the Cash Manager, the Seller and the Security Trustee on or around the Closing Date (the **Servicing Agreement**).

Servicing of the Transferred Promissory Notes

Under the Servicing Agreement, the Servicer agrees to, *inter alia*, the following:

- (a) service and administer all Transferred Promissory Notes in the Portfolio on behalf of the Issuer and the Security Trustee with the same level of care and diligence as would a reasonable prudent lender;
- (b) to the extent the Servicer has any influence over such actions, not permit any Transferred Promissory Notes to become subject to any Security Interest nor permit any disposal to be made in respect of the same otherwise than by operation of law or in accordance with the other Transaction Documents;
- (c) ensure that each Customer is instructed to pay all amounts due under each Transferred Promissory Note directly into the GIC Account;
- (d) ensure that each Collection Agency is instructed to pay all recoveries on Promissory Notes directly into the Collection Agency Account;
- (e) in the event that any amount in respect of the Transferred Promissory Notes is received by it in violation of subparagraph (c) above, hold such amount separately and for the account of the Issuer, and promptly pay such amount into the Collection Agency Account;
- (f) comply with the obligations on its part set out in the Bank Account Agreement, the Reserve Bank Accounts Agreement and the Cash Management Agreement including, without limitation, the specific provisions relating to the collection of monies set out in such Transaction Documents;
- (g) only if the Servicer is not the Originator, undertake to adjust the interest rate applicable to each Transferred Promissory Note in accordance with (i) the general terms and conditions of that Transferred Promissory Note; and (ii) the Norwegian Financial Contracts Act;
- (h) keep full and proper ledgers, books, accounts and records in relation to the Transferred Promissory Notes and keep them up to date;
- (i) maintain management information systems which are adequate to generate reliable periodical and statistical portfolio information for the purposes of the Issuer's reporting obligations;
- (j) ensure that the electronic systems used by it in relation to the Transferred Promissory Notes are maintained in working order and that the Servicer complies with the Swedish Personal Data Act (*Sw: Personuppgiftslagen* (1998:204)), Norwegian Personal Data Act 2000 and the General Data Protection Regulation (EU) 2016/679;
- (k) prepare and submit on behalf of the Issuer all necessary applications and requests for any approval, authorisation, consent or licence required by Swedish or Norwegian law or regulation in connection with the business of the Issuer;
- (l) prepare or procure the preparation of and file all reports, annual returns, financial statements, statutory forms and other returns which the Issuer is required by Swedish law or Norwegian law to prepare and file;

- (m) procure (so far as the Servicer, using its reasonable endeavours, is able so to do) compliance by the Issuer with all applicable requirements and with the terms of the Transaction Documents;
- (n) procure that the Storage Company holds the Transferred Promissory Note on the Security Trustee's behalf;
- (o) agree to Conversions (including, without limitation, as to interest rates, loan periods, compositions, payment holidays and amortisation) for a Transferred Promissory Note provided that certain conditions are satisfied;
- (p) when recovering payments and enforcing claims relating to Transferred Promissory Notes, at all times follow the procedures set out in the Collection and Provisioning Policy; and
- (q) provide to the Cash Manager a monthly report in substantially the same form as set out in appendix 6 to the Servicing Agreement (the **Servicing Report**) on each Servicing Report Performance Date following the provision of the first Servicing Report in [●] 2017 on certain matters relating to the Transferred Promissory Notes for the Calculation Period. The Servicing Report will set out information on, among other things, (a) the collections on the Transferred Promissory Notes (including the Insurance Premiums (if any) and the Insurance Proceeds (if any) received by the Issuer in respect of the Transferred Promissory Notes) (b) the performance of the Portfolio and delinquency information for delinquency periods of up to one month, one month to two months and two months to three months and (c) the amount and number of all Promissory Notes repurchased in such period (in respect of those repurchases due to breaches of certain warranties relating to such Transferred Promissory Notes only), together with all information that the Cash Manager requires and which is available to the Servicer in order to make the necessary calculations and determinations in respect of the amounts to be paid by the Issuer on the following Interest Payment Date in accordance with the terms of the relevant Priority of Payments.

Collection Agency means a collections agency which at all times maintains a permit under the Norwegian Collections Act (No. "Inkassoloven") as amended and in force from time to time.

Servicing Report Performance Date means the third Business Day prior to the Calculation Date in each calendar month provided that if Nordax is acting as both the Servicer and the Cash Manager, each Servicing Report Performance Date applicable to Nordax as Servicer will be the Calculation Date in the same calendar month. In addition, where Nordax is acting as both the Servicer and the Cash Manager, the Servicing Report may be prepared and incorporated within the Monthly Report of the same calendar month.

For so long as the Servicing Report Performance Date is also the Calculation Date, delivery of the Monthly Report (which incorporates the Servicing Report) by the Cash Manager shall satisfy the obligation of the Servicer to deliver a Servicing Report to the Cash Manager and there shall be no Servicing Report Delivery Failure (as defined below) as a result of the Servicer not delivering a separate Servicing Report to the Cash Manager.

In the Servicing Agreement, the Servicer (only if the Servicer is not the Originator) will also undertake to adjust the interest rate applicable to each Transferred Promissory Note in accordance with (a) the general terms and conditions of that Transferred Promissory Note and (b) the Norwegian Financial Contracts Act. **Servicing Report Delivery Failure** means, subject to the below, on any given Servicing Report Performance Date, that the Cash Manager has not received, or there has been a delay in the receipt of, a Servicing Report setting out all the necessary information in respect of the relevant Calculation Period.

Appointment of Servicer as a designated reporting entity

The Issuer and the Seller have each appointed the Servicer to act as the designated reporting entity for the purposes of complying with any applicable requirements under Article 8b of the CRA Regulation and the

corresponding implementing measures from time to time (including the disclosure and reporting requirements under articles 3 to 7 of Regulation (EU) No. 2015/3) (the **Article 8b Reporting**) in respect of any relevant Notes issued by the Issuer. As at the date of this Prospectus, aspects of the Article 8b requirements remain subject to further clarification.

Removal or resignation of the Servicer

The appointment of the Servicer may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) upon written notice to the Servicer on the occurrence and continuance of certain events (each a **Servicer Termination Event**), including, but not limited to, if:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and such default is not remedied within ten (10) Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice by the Issuer or the Security Trustee requiring the same to be remedied;
- (b) the Servicer defaults (other than a failure to pay) in the performance or observance of any of its covenants and obligations under the Servicing Agreement, which in the sole opinion of the Security Trustee is a default that would be materially prejudicial to the interests of the Noteholders and (except when such default is incapable of remedy, no such continuation and/or notice shall be required) such default is not remedied within fifteen (15) Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice by the Issuer or the Security Trustee requiring the same to be remedied;
- (c) any material representation or warranty made in the Servicing Agreement, or in any certificate, statement or document delivered or made by the Servicer pursuant hereto, is or proves to have been incorrect when made;
- (d) the Servicer is, or is deemed for the purposes of Swedish law to be, insolvent or admits in writing its inability to pay its debts as they fall due;
- (e) the Servicer suspends making payments on all or any class of its debts or announces its intention to do so, or a moratorium is declared in respect of any of its indebtedness;
- (f) the Servicer commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or makes a composition or an arrangement with its creditors or any similar proceeding, arrangement or assignment;
- (g) the Servicer takes any corporate action or any order is made or resolution passed for the suspension of payments, business reorganisation (Sw: *företagsrekonstruktion*), liquidation or bankruptcy of the Servicer or it is forced to enter into liquidation pursuant to the Swedish Companies Act (Sw: *Aktiebolagslagen (2005:551)*);
- (h) a liquidator, receiver, insolvency manager, reconstruction manager or similar officer is appointed in respect of the Servicer or in respect of all or substantially all of its assets;
- (i) the Servicer ceases or threatens to cease to carry on all or a substantial part (in the opinion of the Security Trustee) of its business;
- (j) it becomes unlawful under the laws of Sweden or Norway (including for the avoidance of doubt any treaties to which Sweden or Norway is a party) for the Servicer to perform any material part of the services to be rendered pursuant to the Servicing Agreement except in circumstances where no other person could perform such material part of the services lawfully; or

(k) the Servicer repudiates the Servicing Agreement.

Following the occurrence of a Servicer Termination Event, the Servicer shall not be released from its obligations under the relevant provisions of the Servicing Agreement until a substitute servicer has been appointed.

In addition, subject to the fulfilment of certain conditions including, without limitation, that a substitute servicer has been appointed, the Servicer may voluntarily resign by giving not less than twelve (12) months' notice of resignation to the Issuer and the Security Trustee.

Fees

The Issuer will pay to the Servicer for the provision of the administration services a monthly servicing fee equal to (inclusive of any amount in respect of VAT) 0.10 per cent. of the aggregate unpaid principal balance of all Transferred Promissory Notes as at the Cut-off Date falling immediately preceding the relevant Interest Payment Date, divided by 12.

Governing law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Standby Servicing Agreement

General

The Standby Servicing Agreement will be entered into between the Issuer, the Servicer, Emric AB as the Standby Servicer and the Security Trustee on or around the Closing Date (the **Standby Servicing Agreement**).

If, for whatever reason, the appointment of the Servicer under the Servicing Agreement is terminated, then as soon as reasonably practicable and in no event later than twenty (20) days after the receipt of a written notice from the Issuer or the Security Trustee of the termination of such appointment, the Standby Servicer shall on the terms and subject to the conditions of the Standby Servicing Agreement, perform the Services as set forth in the Servicing Agreement and otherwise comply with such agreement as if it were the Servicer.

The appointment of the Standby Servicer may be terminated by the Issuer or the Servicer (each with the consent of the Security Trustee) or by the Security Trustee upon written notice to the Standby Servicer on the occurrence and continuance of certain events. In addition, the Standby Servicer may voluntarily resign by giving not less than six (6) months' notice of termination to the Issuer and the Security Trustee provided that certain conditions are met, including, that a suitably qualified substitute Standby Servicer that is satisfactory to the Security Trustee shall have been appointed by the Issuer and the Security Trustee.

The Standby Servicing Agreement and the Servicing Agreement both set out the steps required to be undertaken by each party in order to facilitate and effect the transition of the servicing functions from the Servicer to the Standby Servicer.

Fees

The Issuer shall pay to the Standby Servicer as follows:

- (a) as long as the Standby Servicer does not commence the provision and the performance of the services of the Servicer, a fee for the standby services of SEK350,000 for the first year, and SEK225,000 for subsequent years;

- (b) in the event that the Standby Servicer shall commence the provision and performance of the Services:
- (i) a fixed fee of SEK 500,000 upon conversion of Data from Tieto Sweden AB's system to the Standby Servicer's systems; and
 - (ii) a fee per year for the Services of at least SEK 250,000 per month or, if higher, as a percentage of the total amount of the Portfolio, calculated as follows, as of the Cut-off Date immediately preceding the relevant Interest Payment Date:

Size of portfolio	Servicing Fee
Up to NOK 500,000,000	1.35%
Up to NOK 1,000,000,000	1.05%
Above NOK 1,000,000,000	0.85%

(in each case, inclusive of any VAT).

Governing law

The Standby Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Servicing Transfer Agreement

General

The Servicing Transfer Agreement will be entered into between the Issuer, the Servicer, the Standby Servicer, Tieto Sweden AB as the Service Provider and the Security Trustee on or around the Closing Date (the **Servicing Transfer Agreement**).

The Security Trustee may pursuant to the Transaction Documents and other agreements executed in connection therewith in certain instances enforce the pledge over the Transferred Promissory Notes and provide for administration of the Transferred Promissory Notes independently of the Servicer. In particular, the Security Trustee has the right (but not the obligation) to take over administration of the Transferred Promissory Notes itself or, under the terms of a Standby Servicing Agreement between, *inter alia*, the Security Trustee and the Standby Servicer, appoint the Standby Servicer (or any other standby servicer appointed by the Issuer and the Security Trustee from time to time) to administer the Transferred Promissory Notes. The purpose of the Servicing Transfer Agreement is to facilitate the taking over of the servicing of the Transferred Promissory Notes by the Standby Servicer.

Governing law

The Servicing Transfer Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Cash Management Agreement

General

The Cash Management Agreement will be entered into between the Issuer, the Cash Manager, the Security Trustee and the Standby Cash Manager on or around the Closing Date (the **Cash Management Agreement**).

Pursuant to the Cash Management Agreement, the Issuer will appoint the Cash Manager and (if applicable) the Standby Cash Manager to be its agent to provide certain cash management services in respect of the Credit Enhancement Reserve, the Liquidity Reserve, the Payment Holiday Reserve, the GIC Account, the Collection Agency Account, the Credit Enhancement Reserve Account, the Liquidity Reserve Account and the Transaction Account, to maintain the Issuer Ledgers and to prepare certain Monthly Reports to be made available to Noteholders (the **Cash Management Services**).

The Cash Manager will undertake with the Issuer and the Security Trustee that, in performing the services to be performed and in exercising its discretion under the Cash Management Agreement, the Cash Manager will be required to perform such responsibilities and duties with due skill, care and diligence and that it will be obliged to comply with any directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to the Cash Manager in accordance with the provisions of the Cash Management Agreement, the Trust Deed and/or the Security Documents. In the event of a conflict between the directions of the Issuer and the Security Trustee, the directions of the Security Trustee shall prevail.

Calculation of Amounts and Payments

In accordance with the Loan Transfer Agreement, the Customers in respect of the Transferred Promissory Notes will be instructed to make all payments under the Transferred Promissory Notes to the GIC Account. Any payment received by the Servicer under the Transferred Promissory Notes shall be credited to the Collection Agency Account immediately upon receipt during normal banking hours on that Business Day or, where received outside banking hours, on the next Business Day. The Issuer or the Cash Manager shall procure that all Revenue Receipts, all Principal Receipts and any other amounts (including any payments to the Collection Agency Account) in respect of the Portfolio, received by or on behalf of the Issuer shall be paid to the GIC Account. Any such amounts paid to the GIC Account will be credited by the Cash Manager to the relevant ledger set out below. The Cash Manager is required to apply such funds (and funds from the relevant reserves) in accordance with the relevant Priority of Payments and, as applicable, to cure any Revenue Deficit as set out in the Cash Management Agreement and described below under "*Cashflows*".

By no later than the Calculation Date, the Cash Manager is required to determine the various amounts required to pay interest and principal due on the Notes on the forthcoming Interest Payment Date and all other amounts then payable by the Issuer and the amounts available to make such payments. The Cash Manager will also determine any Insurance Premium and any Insurance Proceeds received by the Issuer relating to any Transferred Promissory Note and, in respect of any amounts of Insurance Premium only, the Insurer Premium Portion and the Originator Premium Portion.

By no later than the Calculation Date, the Cash Manager will deliver to the Issuer, the Paying Agents and the Rating Agencies and, upon request, the Security Trustee and the Note Trustee a report (the **Monthly Report**) in respect of the immediately preceding Calculation Period in which it will notify the recipients of such determinations. Such information provided in each Monthly Report shall also include details on any repurchases of Transferred Promissory Notes by the Originator for each Calculation Period (in respect of those repurchases due to breaches of certain warranties relating to such Transferred Promissory Notes only). The Cash Manager shall also ensure that such Monthly Reports shall be placed on the password protected website located at www.scl-ir.com. Copies of each Monthly Report will also be held by the Paying Agents at their offices and available for viewing by Noteholders.

The performance by the Cash Manager and the Standby Cash Manager of their respective duties under the Cash Management Agreement shall be subject to the Cash Manager or the Standby Cash Manager, as applicable, receiving the relevant information from the Issuer, the Servicer and the Agent Bank or the other parties to the Transaction Documents, provided that this shall not in any way excuse the Cash Manager or the Standby Cash Manager from performing their respective obligations set out in the Cash Management Agreement where the Servicer has failed to provide it with the requisite Servicing Report(s).

If a Servicing Report Delivery Failure occurs but the Cash Manager determines that the aggregate amount standing to the credit of the Collection Agency Account and the GIC Account and the Transaction Account as at the immediately following Calculation Date (the **Total Funds**) is:

- (a) insufficient to reduce the Class E Principal Deficiency Ledger to zero and to pay all other amounts ranking in priority thereto pursuant to the Pre-Enforcement Revenue Priority of Payments of which it has been notified on the immediately following Interest Payment Date, the Cash Manager shall:
 - (i) prepare a provisional Monthly Report (each, a **Provisional Monthly Report**) on the relevant Calculation Date based on the information provided in the last supplied Servicing Report and calculate: the amounts payable in respect of item [(m)] of the Pre-Enforcement Revenue Priority of Payments to reduce the Class E Principal Deficiency Ledger to zero and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicing Report;
 - (ii) as soon as reasonably possible, inform the Issuer, the Security Trustee and the Note Trustee; and
 - (iii) apply the required amounts from the Total Funds towards payments of items (a) to (m) of the Pre-Enforcement Revenue Priority of Payments in accordance with the relevant Provisional Monthly Report; or
- (b) sufficient to reduce the Class E Principal Deficiency Ledger to zero and to pay all other amounts ranking in priority thereto pursuant to the Pre-Enforcement Revenue Priority of Payments of which it has been notified on the immediately following Interest Payment Date, the Cash Manager shall:
 - (i) prepare a Provisional Monthly Report on the relevant Calculation Date based on the information provided in the last supplied Servicing Report and calculate: the amounts payable in respect of item (m) of the Pre-Enforcement Revenue Priority of Payments to reduce the Class E Principal Deficiency Ledger to zero and any other amount ranking in priority thereto which it is aware of at such time, on the immediately following Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments which shall be assumed to be equal to the amount specified in the last available Servicing Report;
 - (ii) as soon as reasonably possible, inform the Issuer, the Security Trustee and the Note Trustee;
 - (iii) apply the required amounts from the Total Funds towards payment of items (a) to (m) of the Pre-Enforcement Revenue Priority of Payments in accordance with the relevant Provisional Monthly Report; and
 - (iv) apply any residual Total Funds after the application of funds in (iii) above (the **Residual Total Funds**) as available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

For the purposes of the calculation of the amount payable in respect of any relevant Principal Deficiency Ledger in a Provisional Monthly Report, the Cash Manager shall assume that there would have been an entry on the relevant Principal Deficiency Ledgers in relation to the Calculation Period that Provisional Monthly Report relates to equal to the greater of (i) the average of the relevant entries on the Principal Deficiency Ledgers in respect of each of the six Calculation Periods prior to the occurrence of the Servicing Report Delivery Failure and (ii) zero.

The Cash Manager shall continue to prepare Provisional Monthly Report(s) and apply the Total Funds in accordance with paragraph (iv) above in respect of each following Interest Payment Date until the earlier to occur of (i) the provision of a Servicing Report by the Servicer (or any replacement Servicer) on a Servicing Report Performance Date containing the information required from the Servicer referred to in paragraphs (i) and (ii) above in rectification of the previous Servicing Report Delivery Failure(s) (a **Rectification Event**) or (ii) the delivery of an Enforcement Notice.

On the Calculation Date immediately following a Rectification Event, the Cash Manager will calculate the amounts listed in any previously produced Provisional Monthly Report(s) in respect of the relevant Servicing Report Delivery Failure(s) to determine if any adjustments to the amounts payable on the immediately following Interest Payment Date would be required to take into account any differences and/or discrepancies between (i) the amounts paid on the relevant preceding Interest Payment Date(s) (on the basis of the relevant Provisional Monthly Report(s)) and (ii) the actual amounts that would have been due on such Interest Payment Date(s) had the information necessary for it to prepare the relevant Monthly Report(s) been provided (such information being as set out in the Servicing Report).

Fees

The Issuer will pay to the Cash Manager monthly in arrear a cash management fee of NOK[80,000] per annum on each Interest Payment Date. The Issuer will also be required to reimburse the Cash Manager, on each Interest Payment Date, for all out-of-pocket costs, expenses and charges incurred by the Cash Manager in the performance of its duties under the Cash Management Agreement.

The Issuer shall pay to the Standby Cash Manager monthly in arrear a standby fee as may be agreed between the Issuer, the Standby Cash Manager and the Security Trustee from time to time (for acting as the standby cash manager) which shall be paid to the Standby Cash Manager on each Interest Payment Date. In the event that the Standby Cash Manager assumes the role of Cash Manager, such fee will be increased accordingly. The Standby Cash Manager shall assume and perform certain core duties and obligations of the Cash Manager on the terms set out in the Cash Management Agreement (a) 30 days after receipt of a written notice from the Issuer or the Security Trustee of termination of the appointment of the Cash Manager and (b) upon the termination or resignation of the Cash Manager becoming effective.

Termination of appointment of the Cash Manager or the Standby Cash Manager

The Issuer or the Security Trustee may terminate by notice in writing to the Cash Manager or the Standby Cash Manager (as the case may be) its appointment as Cash Manager or as Standby Cash Manager, as appropriate, with effect from the date specified in the notice, upon the occurrence of a termination event, including, among other things:

- (a) in the case of the Cash Manager, default is made by the Cash Manager of a payment when due on the due date required to be made by the Cash Manager on behalf of the Issuer which continues unremedied for a period of five Business Days;
- (b) a default in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for 15 Business Days; or
- (c) the Cash Manager or the Standby Cash Manager, as the case may be, suffers an Insolvency Event.

In addition, the Cash Manager may resign as Cash Manager upon not less than three months' written notice (or, in the case of the Standby Cash Manager, 60 days' written notice) of resignation to each of the Issuer and the Security Trustee, provided that certain conditions are met, including that a suitably qualified successor Cash Manager shall have been appointed.

Governing law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

Storage Agreement

General

The Issuer will on or around the Closing Date enter into, and the Security Trustee will acknowledge the Issuer's entry into, a storage agreement with Iron Mountain Sweden AB as Storage Company (the **Storage Agreement**). The Storage Agreement will provide for the storage and safe keeping of the Transferred Promissory Notes by the Storage Company.

Governing law

The Storage Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

English Deed of Charge

General

On or around the Closing Date, the Issuer will enter into a deed of charge and assignment (the **English Deed of Charge**) with each of the Security Trustee, the Note Trustee, the Subordinated Loan Provider, the Servicer, the Cash Manager, the Standby Cash Manager, the Agent Bank and the Paying Agents pursuant to which the Issuer will grant security in respect of its obligations, including its obligations under the Notes.

English Security Assets

Under the English Deed of Charge, the Issuer will grant the following security in favour of the Security Trustee who will hold such security on trust for the benefit of itself and the other Secured Parties in accordance with their respective interests:

- (a) an assignment absolutely (or, to the extent not assignable, charges by way of a first fixed charge) of all of its rights in respect of:
 - (i) the Cash Management Agreement;
 - (ii) the Agency Agreement; and
 - (iii) any other Transaction Document (except the Trust Deed) to the extent such Transaction Document or any of the rights and obligations thereunder are deemed to be situated in England.
- (b) an assignment absolutely, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, charges by way of a first fixed charge), of all of its rights in respect of:
 - (i) any amount standing from time to time to the credit of any bank account in which the Issuer has an interest from time to time (to the extent such bank account is deemed to be situated in England);
 - (ii) all interest paid or payable in relation to those amounts; and
 - (iii) all debts represented by those amounts.
- (c) a charge by way of a first fixed charge of all of its rights in respect of:

- (i) the benefit of all authorisations (statutory or otherwise) held in connection with its use of any English Security Asset; and
 - (ii) any compensation which may be payable to it in respect of those authorisations.
- (d) a first floating charge of all of its undertaking, property, assets and rights, both present and future (excluding the Equity Account), including without limitation its uncalled capital, other than any property or assets effectively pledged or assigned pursuant to the Norwegian Security Agreement or Swedish Security Agreement or already subject to the fixed security mentioned above,

(together, the **English Security Assets**), all as more particularly set out in the English Deed of Charge.

The Security Trustee shall not be bound to enforce the security constituted by the English Deed of Charge or take proceedings against the Issuer or any other person to enforce the provisions of the English Deed of Charge or any of the other Transaction Documents or any other action thereunder unless:

- (a) it shall have been directed or requested to do so in writing by the Note Trustee or, if there are no Notes outstanding, it has been directed to do so in writing by all of the other Secured Parties; and
- (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

Limited recourse

The Notes will be limited recourse obligations of the Issuer. On enforcement of the Issuer Security and the Parent Company Security, recourse in respect of all of the Issuer's obligations (including the obligation to pay principal and interest on the Notes) will be limited to the proceeds of realisation of the Issuer Security and the Parent Company Security and, to the extent the proceeds of enforcement are insufficient to satisfy the obligations of the Issuer in respect of the Secured Obligations (including amounts due in respect of the Notes) following distribution of all of such proceeds, the Secured Parties shall have no further claims against the Issuer in respect of amounts owing to them which remains unpaid (including, for the avoidance of doubt, all amounts due in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment shall be deemed to cease.

Non-petition

Each of the Secured Parties (other than the Security Trustee) will agree in the English Deed of Charge or as applicable, the relevant Transaction Document to which it is party to, that, unless the Security Trustee, having become bound to take enforcement action, fails to do so within a reasonable period and such failure is continuing, it will not take any steps for the purpose of recovering any debts due or owing to it by the Issuer and, in any event, each Secured Party will agree not to petition or procure the petitioning for the winding-up or administration of the Issuer or to file documents with the court or serve a notice of intention to appoint an administrator in relation to the Issuer.

Restrictions on exercise of certain rights

All amounts received in respect of the Transferred Promissory Notes shall be paid into the GIC Account. No withdrawals may be made by the Issuer from the Issuer Bank Accounts after an Enforcement Notice has been served or at any time upon and after enforcement of the Issuer Security or the Parent Company Security without the prior written consent of the Security Trustee.

Enforcement

The Issuer Security and the Parent Company Security will become enforceable upon the giving of an Enforcement Notice by the Note Trustee following the occurrence of a Note Event of Default. The Security Trustee may appoint a Receiver of all or any part of the English Security Assets if the Issuer Security and the Parent Company Security become enforceable. The Security Trustee shall be subject to applicable Norwegian and Swedish law in respect of the enforcement of the Swedish Security, the Norwegian Security and the Parent Company Security.

Modification of the Transaction Documents

Except for any modification to any Transaction Document to correct a manifest error, the Security Trustee shall concur with the Issuer or any other person in making any modification to any Transaction Document and waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of any of the Transaction Documents only if so directed in writing by (i) the Note Trustee, so long as there are any Notes outstanding or (ii) all of the other Secured Parties, if there are no Notes outstanding.

The English Deed of Charge provides that the Security Trustee, in giving consents, agreeing to modifications and waivers and taking action (including, without limitation, any enforcement action) will act on the direction of (i) the Note Trustee (for so long as any Notes are outstanding) or (ii) all of the other Secured Parties (if there are no Notes outstanding).

Governing law

The English Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

Subordinated Loan Agreement

General

The Issuer, the Subordinated Loan Provider and the Security Trustee will enter into a loan agreement (the **Subordinated Loan Agreement**) on or before the Closing Date pursuant to which the Subordinated Loan Provider will grant the Issuer subordinated loans to the value of approximately NOK[●] (excluding the Difference Amount). The Subordinated Loan Provider is committed to provide certain loans to the Issuer on the Closing Date. Upon a request by the Issuer, the Subordinated Loan Provider may (but is not in any way obliged to) make further subordinated loans to the Issuer.

Interest Rate

The rate of interest on each loan for each Interest Period is the percentage rate per annum equal to the aggregate of the applicable: (i) Margin (3.50 per cent. per annum) and (ii) NIBOR, and is payable subject to and in accordance with the relevant Priorities of Payments.

Purpose

The Subordinated Loans may be used:

- (a) to fund the Credit Enhancement Reserve by crediting such loan to the Credit Enhancement Reserve Account;
- (b) to fund the Liquidity Reserve by crediting such loan to the Liquidity Reserve Account;

- (c) to fund the Payment Holiday Reserve by crediting such loan to the Payment Holiday Reserve Ledger on the GIC Account;
- (d) to finance the Issuer's purchase of Additional Promissory Notes from the Seller;
- (e) to partially pay for the Set-up Fees by crediting such loan to the Transaction Account;
- (f) to support the Issuer's payment obligations under the Notes and the Transaction Documents, by the Subordinated Loan Provider designating that the relevant loan shall form part of the Principal Receipts or Revenue Receipts in accordance with the Cash Management Agreement and crediting such loan to the Collection Agency Account;
- (g) to reconvert conditional shareholder's contributions (*Sw. villkorat aktieägartillskott*) into debt made by the Subordinated Loan Provider (in which case no amount is advanced);
- (h) to refinance the debt item occurring as a result of Transferred Promissory Notes becoming Delinquent and/or Written-off, or otherwise from applicable accounting rules;
- (i) to fund the Difference Amount, if required; and
- (j) to initially fund an amount (the **Float Amount**) which will be paid into the Transaction Account and which will be available to (i) the Cash Manager to cover certain costs and expenses incurred by the Issuer before the first Interest Payment Date and (ii) the Servicer to repay to Customers amounts which Customers have paid into the GIC Account in error.

Governing law

The Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Swedish Security Agreement

General

On or around the Closing Date, the Issuer will enter into a security agreement (the **Swedish Security Agreement**) with the Cash Manager and the Security Trustee pursuant to which the Issuer will provide collateral to the Secured Parties as represented by the Security Trustee to secure its obligations and liabilities of the Issuer under the Transaction Documents.

Under the Swedish Security Agreement, the Issuer will grant, in favour of the Security Trustee who will hold such security on behalf of itself and the other Secured Parties in accordance with their respective interests, a first ranking security over the Issuer's rights, title and interest in, to and under the Servicing Agreement, the Standby Servicing Agreement, the Servicing Transfer Agreement and the Loan Transfer Agreement.

Governing law

The Swedish Security Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Norwegian Security Agreement

General

On or around the Closing Date, the Issuer will enter into a security agreement (the **Norwegian Security Agreement**) with the Security Trustee and the Cash Manager pursuant to which the Issuer as Pledgor will

provide collateral to the Secured Parties as represented by the Security Trustee to secure the Issuer's obligations and liabilities under or pursuant to the Transaction Documents. Such collateral will comprise of (i) all the Pledgor's present and future claims under or pursuant to the Transferred Promissory Notes, (ii) all the Pledgor's present and future rights, title and interest in and to the Insurance Proceeds; (iii) all of the Pledgor's right to the GIC Account, the Liquidity Reserve Account and the Credit Enhancement Reserve Account and all funds held on the GIC Account, the Liquidity Reserve Account and the Credit Enhancement Reserve Account, from time to time; (iv) all of the Pledgor's present and future rights to all moneys whatsoever payable to or for the account of the Pledgor under the Bank Account Agreement; and (v) all of the Pledgor's present and future rights to all moneys whatsoever payable to or for the account of the Pledgor under the Reserve Bank Accounts Agreement.

Governing law

The Norwegian Security Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Norwegian law.

Share Pledge Agreement

General

On or before the Closing Date, the Seller will enter into a share pledge agreement (the **Share Pledge Agreement**) with the Security Trustee pursuant to which Nordax as the only shareholder of the Issuer will pledge all of its rights and title to all shares in the Issuer to the Secured Parties as represented by the Security Trustee to secure the Issuer's obligations and liabilities under or pursuant to the Transaction Documents.

The Parent Company will undertake in the Share Pledge Agreement to appoint a new independent director at its earliest convenience if a sole Independent Director resigns or is terminated.

Governing law

The Share Pledge Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Swedish law.

Bank Account Agreement

General

The Issuer, the Cash Manager, Nordea Norge as the Collection Accounts Bank and the Security Trustee will enter into a bank account agreement (the **Bank Account Agreement**) on or around the Closing Date pursuant to which the Collection Accounts Bank will establish the GIC Account, the Transaction Account, the Collection Agency Account and the Equity Account in the name of the Issuer.

The Servicer (acting as agent for the Issuer) will be responsible, pursuant to the terms of the Servicing Agreement, for ensuring that the amounts received in connection with the Transferred Promissory Notes are paid into the GIC Account. Payments out of the GIC Account, the Collection Agency Account and the Transaction Account will be made in accordance with the provisions of the Cash Management Agreement and, as applicable, the relevant Priority of Payments contained therein as described under "*Cashflows*" below.

If the Collection Accounts Bank ceases to be an Eligible Bank, then the Collection Accounts Bank will be required to, at its own cost, arrange for the transfer of the Collection Bank Accounts to an Eligible Bank on terms substantially similar to the Bank Account Agreement within 30 days of the date that the Collection Accounts Bank ceased to be an Eligible Bank.

Governing law

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Norwegian law.

Reserve Bank Accounts Agreement

General

The Issuer, the Cash Manager, Nordea Norge as the Reserve Accounts Bank and the Security Trustee will enter into a reserve bank accounts agreement (the **Reserve Bank Accounts Agreement**) on or around the Closing Date pursuant to which the Reserve Accounts Bank will provide the Credit Enhancement Reserve Account and the Liquidity Reserve Account in the name of the Issuer.

If the Reserve Accounts Bank ceases to be an Eligible Bank, then the Reserve Accounts Bank will assist the Issuer in appointing an Eligible Bank as replacement Reserve Accounts Bank on terms substantially similar to the Reserve Bank Accounts Agreement within 30 days of the date that the Reserve Accounts Bank ceased to be an Eligible Bank.

Governing law

The Reserve Bank Accounts Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Norwegian law.

Trust Deed

General

On or around the Closing Date, the Issuer and the Note Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Notes will be constituted. The Trust Deed will include the form of the Notes and contain a covenant from the Issuer to the Note Trustee to pay all amounts due under the Notes. The Note Trustee will hold the benefit of that covenant on trust for itself and the Noteholders in accordance with their respective interests.

The Trust Deed will contain provisions requiring the Note Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders equally (except where expressly provided otherwise), but where there is, in the Note Trustee's opinion (A) a conflict between the interests of (i) the Class A Noteholders and (ii) any other Class of Noteholders, the Trust Deed will require the Note Trustee to have regard to the interests of the Class A Noteholders only, provided there are Class A Notes outstanding; and (B) if, in the Note Trustee's opinion, there is a conflict between the interests of (i) the Class B Noteholders; and (ii) the Class C Noteholders; and (iii) the Class D Noteholders; and (iv) the Class E Noteholders, the Trust Deed will require the Note Trustee, subject to paragraph (A) above, to have regard to the interests of the Class B Noteholders only, provided there are Class B Notes outstanding; and (C) if, in the Note Trustee's opinion, there is a conflict between the interests of (i) the Class C Noteholders; and (ii) the Class D Noteholders; and (iii) the Class E Noteholders, the Trust Deed will require the Note Trustee, subject to paragraph (A) and (B) above, to have regard to the interests of the Class C Noteholders only, provided there are Class C Notes outstanding; and (D) if, in the Note Trustee's opinion, there is a conflict between the interests of (i) the Class D Noteholders; and (ii) the Class E Noteholders, the Trust Deed will require the Note Trustee, subject to paragraph (A) and (B) and (C) above, to have regard to the interests of the Class D Noteholders only, provided that there are Class D Notes outstanding. The Trust Deed will provide that the Note Trustee may, at its discretion, take any action (including, without limitation (a) acceleration of the Notes or (b) the giving of a direction to the Security Trustee to enforce the Issuer Security and/or the Parent Company Security) but will not be bound to take any such action unless it is directed to do so by an Extraordinary Resolution of the holders of the Most Senior

Class of Notes or in writing by the holders of at least 20 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes and, in each case, it and the Security Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction. The holders of another Class of Notes may also give such a direction in the event that to do so would not in the Note Trustee's opinion be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or such action is sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes.

Waiver and modification

- (a) The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, Note Event of Default or Potential Note Event of Default at any time and from time to time but only if and in so far as in its opinion the interests of any class of the Noteholders shall not be materially prejudiced thereby (a) waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in any Transaction Document or determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such for the purposes of the Trust Deed; or (b) direct or give its consent to the Security Trustee to waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in any Transaction Document, provided in each case that the Note Trustee shall not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a direction under **Condition 9 (Note Events of Default)** but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the Noteholders and, if, but only if, the Note Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with the Conditions as soon as practicable thereafter.
- (b) The Note Trustee may, without the consent or sanction of the Noteholders at any time and from time to time (a) concur with the Issuer or any other person; or (b) direct or give its consent to the Security Trustee to concur with the Issuer or any other person, in making any modification (i) to any Transaction Document which (A) in the opinion of the Note Trustee it may be proper to make, provided that the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any class of the Noteholders or (B) the Note Trustee is required to make in accordance with the Trust Deed; or (ii) to any Transaction Document if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. Any such modification, direction or consent may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and shall be notified by the Issuer to the Noteholders in accordance with the Conditions (unless the Note Trustee agrees otherwise) and to the Rating Agencies, in each case as soon as practicable thereafter.
- (c) The Note Trustee may give, or direct the Security Trustee to give, any consent or approval for the purposes of any Transaction Document if, in its opinion, the interests of each class of the Noteholders will not be materially prejudiced thereby. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and notwithstanding anything to the contrary in these presents or any other Transaction Document may be given retrospectively. Notwithstanding the foregoing, the Note Trustee shall, or shall direct the Security Trustee, without the consent or sanction of the Noteholders at any time and from time to time agree to any waiver or modification of any Transaction Document under **Condition 11.17 (Meetings of Noteholders, Modification and Waiver)** which is: (a) required by a Rating Agency which the Rating Agency has confirmed in writing to the Note Trustee (following a request in writing by the Issuer for such a confirmation) is necessary to maintain the then current ratings of any Class of the Notes by such Rating Agency; (b) required to give effect to the replacement of the relevant Account Bank following it ceasing to be an Eligible Bank pursuant to the provisions of the relevant Bank Account Agreement (or any waiver of the replacement of any other party to a

Transaction Document which is required to maintain a certain rating from time to time) which the relevant Rating Agency has confirmed to the Note Trustee in writing (following a request in writing by the Issuer for such a confirmation will not adversely affect the then current ratings of any Class of the Notes; and (c) required to give effect to any modification to the Priority of Payments where such modification is made to amend or add a payment due from the Issuer which ranks subordinate to all payments due to the Noteholders, provided, in each case, that any such modification or waiver would not (x) in the sole opinion of the Note Trustee, have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions or (y) result in a Basic Terms Modification. Such modification or waiver, once implemented, shall be conclusive and binding on all parties and the Noteholders. Neither the Note Trustee nor the Security Trustee shall be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of the Note Trustee and/or the Security Trustee consenting to such modification or waiver. The Note Trustee shall not be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of directing the Security Trustee to consent to such modification or waiver.

Noteholder meetings

The Trust Deed also contains the provisions for meetings of the Noteholders of each class which are summarised above.

Governing law

The Trust Deed and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

Agency Agreement

General

Pursuant to a paying agent and agent bank agreement to be entered into on or around the Closing Date (the **Agency Agreement**) between the Issuer, the Note Trustee, the Principal Paying Agent and the Agent Bank, provision will be made for, among other things, payment of principal and interest in respect of the Notes of each Class.

Governing law

The Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

CASHFLOWS

Collection Procedures

Customers are required to make their scheduled monthly payments of principal, interest and other amounts in respect of their Promissory Notes into the GIC Account of the Issuer. All payments to be made by the Customers in respect of amounts due under their Promissory Notes are collected on the relevant payment date of each Promissory Note, either by direct debit from an account of the relevant Customer or by way of bank transfer and credited to the GIC Account.

Ledgers

The Cash Manager will maintain the following ledgers (together, the **Ledgers**):

- (a) a ledger in respect of all Revenue Receipts standing to the credit of the GIC Account (the **Revenue Ledger**);
- (b) a ledger in respect of Principal Receipts standing to the credit of the GIC Account (the **Principal Ledger**);
- (c) a ledger which shall record principal deficiencies in respect of the Class A Notes (the **Class A Principal Deficiency Ledger**);
- (d) a ledger which shall record principal deficiencies in respect of the Class B Notes (the **Class B Principal Deficiency Ledger**);
- (e) a ledger which shall record principal deficiencies in respect of the Class C Notes (the **Class C Principal Deficiency Ledger**);
- (f) a ledger which shall record principal deficiencies in respect of the Class D Notes (the **Class D Principal Deficiency Ledger**);
- (g) a ledger which shall record principal deficiencies in respect of the Class E Notes (the **Class E Principal Deficiency Ledger**);
- (h) a ledger which shall record the amounts debited and credited to the Credit Enhancement Reserve Account (the **Credit Enhancement Reserve Ledger**);
- (i) a ledger which shall record the amounts debited and credited to the Liquidity Reserve Account (the **Liquidity Reserve Ledger**);
- (j) a ledger which shall record all amounts debited and credited to the Initial Purchase Price Reserve (the **Initial Purchase Price Reserve Ledger**);
- (k) a ledger which shall record credits to and debits from the Transaction Account in respect of (i) amounts deposited from the Establishment Loan and any shareholder's contributions on or around the Closing Date (collectively, the **Establishment Amount**); (ii) amounts received to replenish the Float Amount in accordance with the Pre-Enforcement Revenue Priority of Payments; (iii) amounts towards the payment of any Set-up Fees and (iv) certain General Expenses due to third parties that are not Secured Parties incurred by the Issuer in its ordinary course of business which are payable between Interest Payment Dates and paid for from the Float Amount (the **Transaction Account Ledger**);

- (l) a ledger which shall record all Further Loans made by the Subordinated Loan Provider from time to time, and the use of proceeds of those Further Loans (the **Further Loan Ledger**);
- (m) a ledger which shall record all amounts credited to the Payment Holiday Reserve on the GIC Account and all debits from that ledger to pay Payment Holiday Amounts (the **Payment Holiday Reserve Ledger**);
- (n) a ledger which shall record the amount of Establishment Loan made by the Subordinated Loan Provider less any amounts repaid (the **Establishment Loan Ledger**); and
- (o) a ledger which shall record all Insurance Premiums paid by Customers and all Insurance Proceeds received by the Issuer and payments of the Insurer Premium Portion of any Insurance Premiums paid by the Issuer to the Insurance Companies (the **Insurance Ledger**).

In addition, the Cash Manager will maintain such other ledgers as the Issuer, the Security Trustee or the Servicer may from time to time request or which the Cash Manager considers (in its discretion) to be reasonable or necessary to keep.

The Cash Manager will from time to time in accordance with the payments made:

- (a) credit the Revenue Ledger with all Revenue Receipts credited to the GIC Account and debit the Revenue Ledger with all payments made by or on behalf of the Issuer out of Revenue Receipts to be applied in accordance with the applicable Priorities of Payments;
- (b) credit the Principal Ledger with all Principal Receipts credited to the GIC Account and debit the Principal Ledger with all payments by or on behalf of the Issuer out of Principal Receipts to be applied in accordance with the applicable Priorities of Payments;
- (c) credit the Credit Enhancement Reserve Ledger with the proceeds of (i) any Further Loan which is required by the Subordinated Loan Provider to be applied to the Credit Enhancement Reserve Account, and (ii) any further amounts credited to the Credit Enhancement Reserve Account in accordance with the Pre-Enforcement Revenue Priority of Payments;
- (d) debit the Credit Enhancement Reserve Ledger with any payments made therefrom to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments;
- (e) credit the Liquidity Reserve Ledger with the proceeds of (i) the Liquidity Reserve Loan, and (ii) any amounts credited to the Liquidity Reserve Account (up to the Liquidity Reserve Required Amount) in accordance with the Pre-Enforcement Revenue Priority of Payments;
- (f) debit the Liquidity Reserve Ledger with any payments or transfer of residual funds made from the Liquidity Reserve Account (i) towards any Revenue Deficit and (ii) provided that the Rated Notes have been repaid in full and prior to the service of an Enforcement Notice on the Issuer, towards the repayment of the Liquidity Reserve Loan, and (iii) in the event of the occurrence of a Liquidity Redemption Event prior to the Service of an Enforcement Notice on the Issuer, applied as Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments, and (iv) following the service of an Enforcement Notice, applied in accordance with the Post Enforcement Priority of Payments;
- (g) debit the Transaction Account Ledger with any payments made from the Transaction Account relating to (i) the Set-up Fees and (ii) the General Expenses of the Issuer or reimbursements made by the Servicer to any Customer or its relevant lender for incorrect amounts paid into the GIC Account using the Float Amount (or part thereof) and credit the Transaction Account Ledger with any payments made to the Transaction Account on the Closing Date, in an amount funded by the

Establishment Loan and any shareholder's contributions (contributed on or around the Closing Date) and, on each Interest Payment Date, in an amount not exceeding the Float Amount;

- (h) debit the relevant Principal Deficiency Ledger with the amount (as notified to it by the Servicer) of any Losses in respect of the Transferred Promissory Notes and any Deemed Revenue Receipts;
- (i) credit the relevant Principal Deficiency Ledger with the amount of any Revenue Receipts applied in accordance with the Pre-Enforcement Principal Priority of Payments;
- (j) credit the Further Loan Ledger with all Further Loans made by the Subordinated Loan Provider from time to time, and debit the Further Loan Ledger with all loan repayments made by the Issuer;
- (k) credit the Payment Holiday Reserve Ledger with (i) all loans made by the Subordinated Loan Provider to fund the Payment Holiday Reserve and (ii) any further amounts credited to the Payment Holiday Reserve Ledger (up to the Payment Holiday Reserve Required Amount) in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- (l) debit the Payment Holiday Reserve Ledger with all Payment Holiday Amounts (which shall be deemed to constitute Revenue Receipts).

Credit Enhancement Reserve

On the Closing Date, the Issuer shall establish the Credit Enhancement Reserve Account. From the first Interest Payment Date until the earlier of the repayment in full of the Rated Notes and the Step-Up Date, the Credit Enhancement Reserve will be funded or replenished (as the case may be) up to the Credit Enhancement Reserve Required Amount:

- (a) on each Interest Payment Date, pursuant to the Pre-Enforcement Revenue Priority of Payments (subject to any payments in priority thereto); and
- (b) on any date if the Subordinated Loan Provider agrees to make a Further Loan to the Issuer that is required by the Subordinated Loan Provider to be credited to the Credit Enhancement Reserve Account.
- (c) The Credit Enhancement Reserve Required Amount will be determined by the Cash Manager on each Calculation Date in respect of each Transferred Promissory Note which is Delinquent, as an amount equal to the Principal Promissory Note Amount of the relevant Transferred Promissory Note, multiplied by:
 - (i) if that Transferred Promissory Note has been Delinquent for less than 1 month, 0;
 - (ii) if that Transferred Promissory Note has been Delinquent for less than 2 months but at least 1 month, 0.2; and
 - (iii) if that Transferred Promissory note has been Delinquent for less than 3 months but at least 2 months, 0.4.

Following the Step-Up Date or (if earlier) the repayment in full of the Rated Notes, there shall be no requirement to retain the Credit Enhancement Reserve at the Credit Enhancement Reserve Required Amount. Following the repayment of the Rated Notes, any remaining amounts standing to the credit of the Credit Enhancement Reserve Ledger shall be applied towards redemption of the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero in accordance with the Pre-Enforcement Revenue Priority of Payments. Following repayment in full of the Class E Notes, any remaining amounts standing to

the credit of the Credit Enhancement Reserve Ledger shall be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

Liquidity Reserve

On the Closing Date, the Issuer shall establish a Liquidity Reserve by depositing in the Liquidity Reserve Account an amount equal to NOK[●], which shall be funded from the proceeds of the Liquidity Reserve Loan made by Nordax in its capacity as the Subordinated Loan Provider to the Issuer.

Until the earlier of (a) the repayment in full of the Rated Notes and (b) the service of an Enforcement Notice on the Issuer, the Liquidity Reserve will be replenished up to the Liquidity Reserve Required Amount on each Interest Payment Date, pursuant to the Pre Enforcement Revenue Priority of Payments (subject to any payments in priority thereto).

Following the earlier of (a) the repayment in full of the Rated Notes and (b) the service of an Enforcement Notice on the Issuer, there shall be no requirement to retain the Liquidity Reserve at the Liquidity Reserve Required Amount and the amounts standing to the credit of the Liquidity Reserve Account (if any) shall either (i) following the repayment in full of the Rated Notes, be paid directly to the Subordinated Loan Provider towards the repayment of the Liquidity Reserve Loan or (ii) following the service of an Enforcement Notice on the Issuer, be applied as Principal Receipts in accordance with the Post-Enforcement Priority of Payments.

In the event of the occurrence of a Liquidity Redemption Event prior to the service of an Enforcement Notice on the Issuer, amounts standing to the credit of the Liquidity Reserve Account (if any) shall be applied as Principal Receipts in accordance with the Pre Enforcement Principal Priority of Payments.

Payment Holiday Reserve

On the Closing Date, the Issuer shall establish the Payment Holiday Reserve.

Until the repayment in full of the Rated Notes, the Payment Holiday Reserve will be funded on each Interest Payment Date from available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or at any time by the Subordinated Loan Provider via Further Loans to the Issuer that are required by the Subordinated Loan Provider to be credited to the Payment Holiday Reserve.

A Payment Holiday option may be granted to a Customer with the consent of the Servicer, subject to this being permitted under the Credit Policy. Furthermore, the Servicer will not be entitled to offer a Payment Holiday to a Customer or accept a request for a Payment Holiday from a Customer (in each case in respect of a Transferred Promissory Note) unless either:

- (a) a Further Loan has been granted by the Subordinated Loan Provider in an amount equivalent to or exceeding the relevant Payment Holiday Amount(s) and such amount has been credited to the Payment Holiday Reserve to fund the relevant Payment Holiday Amount(s) of that Customer during the proposed Payment Holiday period (taking into account all other Payment Holiday Amounts in respect of all other Customers that will fall due for payment during that period); or
- (b) there are sufficient funds standing to the credit of the Payment Holiday Reserve to fund the relevant Payment Holiday Amount(s) of that Customer during the proposed Payment Holiday period (taking into account all other Payment Holiday Amounts in respect of all other Customers that will fall due for payment during that period).

Prior to the occurrence of a Note Event of Default and the service of an Enforcement Notice on the Issuer, amounts standing to the credit of the Payment Holiday Reserve Ledger on the GIC Account will be available for application in accordance with the Pre-Enforcement Revenue Priority of Payments. Following the

service of an Enforcement Notice on the Issuer, amounts (if any) standing to the credit of the Payment Holiday Reserve on the GIC Account shall constitute the general funds of the Issuer available for application in accordance with the Post-Enforcement Priority of Payments.

Priorities of Payments

The payment priorities will be set out in the Cash Management Agreement. Prior to the delivery of an Enforcement Notice following a Note Event of Default, the Cash Manager will be responsible for making any payments of scheduled principal or prepayment on the Notes from amounts credited to the Principal Ledger on the GIC Account (in accordance with the Pre-Enforcement Principal Priority of Payments) and for making payments of, among other things, interest on the Notes from amounts credited to the Revenue Ledger on the GIC Account (in accordance with the Pre-Enforcement Revenue Priority of Payments). From and including the date on which the Note Trustee serves an Enforcement Notice on the Issuer, the Security Trustee (or, with the consent of the Security Trustee, the Cash Manager on its behalf) will be responsible for making payments of principal and interest on the Notes in accordance with the Post-Enforcement Priority of Payments.

Establishment Amount

The Cash Manager (on behalf of the Issuer) shall procure that the Establishment Loan and any shareholders' contribution (contributed on or around the Closing Date) (together, the **Establishment Amount**) is credited to the Transaction Account. Prior to the Note Trustee serving an Enforcement Notice on the Issuer, the Cash Manager (on behalf of the Issuer) will on any Business Day prior to the first Interest Payment Date, pay out of the funds comprising the Establishment Amount (excluding the initial Float Amount) towards payment of any Set-up Fees only.

Float Amount

The **Float Amount** shall be an amount not exceeding NOK[1,000,000] which shall be funded initially from the Establishment Loan on or about the Closing Date until, but not including the first Interest Payment Date, and thereafter from available Revenue Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and credited to the Transaction Account. Prior to the Note Trustee serving an Enforcement Notice on the Issuer, the Cash Manager (on behalf of the Issuer) will, on any Business Day from the first Interest Payment Date, pay out of the Float Amount (or, if the Float Amount is insufficient, other amounts (if any) standing to the credit of the Transaction Account) to (1) the Cash Manager to pay the General Expenses of the Issuer and (2) the Servicer to repay to Customers amounts which such Customers have paid into the GIC Account in error after the first Interest Payment Date.

General Expenses

The general expenses (**General Expenses**) are certain expenses due to third parties that are not Secured Parties incurred by the Issuer in the ordinary course of its or their business, including the Issuer's liability, if any, amounts due to the Storage Company, the tax authorities and any legal or accounting advisers and, to the extent not provided for elsewhere, any fees due to any proper authority in order to maintain the corporate standing of the Issuer (including any amounts payable in relation to the engagement of any Independent Director of the Issuer) provided that on any Interest Payment Date, such payment shall be made in accordance with the Pre-Enforcement Revenue Priority of Payments. For the avoidance of doubt, the Set-up Fees (which are funded from the Establishment Amount) shall not constitute General Expenses.

Pre-Enforcement Revenue Priority of Payments

Prior to the Note Trustee serving an Enforcement Notice on the Issuer, Revenue Receipts will be applied by the Cash Manager (on behalf of the Issuer) on each Interest Payment Date (after payment of the Insurer Premium Portion of any Insurance Premiums due and payable by the Issuer on such Interest Payment Date to

the Insurance Companies), in the following order of priority (the **Pre Enforcement Revenue Priority of Payments**) (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) in or towards satisfaction, on a *pari passu* and *pro rata* basis according to the respective amounts thereof, of:
 - (i) the costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable (including value added tax, if any) by the Issuer on such Interest Payment Date to the Note Trustee or any of its appointees under the Trust Deed or any other Transaction Document to which it is party; and
 - (ii) the costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable (including value added tax, if any) by the Issuer on such Interest Payment Date to the Security Trustee or any of its appointees under the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement, the Share Pledge Agreement or any other Transaction Document to which it is a party;
- (b) in or towards satisfaction of costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer on such Interest Payment Date, *pari passu* and *pro rata*:
 - (i) to the Servicer pursuant to the Servicing Agreement;
 - (ii) to the Standby Servicer pursuant to the Standby Servicing Agreement;
 - (iii) to the Cash Manager pursuant to the Cash Management Agreement;
 - (iv) to the Standby Cash Manager pursuant to the Cash Management Agreement;
 - (v) to the Account Banks pursuant to the Bank Account Agreements;
 - (vi) to the Service Provider pursuant to the Servicing Transfer Agreement; and
 - (vii) to the Paying Agents and the Agent Bank pursuant to the Agency Agreement;
- (c) in or towards satisfaction of any General Expenses due and payable by the Issuer on such Interest Payment Date, *pari passu* and *pro rata*, subject to an overall annual cap of NOK[2,000,000];
- (d) prior to the repayment in full of the Rated Notes, to replenish the Liquidity Reserve to the Liquidity Reserve Required Amount;
- (e) in or towards satisfaction of any interest due and, if applicable, overdue (and all interest due on such overdue interest) on the Class A Notes on such Interest Payment Date;
- (f) in or towards application of such amount as is required to reduce any debit balance on the Class A Principal Deficiency Ledger to zero;
- (g) in or towards satisfaction of any interest due and, if applicable, overdue (and all interest due on such overdue interest) on the Class B Notes on such Interest Payment Date;
- (h) in or towards application of such amount as is required to reduce any debit balance on the Class B Principal Deficiency Ledger to zero;

- (i) in or towards satisfaction of any interest due and, if applicable, overdue (and all interest due on such overdue interest) on the Class C Notes on such Interest Payment Date;
- (j) in or towards application of such amount as is required to reduce any debit balance on the Class C Principal Deficiency Ledger to zero;
- (k) in or towards satisfaction of any interest due and, if applicable, overdue (and all interest due on such overdue interest) on the Class D Notes on such Interest Payment Date;
- (l) in or towards application of such amount as is required to reduce any debit balance on the Class D Principal Deficiency Ledger to zero;
- (m) in or towards application of such amount as is required to reduce any debit balance on the Class E Principal Deficiency Ledger to zero;
- (n) prior to the earlier of (i) the repayment in full of the Rated Notes and (ii) the Step-Up Date, to credit the Credit Enhancement Reserve Ledger in an amount up to the Credit Enhancement Reserve Required Amount in accordance with the requirements of the Cash Management Agreement (provided that after the repayment in full of the Rated Notes, any amounts standing to the credit of the Credit Enhancement Reserve Ledger shall be applied to repay the Class E Notes in accordance with paragraph (s) below and thereafter in accordance with this Pre-Enforcement Revenue Priority of Payments);
- (o) in or towards satisfaction of payment of any interest due and, if applicable, overdue (and all interest due on such overdue interest) on the Class E Notes on such Interest Payment Date;
- (p) to credit the Transaction Account by an amount up to the Float Amount;
- (q) in payment of the Originator Premium Portion due and payable by the Issuer on such Interest Payment Date to the Originator;
- (r) on and from the Step-Up Date, in or towards satisfaction of any amounts due and payable by the Issuer on such Interest Payment Date in the following order of priority:
 - (i) *firstly*, to redeem the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;
 - (ii) *secondly*, to redeem the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;
 - (iii) *thirdly*, to redeem the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero; and
 - (iv) *fourthly*, to redeem the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (s) following repayment in full of the Rated Notes, to redeem the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero (including using amounts standing to the credit of the Credit Enhancement Reserve);
- (t) in or towards payment of any other amounts due and payable by the Issuer on such Interest Payment Date to the Other Secured Parties (where not otherwise provided for in the Pre-Enforcement Priority of Payments);
- (u) to the Subordinated Loan Provider, in or towards satisfaction of payment of:

- (i) firstly, any interest due to the Subordinated Loan Provider;
 - (ii) secondly, (excluding the Liquidity Reserve Loan unless not fully repaid from the funds in the Liquidity Reserve Account after the repayment in full of the Rated Notes) any principal due to the Subordinated Loan Provider; and
 - (iii) thirdly, any other amounts due to the Subordinated Loan Provider,
- under the Subordinated Loan Agreement;
- (v) prior to the earlier to occur of an Insolvency Event in relation to the Seller and the repayment in full of the Rated Notes, to credit the Payment Holiday Reserve Ledger in an amount up to the Payment Holiday Required Amount in accordance with the requirements of the Cash Management Agreement;
 - (w) in or towards payment firstly, of any amounts of the Initial Purchase Price for Additional Promissory Notes acquired during the Revolving Period which remains outstanding after the Revolving Period End Date and secondly, to the Seller of the Deferred Consideration payable under the Loan Transfer Agreement (less the sum of NOK[50,000] per calendar year); and
 - (x) any surplus to the Issuer, which shall be credited to the Equity Account.

Prior to the Note Trustee serving an Enforcement Notice on the Issuer, if and to the extent, on any Interest Payment Date, there is a Revenue Deficit, then the Cash Manager shall:

- (i) *first*, apply amounts standing to the credit of the Liquidity Reserve Account (taking into account the application of funds pursuant to item (d) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date) towards curing any Revenue Deficit provided that (with the exception of the Most Senior Class of Rated Notes then outstanding) no amounts from the Liquidity Reserve Account may be applied to pay interest on a class of Rated Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Rated Notes; and
- (ii) *second*, apply Principal Receipts towards curing any residual Revenue Deficit (taking into account the prior application of funds, if any, from the Liquidity Reserve) provided that (with the exception of the Most Senior Class of Rated Notes then outstanding) no amounts of Principal Receipts may be applied to pay interest on a class of Rated Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Rated Notes (any Principal Receipts so applied being the **Deemed Revenue Receipts**).

Capitalised Interest means the amount of fees and interest that would have been paid on a Transferred Promissory Note if not for the Customer under that Transferred Promissory Note taking a Payment Holiday in accordance with the Credit Policy, which amount is added to the principal balance owing under the relevant Transferred Promissory Note.

Deemed Principal Receipts means, in respect of any Calculation Period, the aggregate of the amounts to be applied from Revenue Receipts on the immediately following Interest Payment Date pursuant to paragraphs (f), (h), (j), (l) and (m) of the Pre-Enforcement Revenue Priority of Payments.

Income Receipts means, as at each Calculation Date and in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to the following standing to the credit of the GIC Account (except for item (e) which may be standing to the credit of the Collection Agency Account prior to being transferred to the GIC Account) at the close of business on such Cut-off Date (without double counting) representing:

- (a) payments of interest and other fees (including Insurance Premiums) received under the Transferred Promissory Notes;
- (b) interest earned on the balance from time to time in the Issuer Bank Accounts (excluding the Equity Account);
- (c) net recoveries of interest and outstanding fees from defaulting Customers under Transferred Promissory Notes which are Delinquent but not Written-off;
- (d) net recoveries of interest, principal, fees and other amounts from defaulting Customers under Transferred Promissory Notes that are Written-off; and
- (e) payments of Insurance Proceeds from an Insurance Company to the extent attributable to interest and fees (but not principal) owing by a Customer.

Insurance Premiums means any insurance premium received from time to time from a Customer pursuant to an insurance policy provided by an Insurance Company in respect of any Transferred Promissory Note.

Issuer Available Funds means, in respect of an Interest Payment Date, the aggregate of Revenue Receipts and Principal Receipts in respect of the immediately preceding Calculation Period (without double counting).

Liquidity Reserve Required Amount means:

- (a) from (and including) the Closing Date to (and including) the Revolving Period End Date, an amount equal to [0.5] per cent. of the outstanding principal balance of the Initial Portfolio as at the Closing Date; and
- (b) from (and excluding) the Revolving Period End Date, an amount equal to [1.25] per cent. of the outstanding principal balance of the Initial Portfolio as at the Closing Date.

More Senior Class of Notes means:

- (a) in relation to the Class B Notes, the Class A Notes;
- (b) in relation to the Class C Note, the Class A Notes and Class B Notes;
- (c) in relation to the Class D Notes, the Class A Notes, Class B Notes and Class C Notes; and
- (d) in relation to the Class E Notes, the Class A Notes, Class B Notes, Class C Notes and Class D Notes.

Other Secured Parties means all the Secured Parties other than the Noteholders.

Principal Receipts means, as at each Calculation Date and in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to the following standing to the credit of the GIC Account (except for item (d) which may be standing to the credit of the Collection Agency Account prior to being transferred to the GIC Account) at the close of business on such Cut-off Date (without double counting) representing:

- (a) principal repayments received under the Transferred Promissory Notes (including any amount representing Capitalised Interest);
- (b) net recoveries of principal from defaulting Customers under the Transferred Promissory Notes that are Delinquent but not Written-off;

- (c) the proceeds (excluding the accrued interest component thereof) of the repurchase of any Transferred Promissory Note by the Originator from the Issuer pursuant to the Loan Transfer Agreement;
- (d) payments of Insurance Proceeds from an insurance company to the extent attributable to principal (but not interest and fees) owing from a Customer;
- (e) Principal Receipts standing to the credit of the GIC Account on any previous Interest Payment Date in accordance with item (e) of the Pre-Enforcement Principal Priority of Payments;
- (f) Further Loans (as defined in the Subordinated Loan Agreement) expressly required by the Subordinated Loan Provider to form part of Principal Receipts;
- (g) a shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Principal Receipt;
- (h) any Deemed Principal Receipts;
- (i) (only upon the occurrence of a Liquidity Redemption Event) all Residual Liquidity Funds; and
- (j) all amounts (if any) standing to the credit of the Payment Holiday Reserve Ledger following the occurrence of an Insolvency Event in respect of the Seller,

provided that, in the event of the occurrence of a Servicing Report Delivery Failure and during the continuance thereof, Principal Receipts for the purpose of application in accordance with the Pre-Enforcement Principal Priority of Payments shall mean the Residual Total Funds in respect of the relevant Interest Payment Date.

Revenue Deficit means:

- (a) prior to the repayment in full of the Class A Notes and the Class B Notes, in respect of an Interest Payment Date, a shortfall in the amount of the applicable Revenue Receipts in respect of the immediately preceding Calculation Period available to pay paragraphs (a) to (c), (e) and (g) of the Pre-Enforcement Revenue Priority of Payments; and
- (b) following the repayment in full of the Class A Notes and the Class B Notes, in respect of an Interest Payment Date, a shortfall in the amount of the applicable Revenue Receipts in respect of the immediately preceding Calculation Period available to pay paragraphs (a) to (c), (i) (where the Class C Notes are the Most Senior Class of Notes then outstanding) or (k) (where the Class D Notes are the Most Senior Class of Notes then outstanding) of the Pre-Enforcement Revenue Priority of Payments.

Revenue Receipts means, as at each Calculation Date and in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to the following standing to the credit of the GIC Account (except for item (c) which will be standing to the credit of the Transaction Account and item (i) below which will be standing to the credit of the Credit Enhancement Reserve Account) at the close of business on such Cut-off Date representing (without double-counting):

- (a) Income Receipts;
- (b) the accrued interest component of the purchase price paid by the Seller in respect of any Promissory Note repurchased by the Seller pursuant to the terms of the relevant Loan Transfer Agreement;
- (c) the balance standing to the credit of the Transaction Account;

- (d) any other amounts not representing Principal Receipts standing to the credit of the GIC Account (excluding amounts standing to the credit of the Payment Holiday Reserve Ledger);
- (e) for so long as any Rated Notes remain outstanding, any amounts debited to the Payment Holiday Reserve Ledger, which shall be applied to pay Payment Holiday Amounts only;
- (f) (so long as there has not been an Insolvency Event in relation to the Seller) all amounts (if any) standing to the credit of the Payment Holiday Reserve Ledger following the redemption of all Rated Notes;
- (g) Further Loans (as defined in the Subordinated Loan Agreement) expressly required by the Subordinated Loan Provider to form part of Revenue Receipts;
- (h) any shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Revenue Receipt; and
- (i) all amounts standing to the credit of the Credit Enhancement Reserve Account, but such amounts shall only be available to be applied: (i) if any Rated Notes are outstanding, to make payments in accordance with items [(a) to (m)] (inclusive) and items [(o) and (r)] of the Pre-Enforcement Revenue Priority of Payments; (ii) if no Rated Notes are outstanding but the Class E Notes remain outstanding, to make payments in accordance with item [(s)] and below of the Pre-Enforcement Revenue Priority of Payments; and (iii) if there are no Rated Notes and no Class E Notes outstanding, in accordance with the Pre-Enforcement Revenue Priority of Payments,

provided that, in the event of the occurrence of a Servicing Report Delivery Failure and during the continuance thereof, Revenue Receipts for the purpose of application in accordance with the Pre-Enforcement Revenue Priority of Payments shall mean the amount of Total Funds available and required to pay items (a) to [(m)] of the Pre-Enforcement Revenue Priority of Payments in accordance with the Provisional Monthly Report prepared by the Cash Manager in respect of the relevant Interest Payment Date.

Pre-Enforcement Principal Priority of Payments

Prior to the Note Trustee serving an Enforcement Notice on the Issuer, the Cash Manager will, on each Interest Payment Date, apply Principal Receipts from the Principal Ledger in the following order of priority (the **Pre-Enforcement Principal Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments, the **Pre-Enforcement Priority of Payments**) (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) any Principal Receipts to be applied as Deemed Revenue Receipts;
- (b) in respect of the first Interest Payment Date only, towards payment of amounts due to the Subordinated Loan Provider in an amount equal to the Difference Amount;
- (c) until (and including) the Revolving Period End Date, towards payment of the Initial Purchase Price for Additional Promissory Notes acquired during the preceding Monthly Acquisition Period;
- (d) until (and including) the Revolving Period End Date, towards payment of Deferred Consideration to the Seller under the Loan Transfer Agreement in an amount equal to any Payment Holiday Amounts debited from the Payment Holiday Reserve Ledger as at the immediately preceding Calculation Date in accordance with item (e) of the definition of Revenue Receipts;
- (e) until (but excluding) the Revolving Period End Date, to credit the GIC Account with available Principal Receipts, capped at the Initial Purchase Price Reserve Amount which shall be applied to pay the Initial Purchase Price for Additional Promissory Notes on future Interest Payment Dates;

- (f) after the Revolving Period End Date, in or towards satisfaction of any amounts payable by the Issuer to redeem the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (g) after the Revolving Period End Date, in or towards satisfaction of any amounts payable by the Issuer to redeem the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (h) after the Revolving Period End Date, in or towards satisfaction of any amounts payable by the Issuer to redeem the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (i) after the Revolving Period End Date, in or towards satisfaction of any amounts payable by the Issuer to redeem the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (j) after the Revolving Period End Date, in or towards satisfaction of any amounts payable by the Issuer to redeem Class E Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (k) after the Revolving Period End Date, to pay the Subordinated Loan Provider, in or towards satisfaction of payment of:
 - (i) *firstly*, any interest due to the Subordinated Loan Provider;
 - (ii) *secondly*, any principal due to the Subordinated Loan Provider; and
 - (iii) *thirdly*, any other amounts due to the Subordinated Loan Provider,
 under the Subordinated Loan Agreement;
- (l) after the Revolving Period End Date, to pay the Seller the Deferred Consideration payable under the Loan Transfer Agreement; and
- (m) after the Revolving Period End Date, any surplus to the Equity Account.

Application of Issuer Available Funds

On each Interest Payment Date, the Cash Manager shall apply the Issuer Available Funds in the following order:

- (a) *first*, apply Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- (b) *second*, apply Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

Any Revenue Deficit shall be cured utilising funds firstly from the Liquidity Reserve Account and secondly the Deemed Revenue Receipts in accordance with the terms set out in the Cash Management Agreement.

Post-Enforcement Priority of Payments

Following the service by the Note Trustee of an Enforcement Notice on the Issuer, the Security Trustee (or the Cash Manager on its behalf), will be required to apply all funds received or recovered by or on behalf of the Issuer and, after enforcement of the Security Document(s), the Security Trustee, or by any receiver appointed by it, in each case (i) after payment of the Insurer Premium Portion of any Insurance Premiums due and payable by the Issuer to the Insurance Companies and (ii) including amounts standing to the credit of the Credit Enhancement Reserve and the Liquidity Reserve but excluding amounts standing to the credit of the Equity Account, in accordance with the following order of priority (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement

Principal Priority of Payments, the **Priority of Payments**) (in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of:
 - (i) *pari passu* and *pro rata* according to the respective amounts thereof, of the costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts payable (plus value added tax, if any) by the Issuer to the Note Trustee or any of its appointees under the Trust Deed or any other Transaction Document to which it is party; and
 - (ii) *pari passu* and *pro rata* the costs, expenses (which may include any amounts due and payable for the services of the Storage Company after the occurrence of an Issuer Insolvency Event), fees, remuneration and indemnity payments (if any) and any other amounts payable (including value added tax, if any) by the Issuer to the Security Trustee and any of its appointees and any receiver appointed by the Security Trustee under the English Deed of Charge, the Swedish Security Agreement, the Norwegian Security Agreement or any other Transaction Document to which it is a party;
- (b) in or towards satisfaction of costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer *pari passu* and *pro rata*:
 - (i) to the Servicer pursuant to the Servicing Agreement;
 - (ii) to the Standby Servicer pursuant to the Standby Servicing Agreement;
 - (iii) to the Cash Manager pursuant to the Cash Management Agreement;
 - (iv) to the Standby Cash Manager pursuant to the Cash Management Agreement;
 - (v) to the Account Banks pursuant to the Bank Account Agreements;
 - (vi) to the Service Provider pursuant to the Servicing Transfer Agreement; and
 - (vii) to the Agents pursuant to the Agency Agreement;
- (c) prior to the occurrence of an Issuer Insolvency Event, *pro rata and pari passu* in or towards satisfaction of the amounts due and payable for the services of any Independent Director and the Storage Company;
- (d) *pro rata and pari passu* in or towards satisfaction of the amounts due and payable in respect of any principal and interest (and all interest due on such overdue interest) on the Class A Notes;
- (e) *pro rata and pari passu* in or towards satisfaction of the amounts due and payable in respect of any principal and interest (and all interest due on such overdue interest) on the Class B Notes;
- (f) *pro rata and pari passu* in or towards satisfaction of any amounts due or overdue in respect of any principal and interest (and all interest due on such overdue interest) on the Class C Notes;
- (g) in or towards satisfaction, *pro rata and pari passu*, of any amounts due or overdue in respect of any principal and interest (and all interest due on such overdue interest) on the Class D Notes;
- (h) in or towards satisfaction, *pro rata and pari passu*, of any amounts due or overdue in respect of any principal and interest (and all interest due on such overdue interest) on the Class E Notes;

- (i) in or towards payment, *pro rata and pari passu*, of any amounts due to the Other Secured Parties in respect of the Secured Obligations where not otherwise provided for in the Post Enforcement Priority of Payments;
- (j) in or towards payment of the Originator Premium Portion of any Insurance Premiums due to the Originator;
- (k) to the Subordinated Loan Provider, in or towards satisfaction of payment of firstly, any interest, secondly, principal and thirdly, any other amounts due to the Subordinated Loan Provider under the Subordinated loan Agreement;
- (l) in or towards satisfaction of firstly, any amounts of the Initial Purchase Price for Additional Promissory Notes acquired during the Revolving Period which remains outstanding after the Revolving Period End Date and secondly, all amounts of Deferred Consideration payable to the Seller under the Loan Transfer Agreement; and
- (m) any surplus shall be paid to the Issuer.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

General

Each of the Class of Notes, as at the Closing Date, will initially be represented by a Temporary Global Note.

The Temporary Global Note will be deposited on or about the Closing Date on behalf of the Noteholders with a common depository for both Euroclear and Clearstream, Luxembourg (together, the **Clearing Systems**). Interests in the Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for an interest in a Permanent Global Note in bearer form, without coupons or talons, for the relevant Class, which will also be deposited with the common depository for the Clearing Systems. Save in certain limited circumstances set out in the terms and conditions of the Notes, Notes in definitive form will not be issued in exchange for the Global Notes. The Global Notes are intended to be issued in classic global note form.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradable only in the minimum authorised denomination of NOK[1,000,000] and higher integral multiples of NOK[10,000].

Payments on the Global Notes

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

Redemption

Each Note shall, subject to **Condition 6.3 (Optional redemption)** and **6.4 (Optional redemption for taxation reasons)** and unless previously redeemed in full pursuant to **Condition 6.2 (Mandatory redemption)**, be redeemed on the Final Maturity Date. Any Note redeemed 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. The Issuer will not be permitted to purchase any of the Notes.

Cancellation

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

Issuance of Definitive Notes

If, while any of the Notes are represented by a Permanent Global Note, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or

otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or Sweden (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Notes of the relevant class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. The Conditions and the Transaction Documents will be amended in such manner as the Issuer and the Note Trustee require to take account of the issue of Definitive Notes

Definitive Notes, if issued, will only be printed and issued in denominations of NOK[1,000,000] and integral multiples of NOK[10,000] in excess thereof up to and including NOK[1,990,000]. No Definitive Notes will be issued with a denomination above NOK[1,990,000], as the case may be. Such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

TERMS AND CONDITIONS OF THE NOTES

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

The NOK[●] Class A Floating Rate Notes due December 2040 (the **Class A Notes**), the NOK[●] Class B Floating Rate Notes due December 2040 (the **Class B Notes**), the NOK[●] Class C Floating Rate Notes due December 2040 (the **Class C Notes**), the NOK[●] Class D Floating Rate Notes due December 2040 (the **Class D Notes**) and the NOK[●] Class E Floating Rate Notes due December 2040 (the **Class E Notes** and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Notes**) in each case of Nordax Nordic 4 AB (publ) (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated [●] 2017 (the **Closing Date**) and made between the Issuer and Citicorp Trustee Company Limited (in such capacity, the **Note Trustee**) as trustee for the Noteholders (as defined below). Any reference in these terms and conditions (**Conditions**) to a **class** of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by (i) a deed of charge and assignment (the **English Deed of Charge**) dated the Closing Date and made between, among others, the Issuer and Citicorp Trustee Company Limited (in such capacity, the **Security Trustee**); (ii) a security agreement (the **Swedish Security Agreement**) dated the Closing Date and made between, among others, the Issuer and the Security Trustee; (iii) a security agreement (the **Norwegian Security Agreement**) dated the Closing Date and made between, among others, the Issuer and the Security Trustee; and (iv) a share pledge agreement dated the Closing Date and made between Nordax and the Security Trustee (the **Share Pledge Agreement**, and together with the English Deed of Charge, the Swedish Security Agreement and the Norwegian Security Agreement, the **Security Documents** and each, a **Security Document**).

Pursuant to an agency agreement (the **Agency Agreement**) dated the Closing Date and made between the Issuer, Citibank, N.A., London Branch as principal paying agent (the **Principal Paying Agent** and, together with such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**), Citibank, N.A., London Branch as agent bank (the **Agent Bank**) and the Note Trustee, provision is made for the payment of principal and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Security Documents and the master definitions and construction agreement (the **Master Definitions and Construction Agreement**) signed by, *inter alios*, the Issuer and the Note Trustee on or about the Closing Date.

Copies of the Trust Deed, the Security Documents, the Agency Agreement, the Master Definitions and Construction Agreement and the other Transaction Documents are available for inspection upon reasonable notice and during normal business hours at the specified office for the time being of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Agreement available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Agreement.

1. FORM, DENOMINATION AND TITLE

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

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

1.2 For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of NOK[1,000,000] and higher integral multiples of NOK[10,000], notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above NOK[1,990,000]. If, while any of the Notes are represented by a Permanent Global Note, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or Sweden (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Notes of the relevant class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Issuer and the Note Trustee require to take account of the issue of Definitive Notes.

1.3 Definitive Notes, if issued, will only be printed and issued in denominations of NOK[1,000,000] and integral multiples of NOK[10,000] in excess thereof up to and including NOK[1,990,000]. No Definitive Notes will be issued with a denomination above NOK[1,990,000], as the case may be. Such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

1.4 **Noteholders** means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in **Condition 6.5 (Principal Amount Outstanding)**) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or

Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose **Noteholders** and **holders** means the bearer of the relevant Global Note; and related expressions shall be construed accordingly:

- (a) **Class A Noteholders** means holders of the Class A Notes;
- (b) **Class B Noteholders** means holders of the Class B Notes;
- (c) **Class C Noteholders** means holders of the Class C Notes;
- (d) **Class D Noteholders** means holders of the Class D Notes; and
- (e) **Class E Noteholders** means holders of the Class E Notes.

2. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

2.1 Status and relationship between the Notes

- (a) The Class A Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)**, unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves.
- (b) The Class B Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but, in relation to the payment of interest and the repayment of principal respectively, junior to the Class A Notes as provided in these Conditions and the Transaction Documents.
- (c) The Class C Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority amongst themselves but, in relation to the payment of interest and the repayment of principal respectively, junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.
- (d) The Class D Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority amongst themselves but, in relation to the payment of interest and the repayment of principal respectively, junior to the Class A Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents.
- (e) The Class E Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority amongst themselves but, in relation to the payment of interest and the repayment of principal respectively, junior to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents.

2.2 Security

- (a) The security constituted by the Security Documents is granted to the Security Trustee, on trust for the Noteholders and the other Secured Parties, upon and subject to the terms and conditions of the Security Documents.
- (b) The Noteholders will share in the benefit of the security constituted by the Security Documents, upon and subject to the terms and conditions of the Security Documents.

3. COVENANTS

3.1 General Covenants

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in; or (ii) have any subsidiary undertakings (*Sw: dotterföretag*, as defined in Section 1:11 of the Swedish Companies Act (2005:551)) or any employees or premises;
- (c) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares, other than tax group contributions (*Sw. koncernbidrag*) in order to transfer corporate tax liability out of the Issuer;
- (e) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party; and
- (h) **Bank accounts:** have an interest in any bank account other than the Issuer Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to it.

3.2 Separateness Covenants

Save with the prior written consent of the Note Trustee to do otherwise and subject always to the terms of the Transaction Documents, the Issuer further agrees:

- (a) to maintain its own books and records separate from any other person or entity;
- (b) to maintain its accounts separate from those of any other person or entity;
- (c) not to commingle its assets with those of any other person or entity;
- (d) to conduct its own business in its own name;
- (e) to maintain its own separate financial statements;
- (f) to pay its own liabilities out of funds available to it (subject to and in accordance with the Priorities of Payment as applicable);
- (g) to observe the objects and requirements set out in its certificate of registration and its articles of association;
- (h) not to acquire obligations or securities of any of its directors or shareholders;
- (i) to maintain arm's-length transactions with its affiliates (when looking at such transactions entered into as a whole);
- (j) to use stationery, invoices and cheques that are separate from those of any other person or entity;
- (k) to hold itself out as a separate entity;
- (l) to correct any known misunderstanding regarding its separate identity; and
- (m) not to become a member of any VAT group (*mervärdesskattegrupp*).

4. INTEREST

4.1 Interest Accrual

Each Note will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

4.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amounts Outstanding from and including the Closing Date payable monthly in arrear on the 15th day of each month (each an **Interest Payment Date**) in respect of the Interest Period (as defined below) ended immediately prior thereto. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The first payment shall be due on [15 November] 2017. The period from and including the Closing Date to but excluding the first Interest Payment Date and each successive

period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an **Interest Period**.

4.3 Rate of Interest

The rate of interest payable from time to time in respect of each class of the Notes (each a **Rate of Interest**) will be determined on the basis of the following provisions:

- (a) On each Interest Determination Date (as defined below), the Agent Bank will determine the Screen Rate (as defined below) at approximately 11.00 a.m. (Oslo time) on that Interest Determination Date. If the Screen Rate is unavailable, the Agent Bank will request the principal Oslo office of each of the Reference Banks (as defined below) to provide the Agent Bank with the rate at which deposits in NOK are offered by it to prime banks in the Norwegian interbank market for one month at approximately 11.00 a.m. (Oslo time) on the Interest Determination Date in question and for a Representative Amount (as defined below).
- (b) The Rate of Interest for the Interest Period in respect of each class of the Notes shall be the Screen Rate plus the Margin (as defined below) applicable to the relevant class of Notes or, if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the applicable Margin.
- (c) If fewer than two rates are provided as requested, the Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by major banks in Oslo selected by the Issuer, at approximately 11.00 a.m. (Oslo time) on the first day of such Interest Period for loans in NOK to leading European banks for a period of one month commencing on the first day of such Interest Period and for a Representative Amount, plus the applicable Margin. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that preceding Interest Period).
- (d) In these Conditions (except where otherwise defined), the expression:
 - (i) **Banking Day** means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city;
 - (ii) **Business Day** means a day (other than Saturday and Sunday) which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Dublin, Oslo and Stockholm;
 - (iii) **Euro-zone** means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty on the Functioning of the European Union (signed in Rome on 25th March 1957) as amended;
 - (iv) **Interest Determination Date** means the second Business Day before the commencement of the Interest Period for which each Rate of Interest will apply;

- (v) **Margin** means:
- I in relation to the Class A Notes, [●] per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in [●] and thereafter [●] per cent. per annum;
 - II in relation to the Class B Notes, [●] per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in [●] and thereafter [●] per cent. per annum;
 - III in relation to the Class C Notes, [●] per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in [●] and thereafter [●] per cent. per annum;
 - IV in relation to the Class D Notes, [●] per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in [●] and thereafter [●] per cent. per annum; and
 - V in relation to the Class E Notes, [●] per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in [●] and thereafter [●] per cent. per annum;
- (vi) **Reference Banks** means the principal Oslo office of each of four major banks engaged in the Norwegian interbank market selected by the Issuer, provided that, once a Reference Bank has been selected by the Issuer, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;
- (vii) **Representative Amount** means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time; and
- (viii) **Screen Rate** means the rate for one month deposits in NOK which appears on the Oslo Børs page OIBOR (or such other page as may replace that page on that service) or, in the case of the first Interest Period, a linear interpolation of the rates for [[●] month and [●]] month deposits in NOK which appear as aforesaid.
- (e) In the event that the Rate of Interest for an Interest Period in respect of a Class of Notes as determined in accordance with the provisions of paragraphs (a) to (d) above is less than zero, then such Rate of Interest shall be deemed to be zero.

4.4 Determination of Rate of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Oslo time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the respective amounts (the **Interest Amounts**) payable in respect of interest on the aggregate Principal Amount Outstanding of each class of the Notes for the relevant Interest Period. The Interest Amounts shall be determined by applying the relevant Rate of Interest to such aggregate Principal Amount Outstanding, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure downwards to the nearest øre.

4.5 Publication of Rate of Interest and Interest Amounts

The Agent Bank shall cause the Rates of Interest and the Interest Amounts for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Note Trustee, each of the

Clearing Systems and to any stock exchange or other relevant authority on which the Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with **Condition 14 (Notice to Noteholders)** as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

4.6 Determination by the Note Trustee

The Note Trustee may, if the Agent Bank defaults at any time in its obligation to determine the Rates of Interest and Interest Amounts in accordance with the above provisions, determine the Rates of Interest and Interest Amounts, the former at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the latter in the manner provided in **Condition 4.4 (Determination of Rate of Interest and Interest Amounts)**) and the determinations shall be deemed to be determinations by the Agent Bank.

4.7 Notifications, etc. to be Final

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

4.8 Agent Bank

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the Oslo office of another major bank engaged in the Norwegian interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

5. PAYMENTS

5.1 Payments in respect of Notes

Payments in respect of principal and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a

Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

5.2 Method of Payment

Payments in respect of the Notes will be made by credit or transfer to an account in NOK maintained by the payee.

5.3 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.4 Payment only on a Presentation Date

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

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

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note is presented for payment; and
- (c) in the case of payment by credit or transfer to a NOK account in Oslo as referred to above, is a Banking Day in Oslo.

5.5 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent; and
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority.

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

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Redemption at maturity

Each Note shall, subject to **Condition 6.3 (Optional redemption)** and **6.4 (Optional redemption for taxation reasons)** and unless previously redeemed in full pursuant to **Condition 6.2 (Mandatory redemption)**, be redeemed on the Final Maturity Date.

6.2 Mandatory redemption

Prior to the service of an Enforcement Notice on the Issuer, from and including the first Interest Payment Date following the Revolving Period End Date, the Notes will be subject to mandatory redemption on each Interest Payment Date from available Principal Receipts subject to and in accordance with the Pre-Enforcement Principal Priority of Payments.

6.3 Optional redemption

(a) On giving not more than 60 nor less than 30 days' notice to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee and provided that (A) on or prior to the Interest Payment Date on which such notice expires, no Enforcement Notice has been served and (B) the Issuer has, immediately prior to giving such notice, certified to the Note Trustee (upon which certification the Note Trustee shall be entitled to rely, without further enquiry, and such certification shall be conclusive and binding on the Noteholders) that it will have the necessary funds to pay all principal, and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, the Issuer may redeem on any Interest Payment Date all, but not some only, of the Notes at their then Principal Amount Outstanding, together with accrued interest, in any of the following circumstances:

- (i) on the Step-Up Date or on any Interest Payment Date thereafter; or
- (ii) if the aggregate Principal Amount Outstanding of the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date.

(b) Any Note redeemed pursuant to **Condition 6.3(a)** will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note together with, in each case, accrued and unpaid interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

6.4 Optional redemption for taxation reasons

If:

- (i) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes (other than because the relevant holder has some connection with the Kingdom of Sweden for reasons other than the holding of Notes of such class) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Kingdom of Sweden or any political sub-division thereof or any authority thereof or therein;
- (ii) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date,

the Customers would be required to deduct or withhold from any payment of principal, interest or other sum due and payable pursuant to the Promissory Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Kingdom of Norway or any political sub-division thereof or any authority thereof or therein,

then the Issuer shall, if the same would avoid the effect of the relevant event described in **sub-paragraph (i) or (ii) above**, as the case may be, appoint a Paying Agent in another jurisdiction approved in writing by the Note Trustee or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes, provided that the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders.

If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in **sub-paragraph (i) or (ii) above** is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee, redeem all, but not some only, of the Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this **Condition 6.4 (Optional redemption for taxation reasons)**, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that (i) one or more of the events described in **sub-paragraph (i) or (ii) above** is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution; and (ii) the Issuer will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.5 Principal Amount Outstanding

The **Principal Amount Outstanding** of a Note on any date shall be its original principal amount less the aggregate amount of all principal payments in respect of such Note which have been paid since the Closing Date except if and to the extent that any such payment has been improperly withheld or refused.

6.6 Notice of redemption

Any such notice as is referred to in **Condition 6.3(a) (Optional redemption)** and **Condition 6.4 (Optional redemption for taxation reasons)** above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Notes at the applicable amounts specified above.

6.7 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

6.8 Cancellation

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

7. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

8. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

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

9. NOTE EVENTS OF DEFAULT

9.1 Most Senior Class of Notes

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the holders of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes shall, (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction) (but, in the case of the happening of any of the events described in sub-paragraphs (b) or (c), only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of Notes) give notice (an **Enforcement Notice**) to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed, in any of the following events (each, a **Note Event of Default**):

- (a) default is made in the payment of any principal or interest due in respect of the Most Senior Class of Notes and the default continues for a period of three days in the case of principal or five days in the case of interest; or
- (b) the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed or any other Transaction Document to which it is a party and (except where the Note Trustee or, in the case of the Security Documents, the Security Trustee considers such failure to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Note Trustee or, as the case may be, the Security Trustee may permit) following the service by the Note Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) the Issuer breaches any representation or covenant made by it in any Transaction Document which breach is continuing for 20 days; or

- (d) the occurrence of an Issuer Insolvency Event; or
- (e) any occurrence where it has or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or the Transaction Documents.

9.2 General

Upon the occurrence of a Note Event of Default and service of an Enforcement Notice by the Note Trustee in accordance with **Condition 9.1 (Most Senior Class of Notes)** above, all Classes of the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest. The available funds of the Issuer shall be applied in accordance with the Post-Enforcement Priority of Payments. The Issuer Security and the Parent Company Security will become immediately enforceable upon the service of an Enforcement Notice.

9.3 General

In these Conditions, a **Potential Note Event of Default** means any event that may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) a Note Event of Default.

10. ENFORCEMENT

The Note Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the service of an Enforcement Notice, to take steps to enforce the security constituted by the Security Documents), provided that:

- (a) the Note Trustee shall not be bound to take any such action unless (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher ranking class or classes of Noteholders) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes;
- (b) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed in writing by (i) the Note Trustee or (ii) if there are no Notes outstanding, all of the other Secured Parties;
- (c) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction; and
- (d) neither the Note Trustee nor the Security Trustee shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Except in the case of a Note Event of Default referred to in **Condition 9.1 (Most Senior Class of Notes)**, the Security Trustee will not be entitled to dispose of any of the assets comprised in the security constituted by the Security Documents unless a financial adviser approved by the Security Trustee has confirmed in writing that, in its opinion, either (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the Noteholders and all other amounts ranking *pari passu* with, or senior to, the Notes in the Post-Enforcement Priority of Payments or (ii) a sufficient amount would not be so realised, but the resulting shortfall would be less than the shortfall that would result from not disposing of such assets.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Each of the Noteholders, by subscribing for or purchasing the relevant Notes, shall be deemed to have appointed the Note Trustee and the Security Trustee respectively as their attorney for the purposes of enforcement of each of the Transaction Documents in the Swedish courts.

All obligations of the Issuer to each Secured Party (including the Noteholders) in respect of the Secured Obligations owing to each Secured Party are limited in recourse to the Issuer Security and the Parent Company Security. If:

- (a) there is no Security Asset remaining which is capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Security Assets have been applied in or towards the relevant obligations specified in, and in accordance with, the provisions of the relevant Security Document; and
- (c) there are insufficient amounts available from the Security Assets Property to pay in full, in accordance with the provisions of the relevant Security Document, the Secured Obligations,

then the Secured Parties shall have no further claim against the Issuer in respect of any amounts owing to them which remains unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease, and the Secured Parties shall have no recourse to the Equity Account.

In the event the Issuer is declared bankrupt (Sw. *försatt i konkurs*), all the Secured Parties' (including the Noteholders) claims in respect of the Secured Obligations shall (including, but not limited to, for the purposes of Chapter 5 Section 10 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) be subject to the condition that all claims with senior priority under the relevant Priority of Payments have been, or will be, fully discharged as a result of payments or distributions made in connection with the bankruptcy proceedings.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

- 11.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each class and, in certain cases, more than one class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.
- 11.2 An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of these Conditions, the Trust Deed or the provisions of any of the other Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach thereof will not take effect unless:

- (i) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class B Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders; and
 - (ii) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class C Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class C Noteholders; and
 - (iii) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class D Noteholders; and
 - (iv) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class E Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class E Noteholders.
- 11.3 No Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2** above) passed at any meeting of the Class B Noteholders shall be effective for any purpose unless either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.
- 11.4 Subject to **Condition 11.3** above, an Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on all the Class B Noteholders, the Class C Noteholders, Class D Noteholders and Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of these Conditions, the Trust Deed or the provisions of any of the other Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach thereof will not take effect unless:
- (i) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class C Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class C Noteholders; and
 - (ii) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class D Noteholders; and
 - (iii) either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class E Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class E Noteholders.
- 11.5 No Extraordinary Resolution passed at any meeting of the Class C Noteholders (other than an Extraordinary Resolution referred to in **Condition 11.2** or **11.4** above) shall be effective for any purpose unless either:
- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class B Noteholders.
- 11.6 Subject to **Condition 11.5** above, an Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2** or **11.4** above) passed at any meeting of the Class C Noteholders shall be binding on all the Class C Noteholders, the Class D Noteholders and the Class

E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of these Conditions, the Trust Deed or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach thereof will not take effect unless either:

- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class D Noteholders or it is sanctioned by an Extraordinary Resolution of the Class D Noteholders; and
- (ii) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class E Noteholders or it is sanctioned by an Extraordinary Resolution of the Class E Noteholders.

11.7 No Extraordinary Resolution of the Class D Noteholders (other than an Extraordinary Resolution referred to in **Conditions 11.2, 11.4 or 11.6** above) shall be effective for any purpose unless either:

- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders; or
- (ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, Class B Noteholders and the Class C Noteholders.

11.8 Subject to **Condition 11.7** above, an Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2, 11.4 or 11.6** above) passed at any meeting of the Class D Noteholders shall be binding on all the Class D Noteholders and the Class E Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Modification or a modification of these Conditions, the Trust Deed or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed or potential breach thereof will not take effect unless either:

- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class E Noteholders; or
- (ii) it is sanctioned by an Extraordinary Resolution of the Class E Noteholders.

11.9 No Extraordinary Resolution of the Class E Noteholders (other than an Extraordinary Resolution referred to in **Conditions 11.2, 11.4, 11.6 or 11.8** above) shall be effective for any purpose unless either:

- (i) the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; or
- (ii) it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

11.10 Subject as provided below, the quorum at any meeting of Noteholders of any class or classes for passing (a) an Ordinary Resolution will be one or more persons holding or representing not less than 20 per cent of the aggregate Principal Amount Outstanding of such class or classes of Notes and (b) an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such class or classes of Notes, or in each case, at any adjourned meeting, one or more persons being or representing a Noteholder of the

relevant class or classes, whatever the aggregate Principal Amount Outstanding of the Notes of such class or classes held or represented by it or them.

- 11.11 The quorum at any meeting of Noteholders of any class for passing an Extraordinary Resolution to sanction a Basic Terms Modification shall be one or more persons holding or representing not less than 75 per cent or, at any adjourned meeting, not less than 25 per cent of the aggregate Principal Amount Outstanding of the Notes of such class.
- 11.12 The Note Trustee may without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, Note Event of Default or Potential Note Event of Default at any time and from time to time but only if and in so far as in its opinion the interests of any class of the Noteholders shall not be materially prejudiced thereby:
- (a) waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions, the Trust Deed or any other Transaction Document or determine that any Note Event of Default or Potential Note Event of Default shall not be treated as such for the purposes of the Trust Deed; or
 - (b) direct or give its consent to the Security Trustee to waive or authorise any breach or proposed or potential breach by the Issuer or any other person of any of the covenants or provisions contained in these Conditions, the Trust Deed or any other Transaction Document,

provided that the Note Trustee shall not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a direction under **Condition 9 (Note Events of Default)** but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

- 11.13 The Note Trustee shall, without the consent of any of the Noteholders or any other Secured Parties, concur with the Issuer, and/or direct the Security Trustee to concur with the Issuer, in making any modifications to the Transaction Documents and/or these Conditions that are requested by the Issuer as necessary to document the purchase by the Issuer of Approved New Promissory Note Types which are in electronic rather than physical form, subject to receipt by the Note Trustee of a certificate of the Issuer certifying to the Note Trustee and the Security Trustee that the requested amendments are necessary to reflect the electronic nature of such Approved New Promissory Note Type (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without enquiry or liability).

The Note Trustee and the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee or the Security Trustee, as applicable, would have the effect of (a) exposing the Note Trustee or the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee or the Security Trustee, as applicable, in the Transaction Documents and/or these Conditions.

- 11.14 Any such waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such waiver, authorisation or determination shall be notified to the Noteholders by the Issuer as soon as practicable thereafter in accordance with **Condition 14 (Notice to Noteholders)**.
- 11.15 The Note Trustee may without the consent or sanction of the Noteholders at any time and from time to time:
- (a) concur with the Issuer or any other person; or

- (b) direct or give its consent to the Security Trustee to concur with the Issuer or any other person,

in making any modification to any Transaction Document:

- (i) which (A) in the opinion of the Note Trustee it may be proper to make, provided that the Note Trustee is of the opinion that such modification will not be materially prejudicial to the interests of any class of the Noteholders or (B) the Note Trustee is required to make in accordance with the Trust Deed; or
- (ii) if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

11.16 Any such modification, direction or consent may be made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding upon the Noteholders and shall be notified by the Issuer to the Noteholders in accordance with the Conditions (unless the Note Trustee agrees otherwise) and to the Rating Agencies, in each case as soon as practicable thereafter.

11.17 The Note Trustee may give, or direct the Security Trustee to give, any consent or approval for the purposes of any Transaction Document if, in its opinion, the interests of each class of the Noteholders will not be materially prejudiced thereby. Any such consent or approval may be given on such terms and subject to such conditions (if any) as the Note Trustee thinks fit and, notwithstanding anything to the contrary in any Transaction Document, may be given retrospectively.

11.18 Notwithstanding **Conditions 11.12** and **11.15**, the Note Trustee shall, and shall direct the Security Trustee to, without the consent or sanction of the Noteholders at any time and from time to time concur with the Issuer or any other person to agree to any waiver or modification of any Transaction Document:

- (a) to implement any changes in the criteria of any Rating Agency if such Rating Agency confirms in writing (following a request in writing by the Issuer for such a confirmation) that such modification is necessary to maintain the then current rating of the Notes by such Rating Agency;
- (b) required to give effect to the replacement of any of the Account Banks following it ceasing to be an Eligible Bank pursuant to the termination clause of the relevant Bank Account Agreement (or any waiver of the replacement of any other party to a Transaction Document which is required to maintain a certain rating from time to time) which the relevant Rating Agency has confirmed to the Note Trustee in writing (following a request in writing by the Issuer for such a confirmation) will not adversely affect the then current ratings of any Class of the Notes; and
- (c) required to give effect to any modification to the Priorities of Payment where such modification is made to amend or add a payment due from the Issuer which ranks subordinate to any payments due to the Noteholders pursuant to the relevant Priority of Payments,

provided that any such modification or waiver would not (x) in the sole opinion of the Note Trustee, have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions or (y) result in a Basic Terms Modification. Such modification or waiver, once implemented, shall be conclusive and

binding on all parties and the Noteholders. Neither the Note Trustee nor the Security Trustee shall be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of the Note Trustee and/or the Security Trustee consenting to such modification or waiver. The Note Trustee shall not be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of directing the Security Trustee to consent to such modification or waiver.

- 11.19 In connection with any substitution of principal debtor referred to in **Condition 6.4 (Optional redemption for taxation reasons)**, the Note Trustee may also agree, without the consent of the Noteholders, to a change of the law governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders.
- 11.20 The Note Trustee and the Security Trustee shall be entitled to assume without enquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise or performance will not be materially prejudicial to the interests of the Noteholders of any Class if the Rating Agencies have confirmed in writing (following a request in writing by the Issuer for such a confirmation) that such exercise or performance would not cause the downgrade, qualification or withdrawal of the then current ratings of such Class of Notes and, if the original rating of such Class of Notes has been downgraded previously, that such exercise or performance will not prevent the restoration of such original rating of such Class of Notes.
- 11.21 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Noteholders of any Class, it shall have regard to the general interests of the Noteholders of such Class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, the Note Trustee, the Security Trustee or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

12. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the English Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the security constituted by the English Deed of Charge unless indemnified and/or secured and/or pre-funded to their satisfaction.

The Trust Deed and the English Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c)

to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13. REPLACEMENT OF GLOBAL NOTES

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

14. NOTICE TO NOTEHOLDERS

Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are admitted to trading on, and listed on the official list of, the Irish Stock Exchange), any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Company Announcements Office of the Irish Stock Exchange.

In addition, for so long as the Notes are admitted to trading and listed as described above, the Issuer shall send one copy of each notice in accordance with this **Condition 14** to the Irish Stock Exchange in accordance with the relevant listing rules.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

15. SUBORDINATION BY DEFERRAL

15.1 Interest

In the event that, on any Interest Payment Date, the amount available to the Issuer, subject to and in accordance with the Cash Management Agreement, to apply on such Interest Payment Date, after deducting the amounts referred to in **paragraphs 4(a) to 4(f)** (inclusive) of Schedule 2 to the Cash Management Agreement (in the case of the Class B Notes) or **paragraphs 4(a) to 4(h)** (inclusive) of Schedule 2 to the Cash Management Agreement (in the case of the Class C Notes) or **paragraphs 4(a) to 4(j)** (inclusive) of Schedule 2 to the Cash Management Agreement (in the case of the Class D Notes) or **paragraphs 4(a) to 4(o)** (inclusive) of Schedule 2 to the Cash Management Agreement (in the case of the Class E Notes) (each, an **Interest Residual Amount**), is not sufficient to satisfy in full the aggregate amount of interest (including amounts previously deferred under this **Condition 15.1** and accrued interest thereon) due and payable, subject to this **Condition 15.1**, on the Class B Notes or, as the case may be, the Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes on such Interest Payment Date, there shall instead be due and payable on such Interest Payment Date, by way of interest (including as aforesaid) on each Class B Note or, as the case may be, Class C Note or, as the case may be, Class D Note or, as the case may be, Class E Note, only a *pro rata* share of the Interest Residual Amount attributable to the relevant class of Notes on such Interest Payment Date.

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest (including as aforesaid) paid on the Class B Notes or, as the case may be, Class C Notes or, as the case may be, the Class D Notes or, as the case may

be, the Class E Notes on the relevant Interest Payment Date in accordance with this **Condition 15.1** falls short of the aggregate amount of interest (including as aforesaid) due and payable (but for the provisions of this **Condition 15.1**) on the Class B Notes or, as the case may be, Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes on that date pursuant to **Condition 4 (Interest)**. Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class B Notes or, as the case may be, Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes and shall be due and payable together with such accrued interest on the following Interest Payment Dates, subject to the provisions of the preceding paragraph.

15.2 General

Any amounts of interest in respect of the Class B Notes or the Class C Notes or the Class D Notes or the Class E Notes otherwise payable under these Conditions which are not paid by virtue of this **Condition 15**, together with accrued interest thereon, shall in any event become due and payable on the Final Maturity Date or on such earlier date as the Class B Notes or, as the case may be, the Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes, become due and repayable in full under **Condition 6 (Redemption, Purchase and Cancellation)** or **Condition 9 (Note Events of Default)**.

15.3 Notification

As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes or, as the case may be, Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes will be deferred or that a payment previously deferred will be made in accordance with this **Condition 15**, the Issuer will give notice thereof to the Class B Noteholders or, as the case may be, the Class C Noteholders or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes in accordance with **Condition 14 (Notice to Noteholders)**.

15.4 Application

This **Condition 15** shall cease to apply:

- (a) in respect of the Class B Notes, upon the redemption in full of all Class A Notes; and
- (b) in respect of the Class C Notes, upon the redemption in full of all Class A Notes and all Class B Notes; and
- (c) in respect of the Class D Notes, upon the redemption in full of all Class A Notes, all Class B Notes and all Class C Notes; and
- (d) in respect of the Class E Notes, upon the redemption in full of all Class A Notes, all Class B Notes, all Class C Notes and all Class D Notes.

16. GOVERNING LAW

Each of the Trust Deed, the English Deed of Charge, the Notes and these Conditions (and, in each case, any non-contractual obligations arising out of or in connection with the relevant document) is governed by, and shall be construed in accordance with, English law.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

USE OF PROCEEDS

The gross proceeds of the issue of the Notes, amounting to approximately NOK [●], will be applied by the Issuer towards the payment of the Initial Purchase Price for the Initial Portfolio to be acquired from the Seller on the Closing Date. Any Difference Amount shall be funded from an advance made by the Subordinated Loan Provider as part of the Establishment Loan.

WEIGHTED AVERAGE LIVES OF THE NOTES

"Average lives of the notes" refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security. The average life of the Notes will be influenced by, amongst other things, the actual rate of prepayment of the Transferred Promissory Notes.

The average lives of the Notes that would result from modelling six prepayment scenarios are shown in the table below. Prepayments will be in addition to the expected scheduled principal repayments under the Transferred Promissory Notes. The prepayment scenarios have been modelled using the following assumptions:

- (a) there are no losses or arrears associated with any of the Transferred Promissory Notes;
- (b) no Principal Deficiency arises;
- (c) the Issuer exercises its option to redeem all of the Notes that remain outstanding on the Interest Payment Date falling in the [36th] month after the Closing Date;
- (d) payments on the Notes are made on the 15th day of each month regardless of the day on which the Interest Payment Date actually occurs, commencing on the Interest Payment Date falling in [November 2017];
- (e) there has been no Note Event of Default (as defined in the Conditions) in respect of the Notes; and
- (f) the Seller will sell and the Issuer will acquire Additional Promissory Notes during the Revolving Period (and such period will not end before [October 2019]) in an amount equal to the Principal Receipts, with each Additional Promissory Note having a remaining term to maturity of [[119.45] months] and a yield matching the [initial weighted average yield of the Provisional Portfolio ([12.32] per cent.)/those of the Initial Portfolio].

AVERAGE LIVES PREPAYMENT SCENARIO TABLE – CPR (% per annum)

	0%	5%	10%	15%	20%	25%
Class A	[2.98]	[2.95]	[2.92]	[2.89]	[2.86]	[2.82]
Class B	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]
Class C	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]
Class D	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]
Class E	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]	[3.03]

* Weighted Average Lives were calculated on [30/360] basis

CPR means the constant rate of unscheduled repayments on the Transferred Promissory Notes each month relative to the aggregate outstanding principal balance of those Transferred Promissory Notes.

The above scenarios have been selected to show the response of the average lives of the Notes to changes in the prepayment assumption only. Neither the Issuer, the Note Trustee, the Security Trustee or any other entity makes any representation that the actual repayment profile of the Notes will match the repayment profile of any of the six prepayment scenarios.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Note(s) and is a summary of the Issuer's understanding of current United Kingdom law and HM Revenue and Customs' practice in the United Kingdom as at the date of this Prospectus relating only to the withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes and the United Kingdom stamp tax treatment of the Notes. The tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

1. Withholding tax on payments of interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a 'recognised stock exchange' within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA States and are admitted to trading on the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Even if the Notes are not listed and admitted to trading on a 'recognised stock exchange' within the meaning of section 1005 of the Income Tax Act 2007, payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the payment of interest does not arise in the United Kingdom within the meaning of section 874 of the Income Tax Act 2007.

2. Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on the issue of the Notes or on a transfer of the Notes by delivery.

Norwegian Taxation

The following is a summary of certain Norwegian tax consequences relating to the Notes for Norwegian investors who are beneficial owners of Notes. The summary is based on Norwegian legislation as of the date of the Prospectus and is intended to provide general information only. The tax consequences for investors depend in part on their particular circumstances. Specific tax rules may apply to certain categories of investors, e.g. life insurance companies. Further, investors may be subject to tax in other jurisdictions than Norway. Each investor should consult a tax adviser as to the tax consequences of acquiring, owning and disposing of Notes in their particular circumstances. Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian holder of Notes refers to the tax residency, and not the nationality, of the holder of the Notes.

1. General

Investors who are resident in Norway for tax purposes are tax liable to Norway on global income and wealth and must provide information on such when filing their tax returns. A disposal (including settlement) of a Note triggers capital gains taxation. The capital gain or the capital loss is computed as the difference between the consideration and the cost price of the Note, including costs incurred in relation to the acquisition or realization of the Note.

2. Private individuals

All income such as interest and capital gains on the Notes are taxable in Norway for Norwegian resident private individuals and estates of deceased persons. The tax rate is currently 24 per cent. A capital loss on the Notes is fully tax deductible in Norway.

As a main rule, currency gain or loss is included in the computation of the capital gain or loss related to the Note.

If the Notes are not listed in a regulated market within six months following issuance, Norwegian resident private individuals may be subject to additional Norwegian taxes on the interest received at a flat tax rate of 24 per cent. The basis for the additional tax is equal to the interest accrued on the Notes reduced by the tax rate of 24 per cent and less a risk-free calculated allowance (Nw: *skjermingsfradrag*).

3. Limited liability companies

For Norwegian resident limited liability companies (*No. aksjeselskap*), all income on the Notes, including interest and capital gains, is taxable in Norway at a flat rate of 24 per cent. Capital losses realised on the Notes is tax deductible. Deductible losses may normally be carried forward indefinitely and set off against taxable income for subsequent years.

As a main rule, currency gain or loss is included in the computation of the capital gain or loss related to the Note.

4. Non-resident Noteholders

Non-resident investors are not taxable in Norway in respect of the Notes as long as the investor does not have a permanent establishment in Norway to which the Notes are effectively connected.

5. Net wealth tax

Norwegian resident private individuals holding Notes are subject to net wealth tax, taxable on an annual basis. The taxable value of a Note is the listed price on December 31 of the income year and is included in the basis for the computation of net wealth tax imposed on Norwegian resident private individuals. The marginal net wealth tax rate is 0.85% of the value assessed.

Norwegian resident limited liability companies holding Notes are not subject to Norwegian net wealth tax.

Non-Norwegian resident holders of Notes are not liable to pay net wealth tax in Norway on the holding of Notes, unless the holder is an individual carrying out a business activity that is taxable in Norway and the Notes are effectively connected with such business.

Swedish Taxation

The following is a summary of certain Swedish tax consequences relating to the Notes for investors that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on Swedish legislation as of the date of the Prospectus and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. The summary does not cover tax issues in cases where Notes are held as current assets in business operations or by a partnership. Neither does the summary cover Notes which are placed on an investment savings account (*Sw: investeringssparkonto*). The tax consequences for investors depend in part on their particular circumstances. Specific tax rules may apply to certain categories of investors, e.g. investment

companies and life insurance companies. Each investor should consult a tax adviser as to the tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of Notes in its particular circumstances.

1. General

The disposal (including settlement) of a Note triggers capital gains taxation. The capital gain or the capital loss is computed as the difference between the amount realised (less selling expenses) and the tax basis of the Note.

When computing the capital gain or the capital loss, the tax basis for all Notes of the same class and type shall be added together and computed collectively in accordance with the so-called average method (*Sw. genomsnittsmetoden*).

Certain deduction limitations may apply for private individuals and limited liability companies tax resident in Sweden with respect to losses on financial instruments deemed share equivalents (*Sw: delägarrätter*) for Swedish tax purposes, not described further herein.

2. Private individuals

All capital income such as interest and capital gains on the Notes are taxed in the capital income category for private individuals and estates of deceased persons. The tax rate is 30 per cent. A capital loss on the Notes is fully deductible in the same income category.

A currency gain or loss is included in the computation of the capital gain or loss.

Should a net loss arise in the capital income category a reduction is granted of the tax on income from employment and business operations, as well as property tax. This tax reduction is generally granted at 30 per cent. of the net loss that does not exceed SEK100,000 and at 21 per cent. of any remaining net loss. An excess net loss cannot be carried forward to future years.

If payments that are considered to be interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased person) tax resident in Sweden, Swedish preliminary income tax is normally withheld by the legal entity on such payments.

3. Limited liability companies

For limited liability companies (*Sw. aktiebolag*), all income, including interest and capital gains, is taxed as income from business activities at a rate of 22 per cent. Deductible capital losses on the Notes may normally be fully off-set in the income from business activities category.

Currency gains and losses are generally treated for tax purposes in accordance with the accounting treatment.

4. Non-resident Noteholders

Non-resident investors are not generally taxable in Sweden in respect of the Notes as long as the investor does not have a permanent establishment in Sweden to which the Notes are effectively connected. Sweden does not impose withholding tax on payments of interest or principal.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten

calendar years preceding the year of disposal or redemption. Taxation may, however, be limited by an applicable tax treaty.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes that are characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Deutsche Bank AG, London Branch (the **Lead Manager**) has, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated on or around the Closing Date, agreed to subscribe or procure subscribers for the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes at the issue price of 100 per cent. of the respective principal amount of such Notes. The Issuer will reimburse the Lead Manager in respect of certain of their expenses, and has agreed to indemnify the Lead Manager against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

Nordax (as the **Purchaser**) will acquire the Class E Notes pursuant to the Subscription Agreement.

Pursuant to the Subscription Agreement, Nordax as the originator has covenanted that it will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405(1) of the CRR, Article 51(1) of the AIFM Regulation and Article 254 of the Solvency II Regulation. As at the Closing Date, such interest will be comprised of the first loss tranche (such interest will be comprised of the Class E Notes), as contemplated by the text of each of Article 405 of the CRR, Article 51(1) of the AIFM Regulation and Article 254(2) of the Solvency II Regulation. Any change to the manner in which such interest is held will be notified to Noteholders.

On the Closing Date, the Notes may only be purchased by persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller, the Retention Holder, the Arranger and the Lead Manager that it (1) is not a Risk Retention U.S. Person and (2) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules).

United States of America

Each of the Lead Manager and the Purchaser has represented and agreed with the Issuer that the relevant Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws or any state or any other relevant jurisdiction of the United States, and therefore may not be offered or sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from the registration requirements of the Securities Act. Each of the Lead Manager and the Purchaser has agreed that it will not offer, sell or deliver the relevant Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of the relevant Notes and the Closing Date (for the purposes only of this section "*Subscription and Sale*", the **Distribution Compliance Period**). Each of the Lead Manager and the Purchaser has agreed that, at or prior to confirmation of sale of the relevant Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the relevant Notes from it during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Terms used above in this section have the meanings given to them by Regulation S of the Securities Act.

Each of the Lead Manager and the Purchaser has represented and agreed that, except to the extent permitted under U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the **D Rules**), (i) it has not offered or sold, and during the restricted period will not offer or sell, the relevant Notes to a person who is within the United States or its possessions or to a United States person and (ii) it has not delivered and will not deliver within the United States or its possessions the relevant Notes that are sold during the restricted period.

Each of the Lead Manager and the Purchaser has represented and agreed that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules.

Each of the Lead Manager and the Purchaser has agreed that, with respect to each affiliate that acquires from it any relevant Notes for the purpose of offering or selling such Notes during the restricted period, it either (i) repeats and confirms the above representations and agreements, on its behalf or (ii) will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained above.

Terms used in this section have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each of the Lead Manager and the Purchaser has represented and agreed with the Issuer 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 any relevant Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Lead Manager and the Purchaser for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of any relevant Notes referred to in (a) to (c) above shall require the Issuer, the Lead Manager or the Purchaser 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 relevant 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 relevant 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 amendments thereto, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the Lead Manager and the Purchaser has represented and agreed that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (**FSMA**), with respect to anything done by it in relation to the relevant Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any relevant Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

[France

Each of the Lead Manager, the Purchaser and the Issuer have represented and agreed that it has only made and will only make an offer of Notes to the public in France in the period beginning:

- (a) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (**AMF**), on the date of such publication; or
- (b) when a prospectus has been approved by the competent authority of another Relevant Member State, on the date of notification of such approval to the AMF,

and ending at the latest on the date which is 12 months after the date of approval of the prospectus in relation to those Notes, all in accordance with Articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF.]

Sweden

Each of the Lead Manager and the Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale 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*).

Norway

Notes denominated in Norwegian Kroner may not be offered within Norway or to or for the account or benefit of persons domiciled in Norway.

[Republic of Italy

Each of the Lead Manager and the Purchaser has represented and agreed that no relevant Notes has been or will be offered, sold or delivered, nor copies of the offering circular, prospectus or of any other document relating to the relevant Notes distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971;

Each of the Lead Manager and the Purchaser has represented and agreed that any offer, sale or delivery of the relevant Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) have been and must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.]

[Jersey

Each of the Lead Manager and the Purchaser has represented and agreed that it has not circulated, and will not circulate, in Jersey any offer for subscription, sale or exchange of any Notes.]

Financial undertaking investor restriction

Each of the Lead Manager and the Purchaser have represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any entity that is not a “Financial Undertaking” as defined in the section entitled “*Transfer Restrictions and Investor Representations, Offers and Sales*”.

Retail investor restriction

Each of the Lead Manager and the Purchaser has represented and agreed that it has not made the Notes available, or sold the Notes, to a retail investor and that it will not make the Notes available, or sell the Notes, to a retail investor. For these purposes, a retail investor means (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.

General

Other than the approval by the Central Bank of Ireland of this document as a prospectus in accordance with the requirements of the Prospectus Directive and relevant implementing measures in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the Lead Manager and the Purchaser has undertaken not to offer or sell any of the relevant Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS OFFERS AND SALES

The Notes may not be offered, sold or otherwise made available to any entity that is not a “Financial Undertaking”. Each purchaser of the Notes will be deemed to have represented and agreed that it is a “Financial Undertaking”. For these purposes, a "Financial Undertaking" means an entity that is one (or more) of the following types of financial institutions:

- (a) a "credit institution" as defined in Directive 2013/36/EU (the **Capital Requirements Directive**);
- (b) an "insurance undertaking" as defined in Directive 2009/138/EC (the **Solvency II Directive**);
- (c) an "investment firm" as defined in Directive 2004/39/EC (the **Markets in Financial Instruments Directive**);
- (d) an “alternative investment fund” as defined in the Alternative Investment Funds Managers Directive 2011/61/EU (the **Alternative Investment Funds Managers Directive**);
- (e) an "undertaking for collective investment in transferable securities (**UCITS**)" within the meaning of Directive 2009/65/EC (the **UCITS Directive**);
- (f) a "multilateral development bank" as listed in paragraph 2 of Article 117 of Regulation 575/2013/EU (the **Capital Requirements Regulation**); or
- (g) an entity equivalent to one (or more) of the types of entities listed in items (a) to (e) above under the laws of a jurisdiction outside the European Economic Area to which that entity is subject,

(each a **Financial Undertaking**).

The Notes bear a legend to the following effect:

"THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY ENTITY THAT IS NOT A “FINANCIAL UNDERTAKING”. FOR THESE PURPOSES, A FINANCIAL UNDERTAKING MEANS AN ENTITY THAT IS ONE (OR MORE) OF THE FOLLOWING TYPES OF FINANCIAL INSTITUTIONS: (I) A "CREDIT INSTITUTION" AS DEFINED IN DIRECTIVE 2013/36/EU (THE CAPITAL REQUIREMENTS DIRECTIVE); (II) AN "INSURANCE UNDERTAKING" AS DEFINED IN DIRECTIVE 2009/138/EC (THE SOLVENCY II DIRECTIVE); (III) AN "INVESTMENT FIRM" AS DEFINED IN DIRECTIVE 2004/39/EC (THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE); (IV) AN “ALTERNATIVE INVESTMENT FUND” AS DEFINED IN THE ALTERNATIVE INVESTMENT FUNDS MANAGERS DIRECTIVE 2011/61/EU (THE ALTERNATIVE INVESTMENT FUNDS MANAGERS DIRECTIVE); (V) AN "UNDERTAKING FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES (UCITS)" WITHIN THE MEANING OF DIRECTIVE 2009/65/EC (THE UCITS DIRECTIVE); OR (VI) A "MULTILATERAL DEVELOPMENT BANK" AS LISTED IN PARAGRAPH 2 OF ARTICLE 117 OF REGULATION 575/2013/EU (THE CAPITAL REQUIREMENTS REGULATION); OR (VI) AN ENTITY EQUIVALENT TO ONE (OR MORE) OF THE TYPES OF ENTITIES LISTED IN ITEMS (I) TO (VI) ABOVE UNDER THE LAWS OF A JURISDICTION OUTSIDE THE EUROPEAN ECONOMIC AREA TO WHICH THAT ENTITY IS SUBJECT."

GENERAL INFORMATION

Authorisation

- (a) The issue of the Notes was duly authorised by a resolution of the board of directors of the Issuer dated [●] 2017.

Listing

- (b) It is expected that admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be granted on or about [●] 2017, subject only to the issue of the Global Notes. The listing of the Notes will be cancelled if the Global Notes are not issued. The estimated cost of the applications for admission to the Official List and admission to trading on the Irish Stock Exchange's market for listed securities is €[8,940] in initial fees and €[2,000] per annum thereafter (exclusive of VAT).

Clearing Systems

- (c) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following securities codes:

	Common Code	ISIN
Class A	[●]	[●]
Class B.....	[●]	[●]
Class C.....	[●]	[●]
Class D	[●]	[●]
Class E.....	[●]	[●]

Accounts

- (d) As at the date of this Prospectus, the Issuer has not commenced operations. The annual audited financial statements of the Issuer for the period ended 31 December 2016 have been published.
- (e) So long as the Notes are listed on the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Principal Paying Agent.

Litigation

- (f) The Issuer is not, and has not been, involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, a significant effect on the Issuer's financial position or profitability.

No Material Contracts

- (g) The Issuer has not entered into any material contracts or arrangements, other than those disclosed in this Prospectus, since the date of its incorporation.

No Significant Change

- (h) Since the date of its incorporation, there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the trading or financial position of the Issuer.

Reliance

- (i) The Trust Deed provides that the Security Trustee and the Note Trustee, respectively, may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed, whether or not such report or other information, engagement letter or other document entered into by the Security Trustee or the Note Trustee (as the case may be) and the relevant professional advisor or expert in connection therewith contains any limit on the liability of that relevant professional adviser or expert.

Documents

- (j) Copies of the following documents in physical form may be inspected during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the offices of the Issuer and at the specified offices of the Principal Paying Agent for so long as the Notes are outstanding from the date of this document:
 - (a) the Articles of Association of the Issuer;
 - (b) the Certificate of Registration of the Issuer;
 - (c) the annual audited financial statements of the Issuer for the period ended 31 December 2016; and
 - (d) the following documents (the **Transaction Documents**):
 - (i) the Loan Transfer Agreement;
 - (ii) the Trust Deed;
 - (iii) the English Deed of Charge;
 - (iv) the Norwegian Security Agreement;
 - (v) the Swedish Security Agreement;
 - (vi) the Share Pledge Agreement;
 - (vii) the Servicing Agreement;
 - (viii) the Servicing Transfer Agreement;
 - (ix) the Standby Servicing Agreement;
 - (x) the Cash Management Agreement;
 - (xi) the Reserve Bank Accounts Agreement;
 - (xii) the Bank Account Agreement;

- (xiii) the Subordinated Loan Agreement;
- (xiv) the Storage Agreement;
- (xv) the Master Definitions and Construction Agreement; and
- (xvi) the Agency Agreement.

- (k) The Cash Manager will provide the Monthly Report on a monthly basis containing information in relation to the Notes including, but not limited to, amounts paid by the Issuer pursuant to the Priorities of Payments in respect of the relevant period and the performance of the Portfolio.

Loan-by-loan level information in respect of the Promissory Notes in the Provisional Portfolio as at the Provisional Pool Cut Date and the Actual Provisional Portfolio as at the Final Pool Cut Date is available at a password protected website located at www.scl-ir.com. The password to access that website can be obtained from Nordax. The Servicer intends to update loan level information in respect of the Portfolio on a monthly basis. The website and information on the website is not incorporated in and does not form part of this Prospectus.

- (l) Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive or the Prospectus (Directive 2003/17/EC) Regulations 2005.

APPENDIX 1

INDEX OF DEFINED TERMS

There follows an index of the defined terms used in this Prospectus, together with details of the page(s) on which such term is or are defined.

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