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SCL – SCANDINAVIAN CONSUMER LOANS III
(being the secondary name for Nordax Sverige 3 AB (publ))
(Incorporated in Sweden as a public limited company under registered number 556863-1104)

SEK1,082,000,000 CLASS A FLOATING RATE NOTES DUE JANUARY 2033

SEK96,000,000 CLASS B FLOATING RATE NOTES DUE JANUARY 2033

SEK193,000,000 CLASS C FLOATING RATE NOTES DUE JANUARY 2033

SEK560,000,000 CLASS D FLOATING RATE NOTES DUE JANUARY 2033

Notes	Initial Principal Amount	Issue Price	Interest Rate	Margin until the Step-Up Date	Margin from the Step-Up Date	Final Maturity Date	Ratings
Class A	SEK1,082,000,000	100%	1 month STIBOR + the applicable Margin	3.50% per annum	7.00% per annum	January 2033	AAA (sf)/ AAA sf
Class B	SEK96,000,000	100%	1 month STIBOR+ the applicable Margin	4.90% per annum	9.80% per annum	January 2033	AA (sf)/ AA sf
Class C	SEK193,000,000	100%	1 month STIBOR + the applicable Margin	5.00% per annum	10.00% per annum	January 2033	A (sf)/ A sf
Class D	SEK560,000,000	100%	1 month STIBOR + the applicable Margin	5.00% per annum	10.00% per annum	January 2033	N/A

Issue Date SCL - Scandinavian Consumer Loans III (being the secondary name for Nordax Sverige 3 AB (publ)) (the **Issuer** will issue the Notes in the classes set out above on or about 8 December 2011 (or such later date as may be agreed between the Issuer and the Lead Managers) (the **Closing Date**). "SCL - Scandinavian Consumer Loans III" 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 Sweden (the **Customers** and each, a **Customer**) documented as negotiable promissory notes and which have been originated by Nordax Finans AB (publ) (**Nordax**, the **Originator** or the **Seller**). Each Transferred Promissory Note evidences an unsecured loan to a Customer and has been sold to the Issuer by the Seller together with the benefit of any insurance policy. See "*Description of the Portfolio*" for further information.

Credit Enhancement and Liquidity Support Subordination of the junior classes of Notes, the Liquidity Reserve, Credit Enhancement Reserve, the Payment Holiday Reserve and the excess spread in the Portfolio. See "*Risk Factors*" and **Condition 15 (Subordination by Deferral)**. The Liquidity Reserve will be available to cure any shortfall in interest payments on the Class A Notes and 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 Summary – Summary of the Terms and Conditions and Full Capital Structure of the Notes*" and **Condition 6 (Redemption, Purchase and Cancellation)**. The residual funds in the Liquidity Reserve (after curing a Revenue Deficit, if any) will also be available to be applied towards the redemption of the outstanding Notes upon the occurrence of certain events, see "*Cashflows*".

Arranger

Citigroup

Lead Managers

Citigroup

UBS Investment Bank

This Prospectus is dated 7 December 2011

Rating Agencies	Fitch Ratings Limited (Fitch) and Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited, (S&P and, together with Fitch, the Rating Agencies and each, a Rating Agency).
Ratings	<p>Ratings will be assigned to the Class A Notes, the Class B Notes, the Class C Notes (together the Rated Notes) as set out above on or before the Closing Date. The Class D Notes (together with the Rated Notes, the Notes) are unrated.</p> <p>Each Rating Agency is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the CRA Regulation) (as amended). As such each of the Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation.</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	This document comprises a prospectus (the Prospectus) for the purpose of Directive 2003/71/EC (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 Limited (the Irish Stock Exchange) for the Notes to be admitted to the Official List (the Official List) and trading on its regulated market.
Obligations	The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of the Originator or the Seller, their affiliates or any other party named in the Prospectus, except the Issuer.
Article 122a of the Capital Requirements Directive (CRD 2)	<p>The Originator will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 122a of Directive 2006/48/EC (as amended) (taking into account the text of Article 122a itself but not any implementing rules or other measures made in any EEA state). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche (being the Class D Notes) and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors as required by Article 122a. Any change to the manner in which such interest is held will be notified to Noteholders. The Originator has provided a corresponding representation and undertaking with respect to the interest to be retained by it in the Subscription Agreement.</p> <p>As to the information made available to prospective investors by the Issuer or another relevant entity, reference is made to the information set out herein and forming part of this Prospectus and to any other information provided separately (which information shall not form part of this Prospectus) and, after the Closing Date, to the monthly investor reports, subject in each case to the determination by each relevant prospective investor that such information is appropriate and relevant for the purposes of complying with Article 122a. For the avoidance of doubt, none of the Issuer, the Originator, the Lead Managers nor the Arranger makes any representation as to the accuracy or suitability of any financial model which may be used by a prospective investor in connection with its investment decision.</p> <p>Loan-by-loan level information in respect of the Promissory Notes in the Provisional Portfolio as at the 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 website and information on the website is not incorporated in and does not form part of this Prospectus.</p> <p>Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 122a and any corresponding local implementing rules which may be relevant and none of the Issuer, Nordax (in its capacity as the Seller, the Servicer or the Cash Manager), any 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. The Originator accepts responsibility for the information set out in this section "Article 122a of the Capital Requirements Directive" (but not, for the avoidance of doubt, any information set out in any other section of the Prospectus referred to in this section).</p>
Language	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. This Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the Swedish text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.

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.

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 8 December 2011 (or such later date as may be agreed between Citigroup Global Markets Limited and UBS Limited (the **Lead Managers**), the Issuer 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 MANAGERS, THE INSURANCE COMPANIES, THE SERVICER, THE STANDBY SERVICER, THE CASH MANAGER, THE STANDBY CASH MANAGER, THE ACCOUNT BANK(S), 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 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 Managers, the Security Trustee, the Note Trustee, the Originator, or any of its or their 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 Managers, the Security Trustee, the Note Trustee, the Originator, or any of its or their 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 Managers, 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 Managers, 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, the Provisional Portfolio 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 Managers, 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 state securities laws, 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.

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.

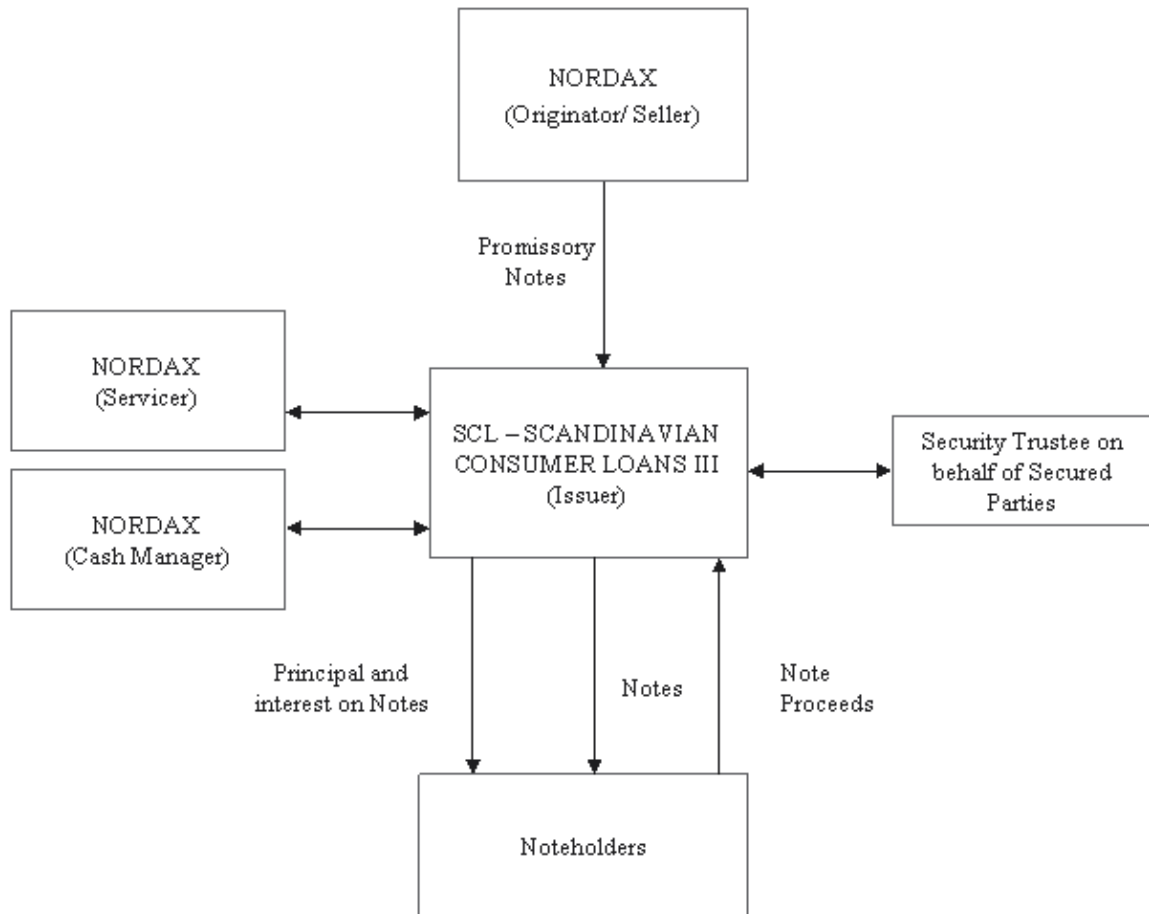
The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Lead Managers to inform themselves about and to observe any such restrictions. 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 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.

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DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



TRANSACTION SUMMARY

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 company established in Sweden. It is wholly owned by Nordax Finans AB (publ) (in such capacity, the **Parent Company**).

On or about the Closing Date, the Issuer will acquire certain promissory notes (the **Initial Portfolio**) from Nordax Finans AB (publ) (in its capacity as the Seller). Such promissory notes relate to loans made by the Originator to consumers located in Sweden and will include certain previously warehoused loans.

On the Closing Date, the Issuer will issue the Notes, and use the gross proceeds thereof to the sum of SEK1,931,000,000 (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 from the shareholder's contribution deposited in the Transaction Account.

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

From (and excluding) the Revolving Period End Date to (and including) the Step-Up Date, the Issuer may continue to acquire further Promissory Notes (the **Further Additional Promissory Notes**) from the Seller PROVIDED THAT (i) the repurchase by the Seller and the purchase by the Issuer will occur on the same day and such repurchase and purchase relates to a Further Advance to a Customer, (ii) no Trigger Event has occurred, (iii) all Loan Criteria are satisfied in respect of the Promissory Note to be purchased by the Issuer; (iv) the Initial Purchase Price payable by the Issuer in respect of the Promissory Note to be purchased by the Issuer will be fully netted against the aggregate amount of (A) the amount payable by the Seller for the repurchase of the relevant Promissory Note from the Issuer and (B) the proceeds payable by the Seller to the Issuer from the advance of Further Loan(s) under the First Subordinated Loan Agreement and (v) the fraction (expressed as a percentage) of which the numerator is (A) the portion of the aggregate of the Principal Promissory Note Amount of each Transferred Promissory Note representing Further Advances which have been granted for the period since the end of the Calculation Period immediately preceding the Revolving Period End Date up to the date of the intended Further Advance and the denominator is (B) the Principal Promissory Note Amount of all the Transferred Promissory Notes in the Portfolio as at the end of the Calculation Period immediately preceding the Revolving Period End Date (the **Further Advance Ratio**) does not exceed 10% (collectively the **FA Conditions**).

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.

Each Promissory note is sold to the Issuer together with the benefit of any insurance policy (if there is any such insurance policy in place).

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

- (a) a loan to initially fund the Liquidity Reserve (the **Liquidity Reserve Loan**);
- (b) a loan to:

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

Pursuant to the terms of each Subordinated Loan Agreement, the First Subordinated Loan Provider and the Second Subordinated Loan Provider may agree from time to time to make further loans (the **Further Loans** and each, a **Further Loan**) to the Issuer, *inter alia* (a) (in respect of the First Subordinated Loan Provider) to fund the purchase of any Further Additional Promissory Notes or (b) which (at the direction of the relevant 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.

Nordax will also acquire the Class C Notes and the Class D Notes. See further the section on "*Article 122a of the Capital Requirements Directive*" on page 2 in relation to Nordax' holding of the Class D 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 governed by Swedish law pursuant to the Swedish Security Agreement and (ii) 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 governed by Swedish law.

Nordax 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 in recourse to the Security 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 and the Transaction Account. 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 to the GIC Account in accordance with the terms of the Cash Management Agreement.

A. 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 III (being the secondary name for Nordax Sverige 3 AB (publ))	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	
Parent Company	Nordax Finans AB	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	
Originator or Seller	Nordax Finans AB	P.O. Box 23124, 104 35 Stockholm, Sweden	N/A	The Seller will use its reasonable efforts to sell Promissory Notes to the Issuer pursuant to the terms of the Loan Transfer Agreement. The Originator will enter into the Note Purchase Agreement to acquire the Class C and the Class D Notes from the Issuer.
Servicer	Nordax Finans AB	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.
Standby Servicer	Cerdo Bankpartner AB	P.O. Box 663, 251 06 Helsingborg, 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 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>
First Subordinated Loan Provider	Nordax Finans AB	P.O. Box 23124, 104 35 Stockholm, Sweden	First Subordinated Loan Agreement	Pursuant to the terms of the First Subordinated Loan Agreement, the First Subordinated Loan Provider will initially make three (3) loans to the Issuer, which will be used to fund the Liquidity Reserve, the Payment Holiday Reserve and the Establishment Loan respectively. From time to time and pursuant to the terms of the First Subordinated Loan Agreement, the First Subordinated Loan Provider may make Further Loans to the Issuer.
Second Subordinated Loan Provider	Nordax Holding Second AB	P.O. Box 23124, 104 35 Stockholm, Sweden	Second Subordinated Loan Agreement	From time to time and pursuant to the terms of the Second Subordinated Loan Agreement, the Second Subordinated Loan Provider may make Further Loans to the Issuer.
Cash Manager	Nordax Finans AB	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.
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 Account Bank	Nordea Bank AB (publ) (Nordea Bank)	Smålandsgatan 17, 10571 Stockholm, Sweden	Swedish Bank Account Agreement	The Issuer has opened, and will maintain the GIC Account, the Transaction Account and the Equity

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
				Account (collectively, the Collection Bank Accounts) with Nordea Bank in Sweden.
Reserve Account Bank (together with the Collection Account Bank, the Account Banks and each, an Account Bank)	BNP Paribas (London Branch)	10 Harewood Avenue, London NW1 6AA, United Kingdom	Reserve Bank Account Agreement	The Issuer has opened, and will maintain the Liquidity Reserve Account and the Credit Enhancement Reserve Account (together, the Reserve Accounts and together with the Collection Bank Accounts, the Issuer Bank Accounts) with BNP Paribas (London Branch).
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).
Security Trustee	Citicorp Trustee Company Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	English Deed of Charge, Swedish Security Agreement and Share Pledge Agreement	The Security Trustee will hold the security granted under the English Deed of Charge, 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.

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
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 each 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.
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	Recall 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 the Transferred

<i>Party</i>	<i>Name</i>	<i>Address</i>	<i>Document under which appointed</i>	<i>Further Information</i>
				Promissory Notes under the Storage Agreement.
Insurance Companies	Financial Assurance Company Limited and Financial Insurance Company Limited.	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	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom		Citigroup Global Markets Limited has been appointed Arranger in respect of the transaction.
Lead Managers	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Subscription Agreement	Citigroup Global Markets Limited and UBS Limited have each been appointed Lead Manager in respect of the transaction.
	UBS Limited	1 Finsbury Avenue, London EC2M 2PP, United Kingdom	Subscription Agreement	

B. SUMMARY OF THE PORTFOLIO

The Portfolio

The Portfolio (as defined below) will consist of loans to consumers resident in Sweden (the **Customers** and each, a **Customer**) documented as negotiable promissory notes (Sw. *orderskuldebrev*) (each a **Promissory Note**) and which have been either:

- (a) transferred by the Seller to the Issuer on the Closing Date (such Promissory Notes comprising the **Initial Portfolio**); or
- (b) transferred by the Seller to the Issuer during the Revolving Period (the **Additional Promissory Notes** and each, an **Additional Promissory Note**); or
- (c) transferred by the Seller to the Issuer after the Revolving Period End Date (the **Further Additional Promissory Notes** and each, a **Further Additional Promissory Note**),

(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 Originator (collectively, the **Transferred Promissory Notes** and each, a **Transferred Promissory Note**).

The 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 Note together with all accrued and unpaid interest and all other amounts outstanding thereunder as at the Repurchase Date except in respect of Promissory Notes which are Written-off for which the repurchase price shall be an amount equal to their net book value according to IFRS.

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

Additional Promissory Notes and Further Additional Promissory Notes

After the Closing Date, the Seller will use reasonable efforts to sell and the Issuer will acquire Additional Promissory Notes from the Seller during the Revolving Period and, provided that the FA Conditions are satisfied, the Seller may offer to sell and the Issuer may acquire Further Additional Promissory Notes from the Seller during the period from (and excluding) the Revolving Period End Date to (and including) the Step-Up Date.

Additional Promissory Notes may constitute:

- (a) new loans made to new Customers; and/or
- (b) increased loans of which a Further Advance has been made to existing Customers.

Each Further Additional Promissory Note must constitute only of increased loans of which a Further Advance has been made to existing Customer(s).

For Further Advance purposes, the relevant Transferred Promissory Note will be repurchased by the Seller from the Issuer, and a new Promissory Note for a larger principal amount shall be sold to the Issuer, subject to the terms of the Loan Transfer Agreement.

**Provisional Portfolio characteristics
as at 30 September 2011 (the Pool
Cut Date)**

Number of Promissory Notes	18,676
Total principal balance	SEK2,099,609,970
Average current Promissory Note balance	SEK112,423
Average original Promissory Note balance	SEK108,110
Weighted average interest	15.3%
Weighted average seasoning	37.0 months
Weighted average remaining term	103.2 months
Weighted average original term	119.0 months

The Seller has selected Promissory Notes that, as at 30 September 2011 (the **Pool Cut Date**), have been provisionally identified to comprise the Initial Portfolio (the **Provisional Portfolio**).

From the Pool Cut Date to 6 December 2011 (the **Second Pool Cut Date**) the Provisional Portfolio will have decreased in size, (such decreased in size portfolio being referred to as the **Actual Provisional Portfolio**) resulting from, amongst others, repayment in full of certain Promissory Notes and the Loan Criteria no longer being met by certain Promissory Notes.

All Promissory Notes in the Actual Provisional Portfolio shall comprise the Initial Portfolio as at the Closing Date. 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 Second Pool Cut Date to (but excluding) the Closing Date such Promissory Note is repaid in full. However, to compensate for this, the Seller shall pay an amount equal to all collections received during the period from (and including) the Second Pool Cut Date to (but excluding) the Closing Date in respect of such fully repaid Promissory Notes (such amounts together with the collections in respect of the Transferred Promissory Notes in the Initial Portfolio for that same period, the **Pre-Closing Amount**) to the GIC 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 payable by the Issuer:

- (a) for the Initial Portfolio is an amount equal to the Principal Promissory Note Amount of the Promissory Notes in the Actual Provisional Portfolio on the Second Pool Cut Date; and
- (b) for any Additional Promissory Notes or, as the case may be, any Further Additional Promissory Notes on each Transfer Date is an amount equal to the Principal Promissory Note Amount of such Promissory Notes to be sold by the Seller to the Issuer as at that Transfer 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 Seller will make certain representations and warranties in respect of each Promissory Note in the Initial Portfolio as at the Closing Date and thereafter, in respect of each Additional Promissory Note and Further Additional Promissory Note, as applicable, on each Transfer Date under the Loan Transfer Agreement (the **Loan Criteria**).

In respect of the Loan Criteria on Deposits, the Seller will continue to repeat such representation and warranty on each Interest Payment Date in respect of each Transferred Promissory Note. If, in respect of any Transferred Promissory Note, and at any time, the Customer has made a deposit with the Seller in the period between any two consecutive Interest Payment Dates, the Seller is required to repurchase the affected Transferred Promissory Notes pursuant to the Loan Transfer Agreement.

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;

Customer: at the time of origination of the Promissory Note, the Customer was noted as resident in Sweden in the Credit Bureau's register (or any other equivalent register) 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;

Deceased Customers: to the best knowledge of the Seller, no Customer is deceased;

Valid and Binding: the Promissory Note has been duly executed 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

Swedish Kronor;

Maximum Maturity: the Promissory Note has a maximum legal maturity of 12 years and 1 month;

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

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 Credit Policy and the Collection and Provisioning 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 to the Issuer: the Promissory Note can be freely and validly transferred by way of assignment and transfer to the Issuer without any requirement to obtain consent from the Customer and without otherwise breaching the Promissory Note;

Set-off: there are no circumstances which would give rise to any right of set off, withholding, suspension, counterclaim, defence or deduction (including any objection under Section 15 of the Swedish Promissory Notes Act (*Sw. lag (1936:81) om skuldebrev*)) on the part of the Customer in respect of any amount owing by such Customer under the Promissory Note (including the amount as reflected by the Initial Purchase Price of the Promissory Note);

Contracts: the Promissory Note is substantially in the form set out in the relevant schedules to the Loan Transfer Agreement;

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

SEK 310,000;

Direct Mail: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) originated via direct mail programmes to be less than 90%;

Governing Law: the Promissory Note is governed by the laws of Sweden;

Compliance with Laws: the terms of each Promissory Note complies with all applicable laws, including in relation to the Consumer Credit Act (Sw. *Konsumentkreditlagen* (2010:1846), and other similar regulations under Swedish law including the rules and regulations of the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*);

Deposits: the Seller has not taken any deposits from each relevant Customer;

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 SEK275,000 to be greater than 22%;

Margin: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a margin (net of the Issuer's cost of funding and calculated based on the interest rate most recently notified in writing to the Customer (whether or not such rate has become effective)) exceeding 13% to be greater than 10%;

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 to be less than 60% (unless payments by direct debit become prohibited by a change in Swedish law);

Debt to income 1: the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) where the debt to income ratio of the Customer exceeds 3.5:1 to be greater than 10%;

Debt to income 2: the debt to income ratio of the Customer does not exceed 5:1 where the principal amount outstanding (including capitalised interest) of the Promissory Note exceeds SEK120,000;

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

Unemployment: at the time of origination, to the best knowledge of the Seller at least one Customer under the Promissory Note is employed;

Risk class D (591-640): the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a risk class of "risk class D (591-640)" pursuant to the Originator's

Risk Model to be greater than 9%;

Risk class E (low-590): the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a risk class of "risk class E (low-590)" pursuant to the Originator's Risk Model to be greater than 1%; and

Score Missing:(a) in respect of the Promissory Notes in the Initial Portfolio only, the Promissory Note will not cause the cumulative amount of such Promissory Notes (by balance) allocated a risk class of "score missing" pursuant to the Originator's Risk Model to be greater than SEK51,698,833; and

(b) in respect of any Additional Promissory Note or Further Additional Promissory Note, the Promissory Note has not been allocated a risk class of "score missing" pursuant to the Originator's Risk Model.

Risk Model means the matrix set out in schedule 12 to the Loan Transfer Agreement.

Credit Policy

The **Credit Policy** is the underwriting and lending policy of the Originator, as set out in the Servicing Agreement. The Originator may change the Credit Policy, provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Sweden. Changes to the Credit Policy will be notified by the Servicer to each Rating Agency.

Collection and Provisioning Policy

The **Collection and Provisioning Policy** is the collection and provisioning policy applied by the Originator from time to time for Swedish 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 Sweden. Changes to the Collection and Provisioning Policy will be notified by the Servicer to each Rating Agency.

Re-purchase of the Transferred Promissory Notes

The Originator shall repurchase 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). Besides this obligation to repurchase, the Seller is not permitted to repurchase any Transferred Promissory Notes unless:

(a) such repurchase is for the purpose of a Further Advance and the increased loan will be purchased by the Issuer as an Additional Promissory Note or a Further Additional Promissory Note, as the case may be;

(b) such repurchase is for a Transferred Promissory Note which is Written-off (but, for the avoidance of doubt, was not

Written-off on the Closing Date or, as applicable, the relevant Transfer Date) at a purchase price equal to its net book value according to IFRS; or

- (c) such repurchase is for an Excluded Promissory Note (including where there has not been any breach of the Excluded Promissory Note Percentage).

Promissory Note Covenants

Pursuant to the Servicing Agreement, the Servicer will agree to calculate and determine on the Business Day falling immediately after each Cut-off Date during the Revolving Period (each a **Testing Date**) the percentage of Excluded Promissory Notes in the Portfolio (by balance) as at the immediately preceding Cut-off Date (the **Excluded Promissory Note Percentage**).

The Servicer will include all such information as calculated and determined on each Testing Date in respect of the Excluded Promissory Note Percentage in the Servicing Report due on the immediately following Servicing Report Performance Date as well as a confirmation of whether the Excluded Promissory Note Repurchase Obligation has been satisfied by the Seller by the immediately following Calculation Date in the event that the Excluded Promissory Note Percentage had exceeded 2.500% on a Testing Date (collectively, the **Excluded Promissory Note Information**) to the Cash Manager on or before the immediately following Calculation Date in order for such information to be incorporated in the Monthly Report to be prepared by the Cash Manager.

The Servicer will give notice to the Noteholders of the Most Senior Class and the Noteholder Representative (as defined in the Conditions) (if a Noteholder Representative is appointed):

- (a) no later than two (2) Business Days after a Testing Date if it has been determined on such Testing Date that the Excluded Promissory Note Percentage had exceeded 2.500%;
- (b) no later than one (1) Business Days after the Calculation Date immediately following such Testing Date if it has been determined that the Excluded Promissory Note Percentage had exceeded 2.500% and that the Excluded Promissory Note Repurchase Obligation is breached,

and liaise with the Noteholders of the Most Senior Class or, if appointed, Noteholder Representative for its determination in respect of Trigger Event (k).

Pursuant to the Loan Transfer Agreement, the Seller, during the Revolving Period:

- (a) may repurchase from the Issuer from time to time any Excluded Promissory Note; and

- (b) will repurchase from the Issuer, no later than on the Calculation Date immediately following the relevant Testing Date, each Excluded Promissory Note (as represented by the Excluded Promissory Note Percentage determined by the Servicer) if the Servicer had, on such Testing Date, determined that the Excluded Promissory Note Percentage has exceeded 2.500% (the **Excluded Promissory Note Repurchase Obligation**).

Excluded Promissory Note means any Transferred Promissory Note which satisfies at least one of the following criteria (as at the initial origination of that Promissory Note):

- (a) the Customer was over 60 years old and the Promissory Note had a remaining term greater than 120 months;
- (b) the Customer was temporarily employed and the Promissory Note had no co-applicant; or
- (c) the monthly payment by the Customer on the Promissory Note:
 - (i) allocated a risk class of "risk class A (741-high)" or "risk class B (691-740)" pursuant to the Originator's Risk Model exceeded 20% of that Customer's gross monthly income and the Promissory Note had a remaining term greater than 60 months; or
 - (ii) allocated a risk class of "risk class C (641-690)", "risk class D (591-640)" or "risk class E (low-590)" pursuant to the Originator's Risk Model exceeded 15% of that Customer's gross monthly income and the Promissory Note had a remaining term greater than 60 months.

Consideration for repurchase

The consideration payable by the Originator in respect of the repurchase of the Transferred Promissory Notes shall be equal to the aggregate Principal Promissory Note Amount of the relevant Transferred Promissory Note plus accrued but unpaid interest. In the case of any Transferred Promissory Note which is Written-off, the consideration payable by the Originator in respect of the repurchase shall be equal to its net book value according to IFRS.

Delinquent

Delinquent means, in respect of a Promissory Note on a given date, interest, expenses and principal which are due and payable but remain unpaid and are not Written-off on that 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.

Written-off

Written-off means, in respect of a Promissory Note on a given date, that the relevant Customer(s) is/are six (6) months in arrears such that the amount due from that Customer is greater than the previous most recent five (5) months’ invoiced instalments, interest and fees.

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 Written-off shall not be considered “due” so long as such Payment Holiday applies.

C. RELEVANT DATES AND PERIODS

Closing Date

The Notes will be issued on or about 8 December 2011 (or such later date as may be agreed between the Issuer and the Lead Managers).

Calculation Date

Two (2) 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 received from the Servicer as set out in the Servicing Report for the relevant period, 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 Second 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 is insufficient Principal Receipts to pay the Initial Purchase Price on that Interest Payment Date, 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 after the Closing Date on which a transfer of Additional Promissory Notes or Further Additional Promissory Notes, as the case may be, shall be completed and title shall pass to the Issuer.

In respect each Further Additional Promissory Note, the Initial Purchase Price in respect of the Promissory Note to be purchased by the Issuer payable by the Issuer will be fully netted against the aggregate amount of (A) the amount payable by the Seller for the repurchase of the relevant Promissory Note from the Issuer and (B) the proceeds payable by the Seller to the Issuer from the advance of Further Loan(s) under the First Subordinated Loan Agreement on the Transfer Date.

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 December 2014.

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 February 2012.

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 February 2012, 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 December 2015 (the **Step-Up Date**).

Final Maturity Date

The Interest Payment Date falling in January 2033 (the **Final Maturity Date**).

Business Day

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

TARGET Business Day

TARGET Business Day means every day on which payments in Euro are settled over the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System launched on 19 November 2007.

D. 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
Currency:	SEK	SEK	SEK	SEK
Initial Principal Amount:	1,082,000,000	96,000,000	193,000,000	560,000,000
Issue Price:	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
Liquidity Reserve:	Reserve available towards meeting any Revenue Deficit	Reserve available towards meeting any Revenue Deficit	Subject to certain conditions, this reserve is available towards meeting any Revenue Deficit	Subject to certain conditions, this reserve is available towards meeting any Revenue Deficit
Principal Deficiency Ledger:	Subject to certain conditions, Principal Receipts available towards meeting any shortfall in interest payments to Class A Noteholders	Subject to certain conditions, Principal Receipts available towards meeting any shortfall in interest payments to Class B Noteholders	None	None
Interest Rate:	1 Month STIBOR + the applicable Margin	1 Month STIBOR + the applicable Margin	1 Month STIBOR + the applicable Margin	1 Month STIBOR + the applicable Margin

Margin until (but excluding) the Step-Up Date:	3.50% per annum	4.90% per annum	5.00% per annum	5.00% per annum
Margin from (and including) the Step-Up Date:	7.00% per annum	9.80% per annum	10.00% per annum	10.00% per annum
Interest Accrual Method:	Monthly	Monthly	Monthly	Monthly
Interest Determination Date:	2 nd Business Day before the commencement of each relevant Interest Period	2 nd Business Day before the commencement of each relevant Interest Period	2 nd Business Day before the commencement of each relevant Interest Period	2 nd Business Day before the commencement of 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
Business Day Convention:	Modified Following	Modified Following	Modified Following	Modified Following
First Interest Payment Date:	15 February 2012	15 February 2012	15 February 2012	15 February 2012

Mandatory Redemption:

Mandatory redemption will occur in the following circumstances:

Unless previously redeemed in full, the Notes will be redeemed on the relevant Final Maturity Date.

Prior to the service of an Enforcement Notice on the Issuer, the Notes will be subject to mandatory redemption on each Interest Payment Date:

- (a) from available Principal Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Principal Priority of Payments from and including the Interest Payment Date immediately following the Revolving Period End Date;
- (b) 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;
- (c) (in respect of Class A Notes and Class B Notes only) from available Revenue Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments on and from the Step-Up Date; and
- (d) (in respect of the Class C Notes and Class D Notes only) from available Revenue Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments after the repayment in full of the Class A Notes and the Class B Notes.

Optional

On any Interest Payment Date, the Issuer may, in accordance with the Conditions,

- Redemption:** 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:
- (a) on the Step-Up Date or on any Interest Payment Date thereafter; or
 - (b) if, on the Interest Determination Date preceding the relevant Interest Payment Date 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.

The **Principal Amount Outstanding** of each Note on any date shall be its original 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.

Redemption Amount: 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.

Final Maturity Date: The Interest Payment Date falling in January 2033.

Application for Listing: 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.

Clearance/Settlement: Euroclear/Clearstream, Luxembourg.

Minimum Denomination: SEK1,000,000 with integral multiples of SEK10,000 in excess thereof up to and including SEK1,990,000. No Notes in definitive form will be issued with a denomination above SEK1,990,000.

Constitution 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 and Class D 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 and Class D 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.

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 and Class D 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 and Class D Notes. Repayments of principal in respect of Class C Notes will rank ahead of repayments of principal in respect of Class D 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 depository 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 Priority 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 or the Transaction Account of the Issuer.

The Issuer Security for the Notes will be granted pursuant to 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.

Withholding tax:

All payments in respect of the Notes will be made subject to any applicable withholding or deduction for or on account of tax, 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 within 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 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.

Security Assets means (a) all property, assets and undertakings of the Issuer the subject of any security created by the English Deed of Charge or the Swedish Security Agreement and (b) the shares of the Issuer pledged by the Parent Company pursuant to the Share Pledge Agreement. Amounts that remain standing on the Equity Account and amounts that remain standing in the Transaction Account, are not included in the Security Assets and no Secured Party shall have any recourse to such amounts. 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 to the GIC Account in accordance with the terms of the Cash Management Agreement.

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 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.

Governing Law of the Notes: English law.

E. 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.

Notes and Noteholders mean, except where the context otherwise requires:

- (a) the Class A Notes and the Class A Noteholders respectively;
- (b) the Class B Notes and the Class B Noteholders respectively;
- (c) the Class C Notes and the Class C Noteholders respectively; and
- (d) the Class D Notes and the Class D Noteholders respectively.

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 three-quarters 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 it 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: 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: 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.

The Noteholders of the Most Senior Class may, by an Extraordinary Resolution appoint a representative (the **Noteholder Representative**) whom the Servicer (on behalf of the Issuer), will be required to notify and liaise with in respect of its

determination of Trigger Event (k). Unless directed otherwise by way of an Extraordinary Resolution passed by that Class of Noteholders, the Issuer, the Servicer and the Note Trustee may assume that an appointed Noteholder Representative will continue to be so appointed as long as that Class of Notes remain the Most Senior Class.

**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 and the Class D 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 and the Class D Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (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 and the Class D 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 and the Class D Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of each of the Class C Noteholders and the Class D Noteholders.
- (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,

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 and the Class D 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 interests of the Class D Noteholders; or
 - (ii) it is sanctioned by an Extraordinary Resolution of the Class D Noteholders.
- (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.
- (g) An Extraordinary Resolution passed at any meeting of the Class D Noteholders shall be binding on all the Class D Noteholders.

**Issuer/ Originator/
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 the Issuer, Originator, any affiliate of any of them, any holding company of any of them 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. The Originator will be able to vote in respect of the Class C Notes and the Class D Notes respectively 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 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

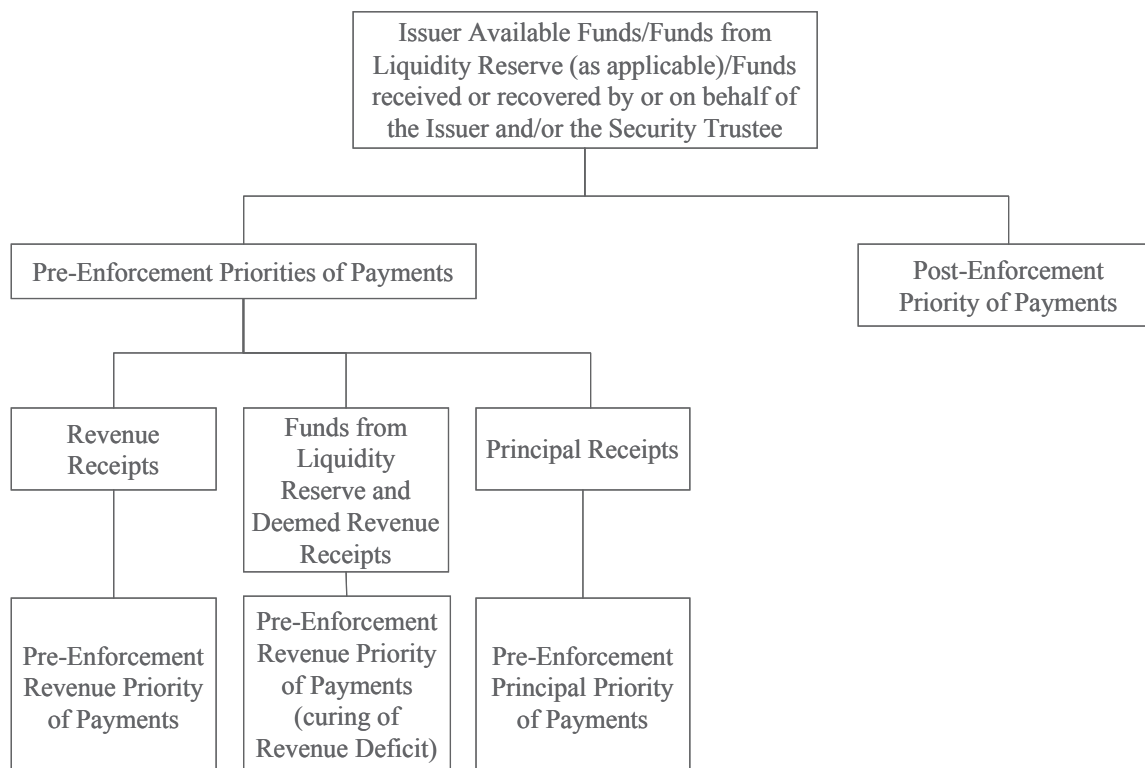
Any notice to be given by the Issuer or the Note Trustee to the Noteholders shall be given in the following manner:

- 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.

F. 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 five (5) accounts with the Account Banks:

- **GIC Account** (on the Closing Date, to be maintained with Nordea Bank). 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 Bank):
 - (a) The Establishment Amount shall be deposited into the Transaction Account and shall be applied towards the payment of any Setup 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 Bank): 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.
- **Credit Enhancement Reserve Account** (on the Closing Date, to be maintained with BNP Paribas (London Branch)): 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 BNP Paribas (London Branch)): 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 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) 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) interest earned on the balance from time to time in the Issuer Bank Accounts (excluding the Equity Account);
- (d) net recoveries of interest and outstanding fees from defaulting Customers under Transferred Promissory Notes which are Delinquent but not Written-off;
- (e) net recoveries of interest, principal, fees and other amounts from defaulting Customers under Transferred Promissory Notes in respect of which enforcement procedures have been completed and Transferred Promissory Notes Written-off;
- (f) payments of Insurance Proceeds from an Insurance Company to the extent attributable to interest and fees (but not principal) owing by a Customer; and
- (g) (in respect of the first Interest Payment Date only) all sums of the

type referred to in paragraphs (a) and (f) above received in respect of the Promissory Notes that comprised the Actual Provisional Portfolio but do not comprise the Initial Portfolio credited to the GIC Account as part of the Pre-Closing Amount on or around the Closing Date.

Revenue Receipts means, as at each Calculation Date and, as applicable, in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal to:

- (a) Income Receipts in respect of such Calculation Period;
- (b) the balance standing to the credit of the Transaction Account which will be transferred to the GIC Account on the immediately following Interest Payment Date;
- (c) 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);
- (d) for so long as any Notes remain outstanding, any amounts debited from the Payment Holiday Reserve Ledger, which shall be applied to pay Payment Holiday Amounts only;
- (e) (so long as there has not been an Insolvency Event in relation to the Seller) all amounts (if any) standing in the Payment Holiday Reserve Ledger following the redemption of all Notes;
- (f) Further Loans (as defined in the First Subordinated Loan Agreement or the Second Subordinated Loan Agreement (each a **Subordinated Loan Agreement**), as applicable) expressly required by the First Subordinated Loan Provider or the Second Subordinated Loan Provider (each a **Subordinated Loan Provider**), as the case may be, to form part of Revenue Receipts;
- (g) any shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Revenue Receipt; and
- (h) all amounts standing to the credit of the Credit Enhancement Reserve Account,

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 (k) 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 not exceeding one month when a Customer may suspend an instalment payment on a Transferred Promissory Note, without penalty.

This option:

- (a) may only be granted to a Customer:
 - (i) with the consent of the Servicer subject to this being limited to two Payment Holidays per annum; and
 - (ii) who has not been Delinquent during the previous six (6) months or such longer period as prescribed by the Credit Policy;
- (b) may not be granted to any Customer:
 - (i) if it results in an extension to the loan maturity of the relevant Transferred Promissory Note by more than one month; or
 - (ii) after the Step-Up Date; or
 - (iii) upon the occurrence and continuation of any Servicer Termination Event; or
 - (iv) if after the provision of the proposed Payment Holiday, $A > 12\% \times B$, where:

A = in respect of all Transferred Promissory Notes which are or have been subject to a Payment Holiday in the immediately preceding 12 months, the aggregate amount of interest due under each of those Transferred Promissory Notes during the relevant Payment Holiday period for that Transferred Promissory Note; and

B = the aggregate amount of interest expected to be received under all Transferred Promissory Notes during the immediately preceding 12 months (assuming that a Payment Holiday had not been granted).

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:

- (a) a Further Loan has been granted by a 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 Note 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 First Subordinated Loan Provider to the Issuer on the Closing Date), and which will thereafter be replenished 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 relevant Subordinated Loan Provider to the Issuer and which are required by that Subordinated Loan Provider to be credited to the Payment Holiday Reserve Ledger on the GIC Account.

Payment Holiday Reserve Required Amount means an amount equal to SEK22,000,000.

Float Amount means an amount not exceeding SEK1,000,000 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.

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 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 Seller 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 (c) of the Pre-Enforcement Principal Priority of Payments;

- (f) Further Loans (as defined in each Subordinated Loan Agreement) expressly required by the relevant 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;
- (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; and
- (k) (in respect of the first Interest Payment Date only) all sums of the type referred to in paragraph (a) and (d) above received in respect of the Promissory Notes that comprised the Actual Provisional Portfolio but do not comprise the Initial Portfolio credited to the GIC Account as part of the Pre-Closing Amount on or around the Closing Date,

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 Promissory Note Amount in respect of the relevant Transferred Promissory Note. For the avoidance of doubt, any sum of Capitalised Interest which has been added to the Principal Promissory Note Amount shall also accrue interest as of the date of capitalisation.

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) and (k) of the Pre-Enforcement Revenue Priority of Payments.

Credit Enhancement Reserve means a reserve maintained in the Credit Enhancement Reserve Account in an amount equal to the Credit Enhancement Reserve Required Amount (which shall initially be funded from the available Revenue Receipts on the first Interest Payment Date in accordance with the relevant Priority of Payments), and thereafter be further replenished on each Interest Payment Date until the Step-Up Date (inclusive) from available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments. After the Step-Up Date, there shall be no requirement to retain the Credit Enhancement Reserve at the Credit Enhancement Reserve Required Amount.

Credit Enhancement Reserve Required Amount means an amount as determined by the Cash Manager on each Calculation Date in accordance with the following:

- (a) the Principal Promissory Note Amount of the Transferred Promissory Notes on that day multiplied by the weighted average life (expressed in years) of the Transferred Promissory Notes on that day multiplied by:
 - (i) if the 3-Month Weighted Average Excess Margin is greater than or equal to 8.0%, 0;
 - (ii) if the 3-Month Weighted Average Excess Margin is less than 8.0% but greater than or equal to 7.75%, 0.005;
 - (iii) if the 3-Month Weighted Average Excess Margin is less than 7.75% but greater than or equal to 7.5%, 0.008;
 - (iv) if the 3-Month Weighted Average Excess Margin is less than 7.5% but greater than or equal to 7.25%, 0.013;
 - (v) if the 3-Month Weighted Average Excess Margin is less than 7.25%, 0.024; *plus*
- (b) for each Transferred Promissory Note which is Delinquent, 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;
 - (iii) if that Transferred Promissory Note has been Delinquent for 2 months but less than 3 months, 0.4;
 - (iv) if that Transferred Promissory Note has been Delinquent for 3 months but less than 4 months, 0.5;
 - (v) if that Transferred Promissory Note has been Delinquent for 4 months or more, then for so long as that Transferred Promissory Note remains Delinquent, 1,

provided that the determination of such amount on the first two occurring Calculation Dates shall not include item (a).

3-Month Weighted Average Excess Margin means, on a Calculation Date, the average of the Weighted Average Excess Margin on that day and on the two preceding Calculation Dates.

Weighted Average Excess Margin on any day means the weighted average excess margin (net of the Issuer's cost of funding and calculated based on the interest rate most recently notified in writing to each Customer (whether or

not such rate has become effective)) of the Portfolio on that day.

Liquidity Reserve means a reserve maintained in the Liquidity Reserve Account in an amount equal to the Liquidity Reserve Required Amount (which shall initially be funded from the proceeds of the Liquidity Reserve Loan made by the First Subordinated Loan Provider to the Issuer on the Closing Date), and which until the repayment in full of the 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.

Liquidity Reserve Required Amount means an amount equal to SEK58,000,000.

Initial Purchase Price Reserve Amount means an amount of up to SEK100,000,000. During the Revolving Period, the Initial Purchase Price Reserve may (once only) increase to SEK200,000,000, provided that it is reduced to SEK100,000,000 or below on the following Interest Payment Date.

Available funds following service of an Enforcement Notice

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 Trustee or by any Receiver, including amounts standing to the credit of the Issuer Bank Accounts (excluding the funds credited in the Equity Account and the Transaction 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 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:

first, apply amounts standing to the credit of the Liquidity Reserve Account towards curing any Revenue Deficit provided that no amounts from the Liquidity Reserve Account may be applied to pay interest on any of the Class C Notes or the Class D Notes if and to the extent that a deficiency is currently recorded on the Principal Deficiency Ledger of that Class of Notes or of a More Senior Class of Notes; and

second, apply Principal Receipts towards curing any residual Revenue Deficit provided that no amounts of Principal Receipts may be applied to pay interest on any of the Class C Notes or the Class D Notes (any Principal Receipts so applied being the **Deemed Revenue Receipts**).

Revenue Deficit means, in respect of an Interest Payment Date, a shortfall in the amount of the applicable Revenue Receipts available to pay paragraphs (a) to (c), (e), (g), (i) and (m) of the Pre-Enforcement Revenue Priority of Payments.

Summary of Priorities of Payments

Below is a summary of the priorities of payments (the **Priorities of Payments** and each, a **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 be split between the Insurance Companies and the Originator, with the Insurance Companies receiving 50% of any Insurance Premiums (the **Insurer Premium Portion**) and the Originator receiving 50% of any Insurance Premiums (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 be applied in accordance with any Priority of Payments.

**Pre-Enforcement Revenue
Priority of Payments:**

**Pre-Enforcement Principal
Priority of Payments:**

**Post-Enforcement Priority of
Payments:**

- | | | |
|---|--|--|
| <p>(a) Note Trustee and Security Trustee costs, fees and expenses;</p> | <p>(a) Any Principal Receipts to be applied as Deemed Revenue Receipts;</p> | <p>(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);</p> |
| <p>(b) Amounts due to the Servicer, Standby Servicer, Cash Manager, Standby Cash Manager, Account Banks, the Service Provider and Agents;</p> | <p>(b) 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;</p> | <p>(b) Amounts due to the Servicer, Standby Servicer, Cash Manager, Standby Cash Manager, Account Banks, Service Provider and Agents;</p> |
| <p>(c) General Expenses of the Issuer and, thereafter, to credit the Transaction Account with an amount up to the Float Amount;</p> | <p>(c) 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</p> | <p>(c) Prior to the occurrence of an Issuer Insolvency Event, amounts payable for the services of any Independent Director and the Storage Company;</p> |

Purchase Price for Additional Promissory Notes on future Interest Payment Dates;

- | | | | | | |
|-----|---|-----|---|-----|--|
| (d) | Prior to the repayment in full of the Notes, to replenish the Liquidity Reserve to the Liquidity Reserve Required Amount; | (d) | After the Revolving Period End Date, payments to redeem the Class A Notes; | (d) | Principal and interest payments on the Class A Notes; |
| (e) | Class A interest amounts due to the Class A Noteholders; | (e) | After the Revolving Period End Date, payments to redeem the Class B Notes; | (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 C Notes; | (f) | Principal and interest payments on the Class C Notes; |
| (g) | Class B interest amounts due to the Class B Noteholders; | (g) | After the Revolving Period End Date, payments to redeem the Class D 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, to pay <i>firstly</i> , interest, <i>secondly</i> principal and <i>thirdly</i> , any other amounts due to each Subordinated Loan Provider under the respective Subordinated Loan Agreements; | (h) | To the extent not provided for elsewhere in the Post-Enforcement Priority of Payments, to pay amounts due to the Other Secured Parties; |
| (i) | Class C interest amounts due to the Class C Noteholders; | (i) | After the Revolving Period End Date, payment of Deferred Consideration to the Seller; and | (i) | Originator Premium Portion payable to the Originator; |
| (j) | To reduce the Class C Principal Deficiency Ledger to zero; | (j) | After the Revolving Period End Date, any surplus to the Equity Account. | (j) | <i>Firstly</i> , interest, and <i>secondly</i> , principal and <i>thirdly</i> , any other amounts due to each Subordinated Loan Provider under the relevant Subordinated Loan Agreement; |
| (k) | To reduce the Class D Principal Deficiency Ledger to zero; | (k) | | (k) | <i>Firstly</i> , 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

- (l) Prior to the Step-Up Date, to replenish the Credit Enhancement Reserve to the Credit Enhancement Reserve Required Amount;
- (m) Class D interest amounts due to the Class D Noteholders;
- (n) On and from the Step-Up Date, to pay:
 - (i) *firstly*, Class A principal amounts which will be applied towards redemption of the Class A Notes;
 - (ii) *secondly*, Class B principal amounts which will be applied towards redemption of the Class B Notes;
- (o) Following repayment in full of the Class A Notes and the Class B Notes, to pay:
 - (i) *firstly*, the Class C principal amounts which will be applied towards redemption of the Class C Notes; and
 - (ii) *secondly*, the Class D principal amounts which will be applied

- (l) Any surplus to the Issuer.

towards
redemption of the
Class D Notes.

- (p) To the extent not provided for *elsewhere* in the Pre-Enforcement Priorities of Payments, to pay amounts due to any Other Secured Parties;
- (q) Originator Premium Portion payable to the Originator;
- (r) To pay *firstly*, interest, *secondly* principal and *thirdly*, any other amounts due to each Subordinated Loan Provider under the respective Subordinated Loan Agreements;
- (s) Prior to the earlier to occur of an Insolvency Event in relation to the Seller and the repayment in full of the Notes, to replenish the Payment Holiday Reserve to the Payment Holiday Reserve Required Amount;
- (t) To pay *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, less SEK10,000 per calendar year; and
- (u) Any surplus to the Equity Account.

G. TRIGGERS TABLES

Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings</u>	<u>Possible effects of Trigger being breached include the following:</u>
Account Bank(s)	<p>Each Account Bank will be required to have a rating of at least (a) "A" (assigned to its long term issuer default rating) and "F1" (assigned to its short term issuer default rating) from Fitch provided that if the Account Bank's long term ratings have been placed on "Ratings Watch Negative" by Fitch, such Account Bank will be required to have a long term rating of at least "A+" by Fitch or such other rating as may be specified in the then applicable Fitch counterparty criteria as would maintain the rating of the Notes and provided that if the Account Bank's short term rating has been placed on "Ratings Watch Negative" by Fitch, the Account Bank will be required to have a short term rating of at least "F1+" by Fitch or such other rating as may be specified in the then applicable Fitch counterparty criteria as would maintain the rating of the Notes, and (b) "A" (if the short-term, unguaranteed and unsubordinated debt obligations of the relevant Account Bank are rated "A-1" or higher by S&P) or "A+" (if the short-term, unguaranteed and unsubordinated debt obligations of the relevant Account Bank are unrated or rated below "A-1" by S&P) from S&P or such other rating as may be agreed with S&P, assigned to its unsecured, unsubordinated and unguaranteed long-term debt obligations (the Account Banks Requisite Ratings).</p>	<p>If any Account Bank ceases to be an Eligible Bank, such Account Bank will be required to, at its own cost, arrange for the transfer of the relevant Issuer Bank Accounts to an Eligible Bank on terms substantially similar to the respective Bank Account Agreements within 30 days or, in the event that the Account Bank ceases to have the Account Banks Requisite Ratings as assigned by S&P only, within 60 calendar days of the date that it ceased to be an Eligible Bank.</p> <p>An Eligible Bank means a bank with the Account Banks Requisite Ratings.</p>
Principal Paying Agent	<p>The Principal Paying Agent will be required to have a rating of at least "BBB+" (assigned to its long term issuer default rating) and "F2" (assigned to its short term issuer default rating) from Fitch or such other rating as may be specified in the then applicable Fitch counterparty criteria as would maintain the rating of the Notes (the Principal Paying Agent Requisite Ratings).</p>	<p>If the Principal Paying Agent ceases to be an Eligible Paying Agent, the Principal Paying Agent will be required to use commercially reasonable efforts to identify a successor Principal Paying Agent (being an Eligible Paying Agent) to be appointed on terms substantially similar to the Agency Agreement within 30 days of the date that it ceased to be an Eligible Paying Agent. In the event that the Principal</p>

Transaction Party **Required Ratings**

Possible effects of Trigger being breached include the following:

Paying Agent is unable to procure a successor Paying Agent within 30 days, the Issuer will be required to appoint such a successor within 60 days of the date that the Principal Paying Agent ceased to be an Eligible Paying Agent.

An **Eligible Paying Agent** means an agent with the Principal Paying Agent Requisite Ratings.

Non-Rating Triggers Table

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Termination of the appointment of the Servicer	The appointment of the Servicer may be 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.	Upon termination of the appointment of the Servicer, the Issuer agrees to use its reasonable endeavours to appoint a substitute servicer on substantially the same terms as the Servicing Agreement, or if such substitute servicer is the Standby Servicer under the terms of the Standby Servicing Agreement. Pursuant to the Servicing Agreement, the Servicer shall be obliged to carry out certain steps to facilitate the appointment of the Standby Servicer. See " <i>Summary of Transaction Documents</i> " for further information.
Termination of the appointment of the Standby Servicer	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 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 the appointment of any Agent	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 the Security Trustee	The Noteholders may, by extraordinary resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C	The Issuer undertakes that, in the event of the Security Trustee being removed, it will use its best endeavours to procure that a

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Removal of the Note Trustee	<p data-bbox="609 311 1018 443">Noteholders and the Class D Noteholders remove any trustee or trustees appointed under the English Deed of Charge.</p> <p data-bbox="609 618 1018 891">The Noteholders may, by extraordinary resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders remove any trustee or trustees appointed under the Trust Deed.</p>	<p data-bbox="1043 311 1449 584">new security trustee approved by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, is appointed as soon as reasonably practicable thereafter.</p> <p data-bbox="1043 618 1449 1025">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 and the Class D Noteholders, is appointed as soon as reasonably practicable thereafter.</p>
Termination of the Cash Manager	<p data-bbox="609 1066 1018 1406">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.</p>	<p data-bbox="1043 1066 1449 1507">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.</p>
Termination of Standby Cash Manager	<p data-bbox="609 1547 1018 1888">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.</p>	<p data-bbox="1043 1547 1449 2063">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 and the Standby Cash Manager may not be released from its obligations under the Cash Management Agreement until a substitute</p>

Nature of Trigger

Description of Trigger

Consequence of Trigger

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 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.

standby cash manager has been appointed.

Upon termination of the appointment of the Storage Company, the Issuer agrees to use its reasonable endeavours to 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 Swedish 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 Swedish 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 either:
 - (i) exceeds SEK200,000,000; or
 - (ii) exceeds SEK100,000,000 (which may occur once during the Revolving Period), but it is not reduced to SEK100,000,000 or less on the immediately following Interest Payment Date;
- (e) the aggregate Principal Promissory Note Amount of the Transferred Promissory Notes in the Portfolio which have been Written-off since the Closing Date is, prior to the Interest Payment Date falling:
 - (i) 12 months after the Closing Date, more than 2.25 per cent. of the aggregate Principal Promissory Note Amount 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 3.50 per cent. of the aggregate Principal Promissory Note Amount 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 4.75 per cent. of the aggregate Principal Promissory Note Amount 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;
 - (iv) 30 months after the Closing Date, more than 5.50 per cent. of the aggregate Principal Promissory Note Amount 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;

- (v) 36 months after the Closing Date, more than 6.25 per cent. of the aggregate Principal Promissory Note Amount 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; or
- (vi) 48 months after the Closing Date, more than 7.50 per cent. of the aggregate Principal Promissory Note Amount 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,

(such amounts to be calculated based on the amounts outstanding on each immediately preceding Cut-off Date);

- (f) the balance of the Liquidity Reserve after the application of the Revenue Receipts has been less than the Liquidity Reserve Required Amount for two consecutive Interest Payment Dates;
- (g) 3 per cent. or more of the Transferred Promissory Notes in the Portfolio is Delinquent for two, three, four or five 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 January 2012 and February 2012 which will be calculated based on amounts outstanding on each preceding Cut-off Date, or where no such date is available, the Closing Date));
- (h) the amount of margin over STIBOR charged on the Transferred Promissory Notes in the Portfolio falls below 1150 bps (11.5 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 STIBOR (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 January 2012 and February 2012 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 110 months;
- (j) a Servicing Report Delivery Failure occurs and is continuing; or
- (k) (only if so determined by the Noteholders of the Most Senior Class acting by Extraordinary Resolution or the Noteholder Representative, if appointed) a breach of the Excluded Promissory Note Repurchase Obligation by the Seller.

H. FEES

The following table sets out an estimate of 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 Principal Promissory Note Amount 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: SEK150,000 per annum for so long as the Standby Servicer does not commence the provision and performance of the services of the Servicer. 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 Standby Servicing Fee and the Servicing Fee respectively.	Monthly in arrear on each Interest Payment Date.
Cash Management Fee	Cash Management Fee: SEK100,000 per annum.	Ahead of all outstanding Notes.	Monthly in arrear on each Interest Payment Date.
Standby Cash Manager Fee	Standby Cash Manager 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	Ahead of all outstanding Notes.	Monthly in arrear on each Interest Payment Date.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	with the Servicing Transfer Agreement.		
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 SEK3,000,000 per annum.	Ahead of all outstanding Notes.	When due and payable.
Setup Fees to be paid by the Issuer on or around the Closing Date	Estimated to be around SEK20,000,000.	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 SEK450,000.	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	€6,000 per annum.	Ahead of all outstanding Notes.	Payable on each Interest Payment Date falling in November.

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.

Financial risks

Nordax is through its business exposed to, besides knowingly taken credit risk, other financial risks such as market risk (including currency risk, interest rate risk, counterparty risk and 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 consists of current and future risk of loss due to a financial counterparty or issuer of a security 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 includes 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.

Competition

Nordax operates in a market subject to competition. Operational risk includes the risk that competition has a negative impact on Nordax' performance 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 Subordinated Loan Providers, the Note Trustee, the Security Trustee, the Lead Managers, 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 obligations 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), Payment Holiday Amounts funded from the Payment Holiday Reserve, the extent and availability of the Liquidity Reserve, the extent and availability of the Credit Enhancement Reserve and the availability of funds borrowed from each Subordinated Loan Provider.

Other than the foregoing and any interest earned by the Issuer in respect of the Issuer Bank Accounts (excluding the Equity Account), 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 of 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 or the Transaction 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.

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 Transferred Promissory Notes are still outstanding may depend upon whether the Issuer's interest in the Transferred 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.

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 Seller (comprising repurchases (a) due to a breach of certain warranties relating to such Transferred Promissory Notes, (b) of Excluded Promissory Notes, (c) of Transferred Promissory Notes which are Written-off (but, for the avoidance of doubt, were not Written-off on the Closing Date, or as applicable the relevant Transfer Date), or (d) due to a Further Advance being made by the Seller 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 during the Revolving Period. Subject to the satisfaction of the FA Conditions, the Seller may also continue to sell Promissory Notes to the Issuer after the Revolving Period End Date up to (and including) the Step-Up Date.

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

There is not, at present, an active and liquid secondary market for the Notes, nor can there be any assurance that a secondary market for the Notes will develop. Even if a secondary market does develop, it may not continue for the life of the Notes or it may leave Noteholders with illiquidity of investment. Illiquidity means 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. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes. Any class of Notes may experience illiquidity, although generally illiquidity is more likely to occur in respect of classes of Notes that are especially sensitive to prepayment, credit or interest rate risk or that have been structured to meet the investment requirements of limited categories of Noteholders.

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.

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. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Ratings of Notes

The ratings assigned to each class of Rated Notes by each Rating Agency are based on the credit of 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 relevant Rating Agencies. The ratings assigned by:

- (a) Fitch address the likelihood of full and timely payment to the Class A Noteholders, Class B Noteholders and the Class C Noteholders of all payments of interest on the Class A Notes, Class B Notes and the Class C Notes on each Interest Payment Date and the full and ultimate repayment of principal in respect of such Rated Notes on the Final Maturity Date; and
- (b) S&P address the likelihood of full and timely payment to the Class A Noteholders, Class B Noteholders and the Class C Noteholders of all payments of interest on the Class A Notes, Class B Notes and the Class C Notes on each Interest Payment Date and the full and ultimate repayment of principal in respect of such Rated Notes on the Final Maturity Date.

A security rating is not a recommendation to buy, sell or hold securities and will depend, amongst other things, on certain underlying characteristics of the Issuer's business from time to time. 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 any Rating Agency as a result of changes in or unavailability of information or if, in any Rating Agency's judgement, circumstances so warrant. Neither the Note Trustee nor any of the Noteholders will have right of recourse to any Rating Agency in relation to any of the ratings, confirmations in respect of such ratings, or changes to the ratings given by the relevant Rating Agency. 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 Rated Notes.

Rating agencies other than the Rating Agencies may seek to rate the Class A Notes, Class B Notes and/or the Class C 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 and/or the Class C Notes by the Rating Agencies, such shadow ratings could have an adverse effect on the value of the Class A Notes, Class B Notes and/or the Class C 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, available Revenue Receipts are insufficient to enable the Issuer to pay interest (in accordance with the Pre-Enforcement Revenue Priority of Payments) on the Notes or amounts ranking in paragraphs (a) to (c) of the Pre-Enforcement Revenue Priority of Payments, then the Issuer will apply available Principal Receipts as Deemed Revenue Receipts in accordance with the Pre-Enforcement Principal Priority of Payments to make up any shortfall in respect of interest for the Class A Notes and the Class B Notes (including those amounts ranking in paragraphs (a) to (c) of the Pre-Enforcement Revenue Priority of Payments) after taking into account the funds to be applied from the Liquidity Reserve pursuant to the terms set out in the Cash Management Agreement. See further "*Cashflows – Pre-Enforcement Principal Priority of Payments*". No amounts of Principal Receipts may however be applied to pay interest on any of the Class C Notes or the Class D 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 available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, which provides that, subject to the payment of prior ranking obligations, available 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.

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 pay, in full or at all, 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 and Class D Notes

Payments of principal and interest in respect of the Class B Notes, the Class C Notes and the Class D 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 and the Class D 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 will be subordinated to payments of principal and interest in respect of the Class C 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 and the Class D 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 and the Class D 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 only. If there are no Class A Notes, Class B Notes or Class C Notes outstanding, the Issuer will not be entitled to defer payments of interest in respect of the Class D Notes.

In addition, prior to the service of an Enforcement Notice and repayment in full of the Notes (in respect of (a) and (c)) and prior to the Step-Up Date (in respect of (b)), available 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 Notes (in respect of (a)) and after the Step-Up Date (in respect of (b)), any amounts (a) in the Payment Holiday Reserve shall be released to form part of the Revenue Receipts and (b) standing to the credit of the Credit Enhancement Reserve Account shall be applied in accordance with the Pre-Enforcement Revenue Priority of Payments.

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 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 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 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 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 accordingly, the Security Trustee to represent the Secured Parties, in the Swedish courts, 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 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

Nordax, in its capacity as 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 of the Issuer 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 each Rating Agency, 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 (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 a 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 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.

Withholding Tax under the Notes

In the event that a withholding or deduction for or on account of any taxes is imposed by law, or otherwise applicable, in respect of amounts payable under the Notes, neither the Issuer nor any Paying Agent or any other entity is obliged to gross up or otherwise compensate Noteholders for the lesser amounts which the Noteholders will receive as a result of the imposition of such withholding or deduction. The imposition of such withholding or deduction would entitle the Issuer to redeem the Notes in accordance with **Condition 6.4 (Optional redemption for taxation reasons)** at their then Principal Amount Outstanding if the Issuer has sufficient funds available, thereby shortening the average lives of the Notes.

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 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.

U.S. Foreign Account Tax Compliance Act withholding on the Notes

The Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act (**FATCA**) generally impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to certain non-US financial institutions (including entities such as the Issuer) that do not enter into and comply with an agreement with the U.S. Internal Revenue Service (**IRS**) to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market). The new withholding regime will be phased in beginning in 2014, and generally will affect (i) Notes which are treated as debt for U.S. federal tax purposes issued after March 18, 2012, and (ii) Notes which are treated as equity for U.S. federal tax purposes, whenever issued.

The IRS has not yet provided comprehensive guidance regarding FATCA and no assurance can be provided that the Issuer will enter into such an agreement with the IRS. If the Issuer does not enter such an agreement, amounts available to the Issuer to make payments on the Notes may be reduced. In the alternative, if the Issuer determines that it must comply with FATCA in order to receive certain payments free of U.S. withholding tax, Noteholders may be required to provide certain information (or, for certain non-US financial institutions, otherwise comply with FATCA), to avoid withholding on amounts paid to such Noteholder. If a Noteholder does not provide the necessary information or any other non-US financial institution through which payments on the Notes are made is not in compliance with FATCA, amounts paid to Noteholders may be reduced.

FATCA is particularly complex and its application to the Issuer is uncertain at this time. Prospective Noteholders should consult their tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each holder in its particular circumstance.

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 Seller. The Security Trustee's sole remedy against the Seller in respect of breach of certain of the warranties shall be to require the Seller to remedy the breach (to the extent the same is remediable) or to require the Seller to repurchase the affected Transferred Promissory Notes pursuant to the Loan Transfer Agreement. There can be no assurance that the Seller 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 STIBOR. 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 capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Lead Managers, the Arranger or the Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should be aware of Article 122a of the Capital Requirements Directive which applies in general in respect of notes issued under securitisations established after 31 December 2010. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

Article 122a applies in respect of the Notes. Investors should therefore make themselves aware of the requirements of Article 122a (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the securitisation as contemplated by Article 122a 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) in relation to the due diligence requirements under Article 122a, please see the statements set out in the section entitled "*Article 122a of the Requirements*

Directive (CRD 2)". The Issuer has disclosed in this prospectus that the Originator will retain a material net economic interest in the Portfolio of not less than 5% as contemplated by Article 122a and the Originator will provide a corresponding undertaking to the Issuer in this regard.

As to the information made available to Noteholders by the Issuer (or, after the Closing Date, by the Originator in its capacity as the Servicer or the Cash Manager on the Issuer's behalf) with respect to the Promissory Notes (including the credit quality, performance, and cashflows), Noteholders are directed to the information set out herein and forming part of this Prospectus and, after the Closing Date, to the Monthly Reports. Pursuant to the terms of the Cash Management Agreement, the Cash Manager, will agree to prepare such Monthly Reports.

Loan-by-loan level information in respect of the Promissory Notes in the Provisional Portfolio as at the 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.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a (and any corresponding implementing rules of their regulator) and none of the Issuer, the Originator (in its capacity as the Seller, the Servicer or the Cash Manager), the Lead Managers nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to Article 122a and its implementation in EEA states and it is not clear what will be required to demonstrate compliance to national regulators. It should be noted that EEA states may implement Article 122a (and related provisions) differently. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a may be implemented for other EU regulated investors (such as investment firms, insurance or reinsurance undertakings, UCITS funds and/or certain hedge fund managers) in the future.

Article 122a of the Capital Requirements Directive 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.

Swedish Licensing issues

Under the Swedish Banking and Financing Business Act (Sw. *lag (2004:297) om bank- och finansieringsrörelse*) (the **Banking and Financing Act**), an entity the business activities of which include both (i) the acceptance of repayable funds from the public and (ii) the acquisition of credits for financing purposes needs to apply for a license to conduct financing business with the Swedish Financial Supervisory Authority (the **SFSA**), unless a licensing exemption applies. It could be argued that the business of the Issuer is caught by such licensing requirement, although there are also arguments against this.

The Issuer has described its business to the SFSA and inquired whether it will need to apply for a license to conduct financing business. In an informal response, the SFSA has stated that the Issuer's business cannot be deemed to constitute financing business. It is noted that such informal statement is not binding upon the SFSA and that no assurance can be given that there will not be any change to the relevant legislation or the SFSA's interpretation of such legislation which could have a negative impact on the Notes and the Noteholders.

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 loans advanced by the Subordinated Loan Providers pursuant to the respective Subordinated Loan Agreement 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 Secured Parties 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 each Account 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 Sweden

Financial instruments issued by the government of Sweden are rated "AAA" (long-term) and "F1+" (short-term) by Fitch, "Aaa" (long-term) and "P-1" (short-term) by Moody's and "AAA" (long-term) and "A-1+" (short-term) by S&P. Relatively healthy public finances, a declining national debt and a competitive export sector, combined with a well educated labour force and a high standard of living are circumstances that signify the creditworthiness of Sweden. High tax rates and rigidities in labour and product markets are similarly also factors that may influence the creditworthiness of Sweden. Although Sweden has an ageing population, already implemented pension system reforms are considered to help insulate these costs from the rest of the state finances.

Moody's Investors Service Limited (**Moody's**) is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the **CRA Regulation**) (as amended). As such each of the Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation.

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 Deemed Revenue Receipts, the Liquidity Reserve, the Credit Enhancement Reserve and excess spread in the Portfolio (the **Excess Spread**) 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.

The Consumer Credit Act

The Swedish Consumer Credit Act (Sw. *Konsumentkreditlagen (2010:1846)*) (the **CCA**) implements the directive on credit agreements for consumers (directive 2008/48/EC) and replaces the preceding Consumer Credit Act (Sw. *Konsumentkreditlagen (1992:830)*) as from 1 January 2011. The old Act will however as a general rule still apply to consumer credits granted prior to 1 January 2011 but certain new provisions of the new CCA will also apply. The CCA, which is the fundamental legislative source for consumer credits in Sweden, 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 CCA also gives the lender a right to demand early prepayment of a loan provided that it is set out in the terms of the relevant loan agreement and subject to certain circumstances related to, for example, payment delays (subject to certain grace periods) and decrease of the value of any security granted. Consequently, there can be no guarantee as to any particular rate or pattern at which the Notes will be redeemed.

Pursuant to the Swedish Distance and Doorstep Sales Act (Sw. *Distans- och hemförsäljningslagen (2005:59)*) in respect of loans disbursed prior to 1 January 2011, and the CCA in respect of loans disbursed on or after 1 January 2011, a consumer is entitled to withdraw from a loan agreement by giving or sending notification thereof to the creditor within 14 days from the later of the day the loan agreement is concluded and the day the consumer receives certain mandatory documentation. After such notice the consumer shall repay the loan amount together with accrued interest (but no other amounts) and the lender shall repay any fees in relation to the repaid loan.

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

Interest under the Promissory Notes is payable in Swedish Kronor. Under the CCA, interest rate may only be adjusted by the lender to the detriment of the consumer borrowers to the extent that the adjustment can be justified by credit policy decisions, increased funding costs for the lender or other increased costs, which the lender could not reasonably have foreseen at the time when the loan agreement was entered into (these circumstances must be set out in the loan terms in order to apply). The lender is under an obligation to apply any interest rate adjustment provision in the same manner whether it is to the benefit or the detriment of the consumer borrower. Under the CCA, the lender is required to give the customer a written notice about the interest change before it becomes effective. 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.

Unsecured nature of the Transferred Promissory Notes

As the obligations of each of the Customers under the Transferred 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, the Seller will make 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 the Seller. 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 of 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 repay the relevant Transferred Promissory Note. The risk of concentration in a specific region is however mitigated by the fact that approximately 90 per cent. of the applications (in respect of the Provisional Portfolio as at the Pool Cut Date) are generated via direct marketing programmes whereby the Originator can, to a large extent, monitor the incoming applications.

Provisional Portfolio tests show that the Customers are evenly spread across the populated areas of Sweden but are largely concentrated in the urban areas (i.e. Stockholm, Göteborg and Malmö).

Cash Collection Procedures

For administrative purposes and to mitigate any risks of money laundering, the Servicer does not accept any cash payments or cheques. Approximately 77 per cent. of the Customers (in respect of the Provisional Portfolio as at the Pool Cut Date) pay by direct debit.

All payments (i.e. principal payments, interest payments and fee payments (including insurance premiums and late fees)) from Customers are collected on 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. The BGC system is one of the two leading Giro systems in Sweden.

E. General considerations

Enforcement in Sweden

The Swedish Enforcement Authority (Sw. *Kronofogdemyndigheten*) is the governmental body responsible for carrying out enforcement orders over assets in Sweden, including those for the collection of unpaid debts, whether secured or unsecured. A creditor begins the enforcement process by obtaining an enforcement order either from the Enforcement Authority (in the form of a payment order (Sw. *betalningsföreläggande*)) or from the courts. A debtor may challenge the application for the enforcement order, or appeal the order itself, in which case the matter is referred to the courts. Upon obtaining an enforcement order against a debtor, the creditor may apply to the Enforcement Authority for enforcement of his claim in accordance with the procedures set out in the Swedish Enforcement Code (Sw. *Utsökningsbalken (1981:774)*) and for the Enforcement Authority to make either a full or a limited investigation of the assets of the debtor. The former investigation includes most types of assets and the latter includes only an investigation of the debtor's salary and if there is any tax refunds due to the debtor. Upon the Enforcement Authority having concluded if there are assets available for attachment (Sw. *utmätning*), the Enforcement Authority will arrange a sale of assets by public auction, or, as applicable, garnishment of earnings such as salaries, pensions or other benefits.

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 (Sw. *Skuldsaneringslag (2006:548)*) a debtor may, if he is a private individual resident in Sweden, wholly or partly be discharged from payment liabilities for debts that are included in the debt rescheduling. The measure includes all the debtor's debts that have arisen prior to the date of the decision to begin the debt rescheduling with the result that the relevant creditor(s) loses its right to interest or default fees after the decision to commence debt rescheduling. The debt rescheduling includes a

determination of the debts included, their right of priority, the amount to be split among the creditors and a payment plan outlining when and how the remaining part of each creditor's claim will be repaid. The debt rescheduling is either voluntary and resolved by the Swedish Enforcement Authority (Sw. *Kronofogdemyndigheten*) or mandatory and ordered by court. Debt rescheduling can be granted if (i) the debtor is insolvent and so indebted that he has no capacity to pay his debts in the foreseeable future and (ii) it is reasonable with respect to the debtor's personal and economic situation that debt rescheduling is granted.

Consequently, 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 36 of the Swedish Contracts Act

A contract term or condition may pursuant to section 36 of the Swedish Contracts Act (Sw. *Lag (1915:218) om avtal och andra rättshandlingar på förmögenhetsrättens område*) 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 explicitly stated that, in the application of this provision, special consideration shall be given to the need for protection for consumers or parties who otherwise occupy an inferior position in the contractual relationship. It is also clear from the preparatory works that the provision is aimed especially at unfair terms in standard contracts.

If any condition in the Transferred Promissory Notes is contested based on section 36 of the Swedish Contracts Act, the Issuer's rights according to the Transferred 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.

European Union Directive on the Taxation of Savings Income

Under the EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts to Noteholders or to otherwise compensate Noteholders for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. If a withholding tax is imposed on payments made by a Paying Agent as a result of the EU Savings Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Implementation of Basel risk-weighted asset framework

The Basel II framework has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as **Basel III**), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio from January 2013, the new Liquidity Coverage Ratio from January 2015 and the New Stable Funding Ratio from January 2018). The Basel Committee is also considering introducing additional capital requirements for systemically important institutions from 2016. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

The European authorities support the work of the Basel Committee on the approved changes in general and, on 20 July 2011, the European Commission adopted a legislative package of proposals (known as **CRD IV**) to implement the changes through the replacement of the existing CRD with a new Directive and Regulation.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

European Monetary Union

In the event that Sweden joins the Economic and Monetary Union prior to the maturity of the Notes, the Euro would become the lawful currency of Sweden. In that event, all amounts payable in respect of the Transferred Promissory Notes may become payable in Euro. There can be no assurance regarding the official rate of conversion for Swedish Kronor to Euro following Sweden adopting the Euro as its lawful currency nor can there be any assurance that the amounts payable in Euro by the Customers under the Transferred Promissory Notes would be sufficient to enable the Issuer to meet its obligations under the Notes. A transition to the Euro may be followed by an interest rate change which may have an adverse affect on a Customer's ability to repay its debt under a Transferred Promissory Note and accordingly on the ability of the Issuer to make payments to Noteholders.

Change of law

The structure of the issue of the Notes, the ratings which are to be assigned to them and the related transactions described in this Prospectus are based on English, Swedish and applicable European laws and administrative practice in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English, Swedish or European law or administrative practice after the date of this document, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

The Issuer believes that the risks described above 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 above 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.

THE ISSUER

The Issuer was incorporated in Sweden on 19 July 2011. On 31 August 2011 the Issuer was registered under corporate registration number 556863-1104 as a public company with limited liability. The Issuer's name is Nordax Sverige 3 AB (publ) and the secondary name of the Issuer, SCL - Scandinavian Consumer Loans III, was registered with the Swedish Companies Registration Office as a secondary name of Nordax Sverige 3 AB (publ) on 2 November 2011. The Issuer's secondary name has been adopted for marketing purposes only.

The registered office of the Issuer is at c/o Nordax Finans 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 established as a Swedish special purpose vehicle for the securitisation of Swedish consumer loans originated by Nordax and its activities are limited accordingly. 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 all the 500,000 ordinary shares issued.

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, (ii) issuance of bonds and other debt instruments to finance its operations and (iii) certain incidental activities described elsewhere in the Prospectus. The Transaction Documents (excluding the Security Documents) 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*).

According to 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 institution, 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.

3. Articles of Association

In accordance with its articles of association, at least one of the directors of the Issuer must at all times be independent in relation to the affiliates of 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 Finans AB (publ), P.O. Box 23124, SE-104 35 Stockholm, Sweden	Director of Nordax, Nordax Nordic AB, Banqsoft AS, Eneas Energy AS and Arcasa Arkitekter AS.
Jacob Lundblad (Chief Executive Officer of the Issuer)	Nordax Finans AB (publ), P.O. Box 23124, SE-104 35 Stockholm, Sweden	Deputy Chief Executive Officer of Nordax and Chief Executive Officer and director of Nordax Nordic AB.
Morten Falch	Nordax Finans AB (publ), P.O. Box 23124, SE-104 35 Stockholm, Sweden	Chief Executive Officer of Nordax and director of Nordax Nordic AB.
Johan Franzén	Nordax Finans AB (publ), P.O. Box 23124, SE-104 35 Stockholm, Sweden	Corporate Treasurer of Nordax and director of Nordax Nordic AB.
Per Bodlund	Nordax Finans AB (publ), P.O. Box 23124, SE-104 35 Stockholm, Sweden	Chief Financial Officer of Nordax and director of Nordax Nordic AB.
Martin Gorne (Independent Director of the Issuer)	CorpNordic Sweden AB P.O. Box 16285 SE-103 25 Stockholm, Sweden	Director of Nordax Nordic AB (publ), Liongem Sweden 1 AB, Inepetrol Corporation AB, Intercross Investments AB, Hjalmar Sweden AB, Inverscan AB, Estview AB, Amitjugoett AB, Trettoncorp AB, Global Ports Advisory Group AB, Brightfount Invest AB, Talisman Invest AB, Staff Flow Sweden AB, Nordcorp 12 AB and Amitjugofem AB. Deputy director of Escatec Sweden AB, Cavalio AB, Ettami AB, MALC Lease Eleven AB, Bengtsbädd Förvaltning AB, Amisexton AB, Gunnarn Mining AB and Gunnarn Exploration AB. Chief Executive Officer of CorpNordic Sweden AB.

Besides the Independent Director of the Issuer and Jacob Lundblad, all other directors of the Issuer are also directors of Nordax.

As at the date of this Prospectus, the auditors for the Issuer is Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, Sweden. Öhrlings PricewaterhouseCoopers 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.

5. Financial Information

Since the date of incorporation, the Issuer has not commenced operations other than the transactions described in this Prospectus. As at the date of this Prospectus, no financial statements have been produced.

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>	SEK25,000,000
Total Capitalisation	SEK25,500,000
Loan Capital	
SEK1,082,000,000 Class A Floating Rate Notes due January 2033	SEK1,082,000,000
SEK96,000,000 Class B Floating Rate Notes due January 2033	SEK96,000,000
SEK193,000,000 Class C Floating Rate Notes due January 2033	SEK193,000,000
SEK560,000,000 Class D Floating Rate Notes due January 2033	SEK560,000,000
Liquidity Reserve Loan	SEK58,000,000
Payment Holiday Reserve Loan	SEK22,000,000
Establishment Loan	SEK11,000,000
Total Indebtedness	SEK2,022,000,000

The first financial period of the Issuer will end on 31st December 2011.

THE SELLER

NORDAX FINANS AB (PUBL) OR THE SELLER

Organisation and legal structure

Nordax Finans AB (publ) (**Nordax**, the **Originator**, the **Parent Company** and the **Seller**) was incorporated on 26 August 2003 in Sweden and is indirectly owned by funds managed by Vision Capital Partners LLP (**VCP**) (owning 75%) and by the members of the board of directors and the management team (jointly owning 25 %). VCP is a private equity company founded in 1997. The firm is headquartered in London and has approximately 40 employees. VCP acquired the shares from Nordax' former owner, funds managed by Palamon Capital Partners, LP in July 2010.

Nordax' registered 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**). Nordax' strategy is to offer medium-term unsecured loans to consumers throughout the Nordic region.

Nordax started its lending activities in Sweden in February 2004. Through a centralized business model and organisation based in Stockholm, Nordax is further providing cross-border consumer credit lending in Norway, Denmark and Finland in accordance with Directive 2006/48 EC of the European Parliament and of the Council of 14 June 2006 which relates to the taking up and pursuit of the business of credit institutions (recast) (the **Credit Institutions Directive**). Nordax started the cross-border lending in Norway in October 2005, in Denmark in October 2006 and in Finland in August 2007.

Nordax' lending activities are supplemented by deposit-taking. Deposit-taking in Sweden was launched in December 2008, in Norway in September 2009 and in Finland in February 2011.

Nordax is led by a team of 12 executive managers, experienced in the finance industry, some having previously built and run the unsecured consumer loan business for GE and Citibank in the Nordic region.

As at 30 September 2011, Nordax employed approximately 123 full-time staff and 29 temporary staff who are employed on an on-demand basis. The work performed by the temporary staff during September 2011 was equivalent to just over 12 full-time employees.

With regards to the lending activities, as of 30 September 2011, Nordax managed Norwegian assets of approximately NOK2,649,873,495, Swedish assets of approximately SEK2,583,246,515, Danish assets of approximately Danish Kroner 548,531,737 and Finnish assets of approximately €61,090,758 in total (respectively, €336,632,938 at an exchange rate of 1 Euro = NOK7.8717, €280,259,133 at an exchange rate of 1 Euro = SEK9.2174 and €73,714,504 at an exchange rate of 1 Euro = Danish Kroner 7.4413, in each case as at 30 September 2011).

With regards to the deposit-taking, as of 30 September 2011, Nordax managed Norwegian retail deposits of approximately NOK1,130,294,947, Swedish retail deposits of approximately SEK2,910,729,893 and Finnish retail deposits of approximately €20,850,044 in total (respectively €122,626,888 at an exchange rate of 1 Euro = NOK 7.8717, €315,788,149 at an exchange rate of 1 Euro = SEK9.2174, in each case as at 30 September 2011).

Relevant legislation

Nordax is a limited liability company and is governed by, *inter alia*, the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), the Swedish Banking and Financing Business Act (Sw. *Lag (2004:297) om bank- och finansieringsrörelse*), the Swedish Capital Adequacy and Large Exposures Act (Sw. *Lag (2006:1371) om kapitaltäckning och stora exponeringar*), the Swedish Deposit Insurance Act (Sw. *Lag (1995:1571) om insättningsgaranti*) and its articles of association.

As a credit market company, Nordax is subject to the supervision of the Swedish FSA.

Origination channels in Sweden

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.

As at 30 September 2011, 90 per cent. of the Provisional Portfolio has been originated via direct mail programmes with the remaining percentage having been originated through a combination of affinity co-operations, brokers and advertising.

An essential part of the Originator's lending is related to Further Advances to well-performing existing customers. From March 2010 to September 2011, approximately 15 per cent. of Nordax' total lending was attributable to Further Advances.

Target group

The Originator serves the prime market in Sweden with a target group that comprises of individuals with a stable income and unblemished credit track record. The median yearly income in Sweden is estimated to be SEK263,000¹, which can be compared with the average yearly income of the Customers in the Provisional Portfolio of SEK381,058. More than 64.19 per cent. of the Customers in the Provisional Portfolio are in the age span between 40 years and 60 years of age and approximately 43.30 per cent. of the Customers have co-applicants. The average loan size in the Provisional Portfolio is SEK112,423 (approximately SEK94,608 in respect of loans where there is a single borrower and approximately SEK149,212 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 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 (negotiable promissory notes)
Maximum loan amount:	SEK310,000

¹ Statistics Sweden (Sw. *Statistiska Centralbyrån*)

Amortisation:	Annuity loan with mandatory monthly amortisation (subject to the Servicer's option to offer 2 Payment Holidays per annum to Customers who have not been in delinquency during the 6 months prior to the request)
Maximum maturity:	12 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 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 on the unsecured consumer loans are determined by the approved loan amount, which is in turn determined by the score allocated to the income of the applicant(s). As of 30 September 2011, the standard 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
250,000 – 320,000	13.00 per cent.	SEK400	SEK20
200,000 – 249,999	15.87 per cent.	SEK400	SEK20
100,000 – 199,999	14.12 per cent.	SEK400	SEK20
50,000 – 99,999	17.31 per cent.	SEK400	SEK20
5,000 – 49,999	17.69 per cent.	SEK400	SEK20

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 with a fee of SEK175. 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

The insurance policies in relation to the Promissory Notes are optional and, as at 30 September 2011, approximately 30.3 per cent. of the Provisional Portfolio were covered by insurance policies. The Insurance Premiums received from the Customers are split between the Insurance Companies and the Originator, with the Insurance Companies, as at 30 September 2011, receiving 50% of any Insurance Premiums (the **Insurer Premium Portion**) and the Originator receiving 50% of any Insurance Premiums (the **Originator Premium Portion**). The Insurance Premiums will be collected (together with the Customer's monthly instalment) on the GIC Account. The Insurer Premium Portion in respect of the Transferred Promissory Notes will be 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) will pay the Insurer Premium Portion due and payable by the Issuer on such Interest Payment Date to the Insurance Companies.

The Insurance Premiums typically account for approximately 10% of the insured customer's monthly payment of interest, principal and fees and other charges and consequently 20% if there are two debtors on the loan.

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) scoring a statistical derived risk model based on the portfolio performance data and the Swedish credit bureau score model (the **Nordax Internal Score Model**); and 4) a limit 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 includes, but is not limited to, the absence of bad debt at UC AB (the **Credit Bureau**), a minimum age of 20 years and a regular income above SEK120,000 per annum.

Referral Rules

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

Nordax Internal Score Model

The Nordax Internal Score Model was developed and implemented in 2007. The model was developed internally by experienced analysts and based on Nordax portfolio performance data. The model was developed using logistic regression. The predictive power of the model is very strong due to the availability of high quality data. The information received from the credit bureau in Sweden is very extensive. Income and tax information in combination with the information from the debt register and the historical credit inquiries form the basis for the model.

Limit Matrix

In the last stage of the Originator's underwriting process, the Limit Matrix governs the maximum loan amount that can be granted to a customer. The Limit Matrix considers the customer's Nordax internal score based upon the Nordax Internal Score Model in combination with the customer's income which results in a cap on the amount that can be approved.

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 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 September 2011, Nordax served approximately 20,185 Norwegian loan accounts, 24,514 Swedish loan accounts, 4,713 Danish loan accounts and 7,064 Finnish loan 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 Stockholm Business Day after each Payment Date (the **Monthly Processing Date**). The period from the due date to the Monthly Processing Date is considered a grace period.

Collections reports are provided 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 grace period of about ten Stockholm 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 grace period before the account actually is categorised as Delinquent in the receivables system (i.e. during the grace period of about ten Stockholm 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 the grace 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. 30 days plus grace).

Enforcement

When an account enters "2 Due" plus 14 days (i.e. 45 days past due plus grace period), 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. 60 days past due plus grace period). 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 a debt restructuring program).

Write off policy and provisioning policy

The amount outstanding under a Promissory Note will be written-off entirely in the profit and loss 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 a 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 under the Promissory Notes in the Provisional Portfolio are evenly spread across the populated areas of Sweden 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. The ten most represented municipalities are listed in the table above, see "*19 – Municipality*".

HISTORIC PERFORMANCE DATA

The Seller (Nordax Finans AB) has extracted data on the historical performance of Nordax' Swedish loan portfolio (the **Nordax Swedish Loan Portfolio**). The tables below show historical data on cumulative gross write-offs for the period from January 2004 to October 2011. In addition to cumulative gross write-offs the cumulative recovery rates (as per quarter of write-off) for the period from October 2004 to October 2011 are shown. Historical data on delinquencies and prepayments for the period July 2004 to September 2011 is also provided.

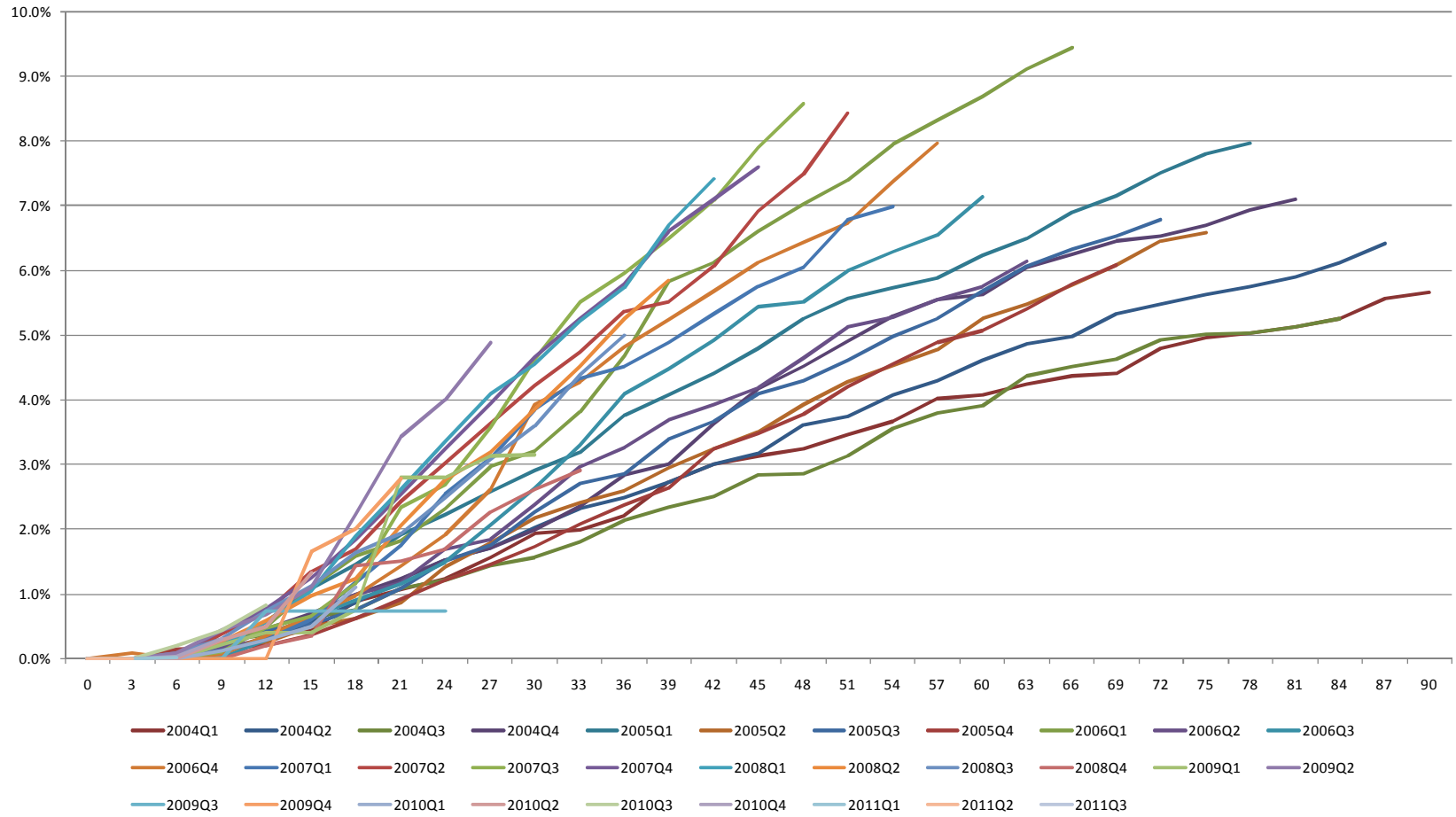
The write-off data displayed below are in static format and show the cumulative gross write-offs realised for the Nordax Swedish Loan Portfolio originated in a particular quarter, expressed as a percentage of the original principal balance of that portfolio.

The recovery data displayed below are in static format and show the cumulative recoveries for loans which were written-off in a particular quarter, expressed as a percentage of the written-off balance of that portfolio (as per quarter of write-off).

Cumulative Gross Write-offs

Months on books																																
Original period	Original amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90
2004Q1	103 634 000	0.00%	0.00%	0.00%	0.12%	0.33%	0.43%	0.88%	1.06%	1.23%	1.57%	1.93%	1.98%	2.21%	2.73%	3.01%	3.13%	3.25%	3.46%	3.66%	4.01%	4.08%	4.24%	4.36%	4.40%	4.79%	4.96%	5.03%	5.13%	5.25%	5.57%	5.67%
2004Q2	318 315 760	0.00%	0.00%	0.00%	0.13%	0.28%	0.57%	0.86%	1.24%	1.52%	1.71%	2.03%	2.32%	2.49%	2.73%	3.01%	3.17%	3.62%	3.75%	4.08%	4.30%	4.60%	4.87%	4.98%	5.33%	5.48%	5.63%	5.76%	5.90%	6.13%	6.42%	
2004Q3	110 182 817	0.00%	0.00%	0.00%	0.27%	0.37%	0.65%	0.75%	1.09%	1.21%	1.43%	1.56%	1.81%	2.13%	2.34%	2.50%	2.84%	2.86%	3.13%	3.56%	3.80%	3.91%	4.36%	4.51%	4.63%	4.93%	5.01%	5.03%	5.12%	5.25%		
2004Q4	203 667 503	0.00%	0.00%	0.12%	0.15%	0.46%	0.69%	0.99%	1.23%	1.53%	1.72%	1.98%	2.36%	2.84%	3.00%	3.63%	4.17%	4.52%	4.90%	5.29%	5.55%	5.62%	6.04%	6.25%	6.45%	6.52%	6.70%	6.93%	7.10%			
2005Q1	362 033 058	0.00%	0.00%	0.01%	0.15%	0.57%	1.08%	1.46%	1.91%	2.22%	2.58%	2.92%	3.19%	3.76%	4.07%	4.41%	4.80%	5.25%	5.57%	5.74%	5.88%	6.24%	6.50%	6.89%	7.16%	7.50%	7.80%	7.97%				
2005Q2	316 167 130	0.00%	0.00%	0.05%	0.14%	0.25%	0.49%	0.62%	0.86%	1.42%	1.79%	2.18%	2.41%	2.60%	2.94%	3.25%	3.51%	3.92%	4.27%	4.53%	4.77%	5.26%	5.48%	5.78%	6.09%	6.45%	6.58%					
2005Q3	271 777 097	0.00%	0.00%	0.05%	0.26%	0.43%	0.53%	0.75%	1.08%	1.50%	1.75%	2.26%	2.71%	2.85%	3.40%	3.67%	4.09%	4.30%	4.60%	4.98%	5.25%	5.68%	6.06%	6.32%	6.53%	6.78%						
2005Q4	209 544 205	0.00%	0.00%	0.14%	0.16%	0.19%	0.36%	0.62%	0.92%	1.22%	1.45%	1.73%	2.09%	2.37%	2.64%	3.25%	3.48%	3.77%	4.21%	4.55%	4.89%	5.07%	5.40%	5.79%	6.09%							
2006Q1	222 162 812	0.00%	0.00%	0.07%	0.23%	0.50%	1.11%	1.58%	1.83%	2.33%	2.97%	3.21%	3.82%	4.68%	5.82%	6.13%	6.60%	7.02%	7.39%	7.94%	8.31%	8.69%	9.12%	9.45%								
2006Q2	171 608 601	0.00%	0.00%	0.00%	0.18%	0.30%	0.64%	0.99%	1.18%	1.70%	1.85%	2.38%	2.96%	3.26%	3.69%	3.92%	4.19%	4.64%	5.13%	5.27%	5.58%	5.75%	6.14%									
2006Q3	127 898 558	0.00%	0.00%	0.00%	0.02%	0.29%	0.66%	0.90%	1.16%	1.49%	2.07%	2.64%	3.30%	4.09%	4.48%	4.92%	5.44%	5.51%	5.99%	6.28%	6.54%	7.14%										
2006Q4	165 872 638	0.00%	0.09%	0.00%	0.07%	0.35%	0.66%	0.97%	1.43%	1.92%	2.62%	3.92%	4.28%	4.82%	5.23%	5.68%	6.12%	6.43%	6.74%	7.38%	7.97%											
2007Q1	154 791 484	0.00%	0.00%	0.01%	0.12%	0.30%	0.61%	1.18%	1.74%	2.54%	3.10%	3.85%	4.33%	4.52%	4.89%	5.33%	5.76%	6.05%	6.79%	6.99%												
2007Q2	137 240 170	0.00%	0.00%	0.00%	0.38%	0.71%	1.34%	1.70%	2.43%	3.02%	3.63%	4.22%	4.73%	5.36%	5.51%	6.07%	6.91%	7.48%	8.42%													
2007Q3	131 492 016	0.00%	0.00%	0.00%	0.11%	0.47%	0.66%	1.15%	2.34%	2.69%	3.58%	4.63%	5.51%	5.96%	6.49%	7.09%	7.89%	8.58%														
2007Q4	180 604 995	0.00%	0.00%	0.06%	0.33%	0.78%	1.25%	1.84%	2.54%	3.25%	3.95%	4.66%	5.36%	5.99%	6.61%	7.10%	7.60%															
2008Q1	195 403 533	0.00%	0.00%	0.02%	0.21%	0.57%	1.04%	1.89%	2.61%	3.36%	4.10%	4.55%	5.21%	5.73%	6.69%	7.42%																
2008Q2	220 038 034	0.00%	0.00%	0.04%	0.28%	0.58%	0.98%	1.24%	2.06%	2.76%	3.19%	3.85%	4.51%	5.26%	5.84%																	
2008Q3	165 156 565	0.00%	0.00%	0.09%	0.31%	0.74%	1.13%	1.63%	1.93%	2.48%	3.07%	3.60%	4.38%	5.00%																		
2008Q4	31 525 578	0.00%	0.00%	0.00%	0.00%	0.19%	0.35%	1.44%	1.51%	1.70%	2.26%	2.62%	2.92%																			
2009Q1	8 657 749	0.00%	0.00%	0.00%	0.22%	0.41%	0.41%	0.75%	2.80%	2.80%	3.14%	3.15%																				
2009Q2	16 166 406	0.00%	0.00%	0.08%	0.43%	0.67%	1.11%	2.23%	3.43%	4.00%	4.89%																					
2009Q3	2 298 216	0.00%	0.00%	0.00%	0.00%	0.73%	0.73%	0.73%	0.73%																							
2009Q4	6 023 802	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.66%	2.00%	2.78%																						
2010Q1	35 947 113	0.00%	0.00%	0.00%	0.12%	0.29%	0.49%	1.11%																								
2010Q2	101 060 324	0.00%	0.00%	0.00%	0.30%	0.50%	1.33%																									
2010Q3	159 612 507	0.00%	0.00%	0.20%	0.43%	0.82%																										
2010Q4	278 991 177	0.00%	0.00%	0.03%	0.31%																											
2011Q1	307 334 173	0.00%	0.00%	0.02%																												
2011Q2	267 307 584	0.00%	0.00%																													
2011Q3	283 699 067	0.00%																														

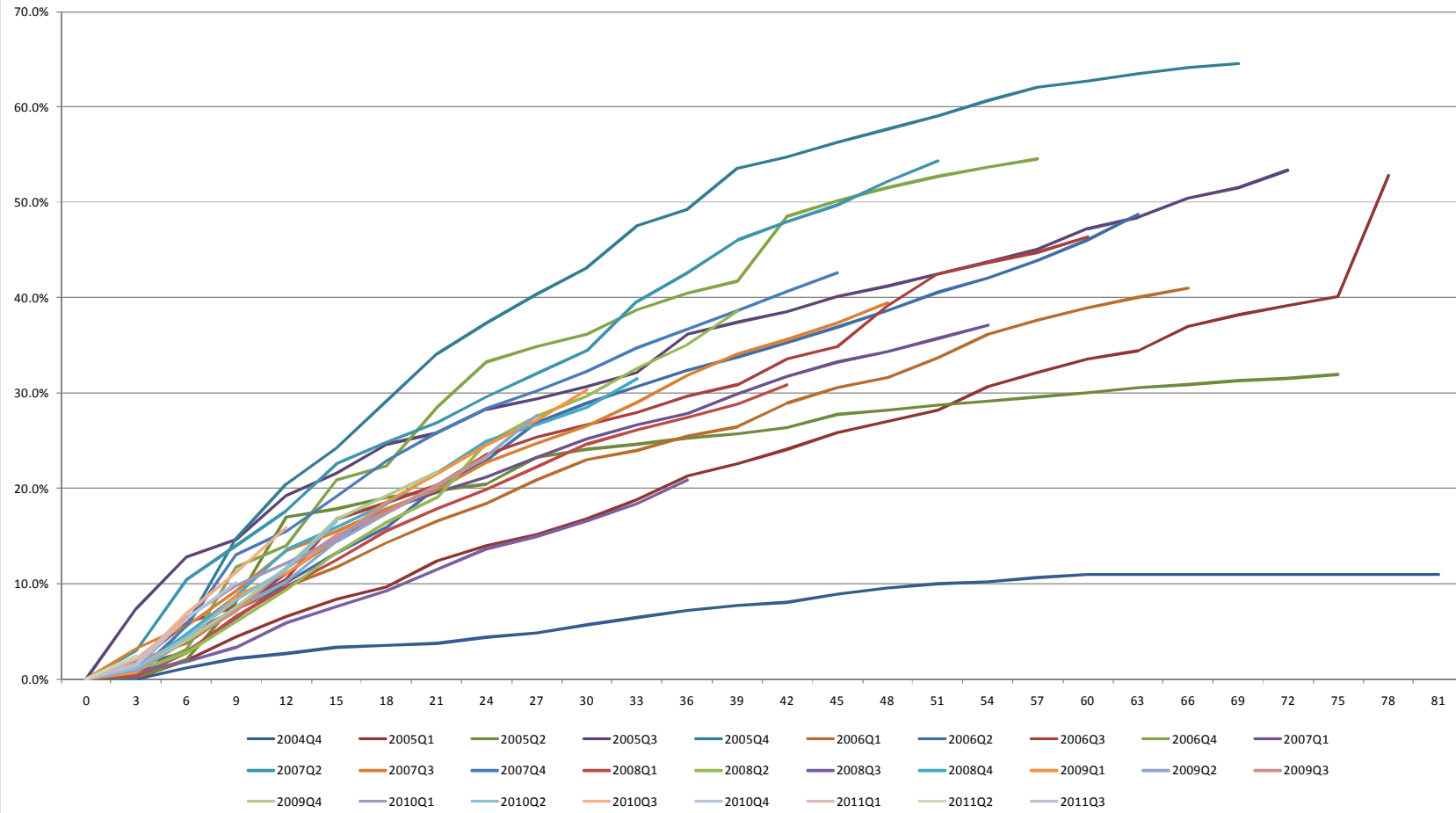
Cumulative Gross Write-offs



Cumulative Quarterly Recoveries

Months on books																														
Write off period	Written off amount	0	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	
2004Q4	185 811	0.00%	0.00%	1.19%	2.18%	2.71%	3.31%	3.55%	3.79%	4.44%	4.83%	5.69%	6.44%	7.22%	7.71%	8.06%	8.95%	9.59%	10.06%	10.25%	10.67%	11.03%	11.03%	11.03%	11.03%	11.03%	11.03%	11.03%	11.03%	11.03%
2005Q1	639 481	0.00%	0.09%	1.91%	4.44%	6.59%	8.38%	9.73%	12.42%	14.00%	15.14%	16.32%	18.86%	21.31%	22.64%	24.06%	25.79%	27.05%	28.20%	30.70%	32.16%	33.54%	34.43%	36.97%	38.16%	39.17%	40.16%	42.89%		
2005Q2	1 307 943	0.00%	0.17%	2.07%	8.09%	16.95%	17.83%	19.01%	19.79%	20.49%	23.20%	24.06%	24.69%	25.28%	25.74%	26.33%	27.80%	28.17%	28.74%	29.21%	29.55%	30.00%	30.56%	30.95%	31.51%	31.57%	31.92%			
2005Q3	2 191 247	0.00%	7.44%	12.81%	14.66%	19.24%	21.58%	24.65%	25.78%	28.28%	29.41%	30.62%	32.21%	36.11%	37.46%	38.52%	40.13%	41.24%	42.48%	43.83%	45.11%	47.21%	48.45%	50.42%	51.53%	53.41%				
2005Q4	2 693 894	0.00%	0.04%	5.65%	14.77%	20.46%	24.21%	29.14%	34.13%	37.36%	40.40%	43.15%	47.61%	49.27%	53.57%	54.79%	56.25%	57.68%	59.11%	60.74%	62.09%	62.74%	63.44%	64.17%	64.58%					
2006Q1	4 065 198	0.00%	1.78%	3.77%	7.33%	9.73%	11.74%	14.30%	16.58%	18.42%	20.87%	23.00%	24.04%	25.49%	26.42%	28.92%	30.54%	31.68%	33.71%	36.16%	37.63%	38.92%	40.01%	41.03%						
2006Q2	5 004 239	0.00%	1.37%	2.94%	6.37%	10.13%	13.28%	15.90%	20.09%	22.93%	26.95%	28.94%	30.69%	32.34%	33.79%	35.29%	36.95%	38.68%	40.60%	42.05%	43.88%	46.05%	48.77%							
2006Q3	5 471 750	0.00%	1.59%	5.91%	7.66%	10.42%	16.82%	18.51%	20.34%	23.57%	25.45%	26.66%	27.95%	29.71%	30.86%	33.53%	34.90%	39.29%	42.48%	43.64%	44.76%	46.40%								
2006Q4	5 973 540	0.00%	0.57%	3.08%	11.77%	14.02%	20.85%	22.34%	28.47%	33.21%	34.91%	36.16%	38.69%	40.43%	41.80%	48.53%	50.11%	51.53%	52.76%	53.75%	54.59%									
2007Q1	8 296 846	0.00%	0.90%	4.65%	7.32%	11.06%	14.67%	17.75%	19.54%	21.25%	23.21%	25.17%	26.67%	27.85%	29.92%	31.70%	33.27%	34.35%	35.71%	37.15%										
2007Q2	5 550 312	0.00%	3.01%	10.43%	13.95%	17.70%	22.58%	24.84%	26.91%	29.63%	32.09%	34.48%	39.62%	42.59%	46.04%	47.96%	49.68%	52.22%	54.33%											
2007Q3	9 864 595	0.00%	3.24%	5.57%	9.21%	13.48%	15.51%	17.83%	19.91%	22.67%	24.77%	26.59%	29.07%	31.82%	34.11%	35.65%	37.31%	39.53%												
2007Q4	8 681 179	0.04%	0.60%	5.58%	13.07%	15.48%	19.15%	22.90%	25.84%	28.40%	30.25%	32.29%	34.75%	36.72%	38.62%	40.66%	42.64%													
2008Q1	9 254 582	0.00%	0.34%	2.80%	6.60%	9.66%	12.43%	15.61%	17.90%	19.91%	22.27%	24.62%	26.13%	27.45%	28.87%	30.84%														
2008Q2	10 259 675	0.00%	0.76%	2.82%	6.01%	9.40%	13.22%	16.50%	19.02%	24.76%	27.58%	29.70%	32.60%	35.08%	38.67%															
2008Q3	10 161 068	0.00%	0.86%	1.85%	3.37%	5.89%	7.68%	9.21%	11.48%	13.65%	14.94%	16.54%	18.44%	20.86%																
2008Q4	14 097 427	0.00%	0.92%	4.78%	13.51%	15.88%	18.39%	21.61%	24.99%	26.73%	28.57%	31.50%																		
2009Q1	20 626 820	0.02%	0.71%	4.06%	8.73%	11.13%	14.79%	18.60%	21.57%	24.58%	27.08%	30.35%																		
2009Q2	15 687 027	0.00%	1.00%	4.08%	7.46%	10.18%	14.42%	17.44%	20.25%	23.34%	27.61%																			
2009Q3	13 847 352	0.00%	1.73%	4.09%	7.12%	11.62%	15.10%	17.50%	20.32%	23.39%																				
2009Q4	15 004 868	0.00%	1.32%	4.12%	7.48%	11.72%	16.80%	19.27%	21.74%																					
2010Q1	16 771 733	0.00%	1.20%	6.43%	9.82%	12.16%	14.61%	18.36%																						
2010Q2	14 715 880	0.00%	1.20%	4.41%	8.28%	11.50%	16.57%																							
2010Q3	13 383 663	0.00%	1.61%	6.94%	11.15%	15.92%																								
2010Q4	13 272 405	0.00%	1.47%	6.37%	10.15%																									
2011Q1	16 886 116	0.00%	2.18%	6.20%																										
2011Q2	17 042 279	0.00%	2.43%																											
2011Q3	18 113 848	0.00%																												

Cumulative Quarterly Recoveries



Delinquencies

The following data indicates, for the Nordax Swedish Loan Portfolio, and for a given month, the outstanding balance of the receivables which are Delinquent by more than 30, 60 and 90 days, expressed as a percentage of the total outstanding balance of the Nordax Swedish Loan Portfolio at the beginning of such period.

Prepayments

The annualised prepayment percentage was calculated, for the Nordax Swedish Loan Portfolio, on a decreasing balance basis. For Monthly prepayment % A, then

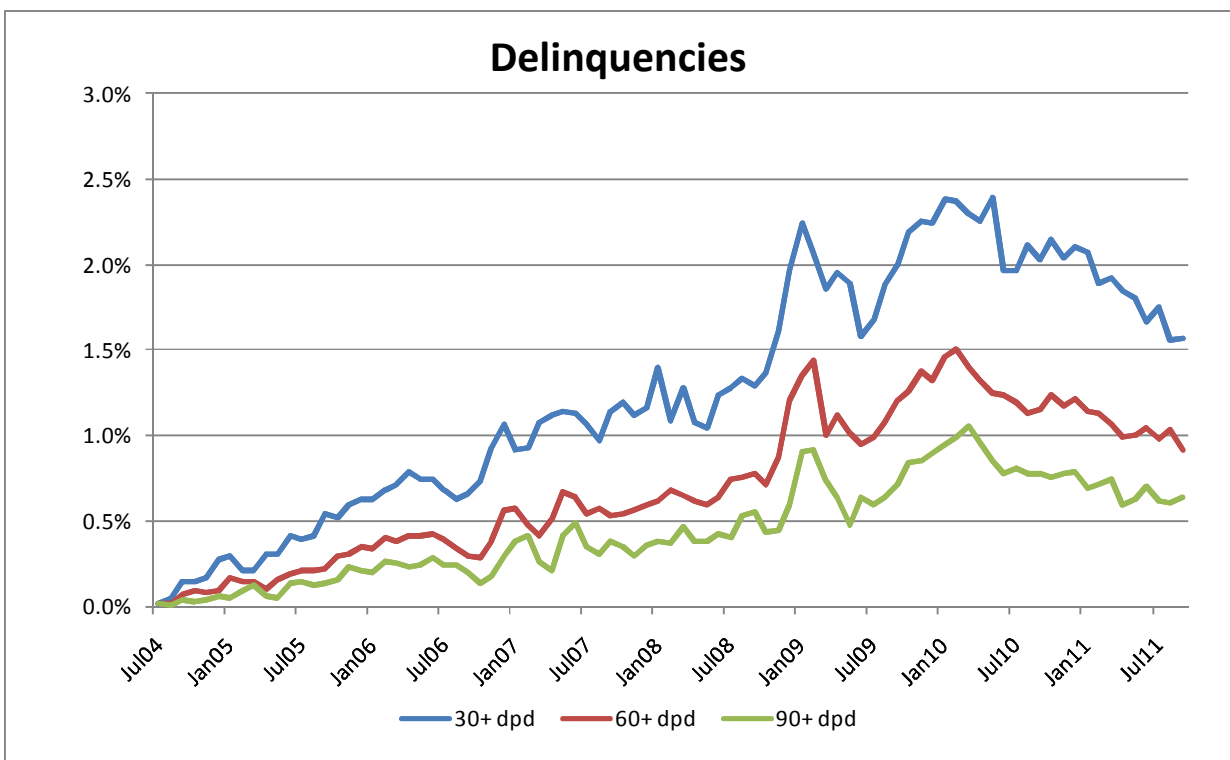
$$\text{Annualised Prepayment rate \%} = 1 - (1-A)^{12}$$

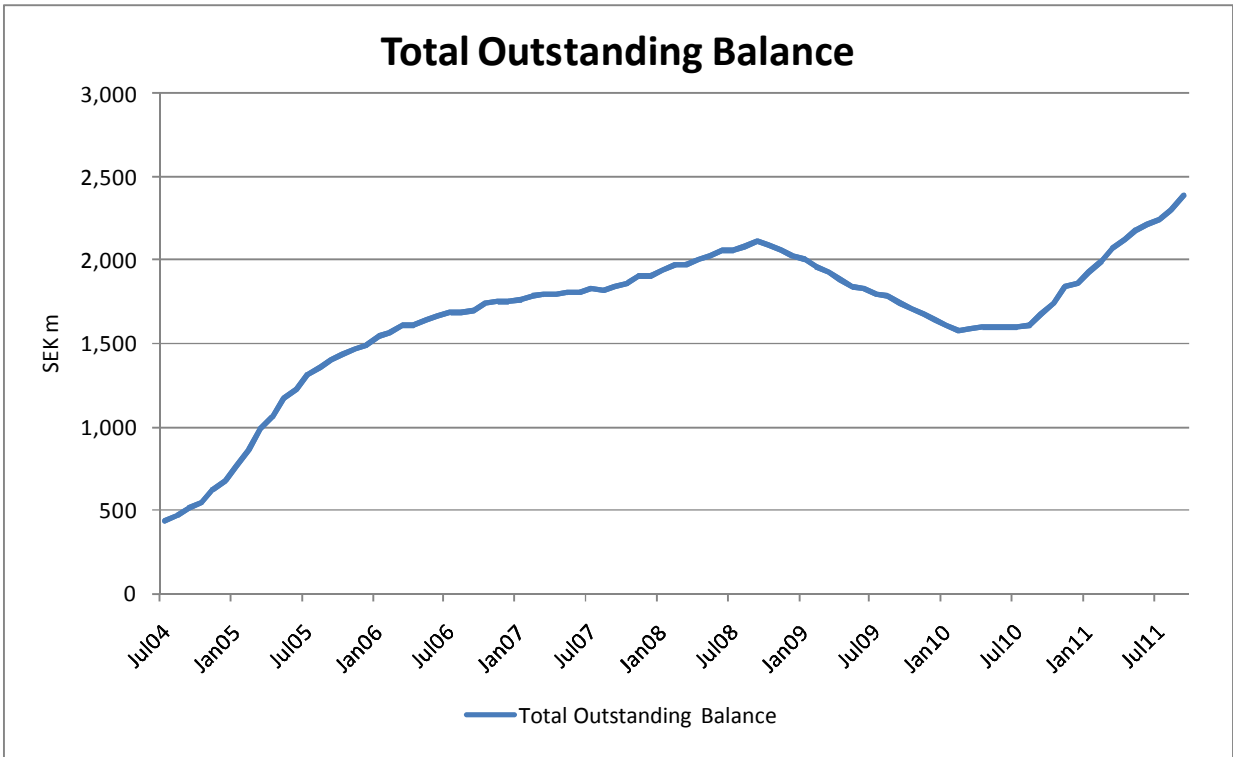
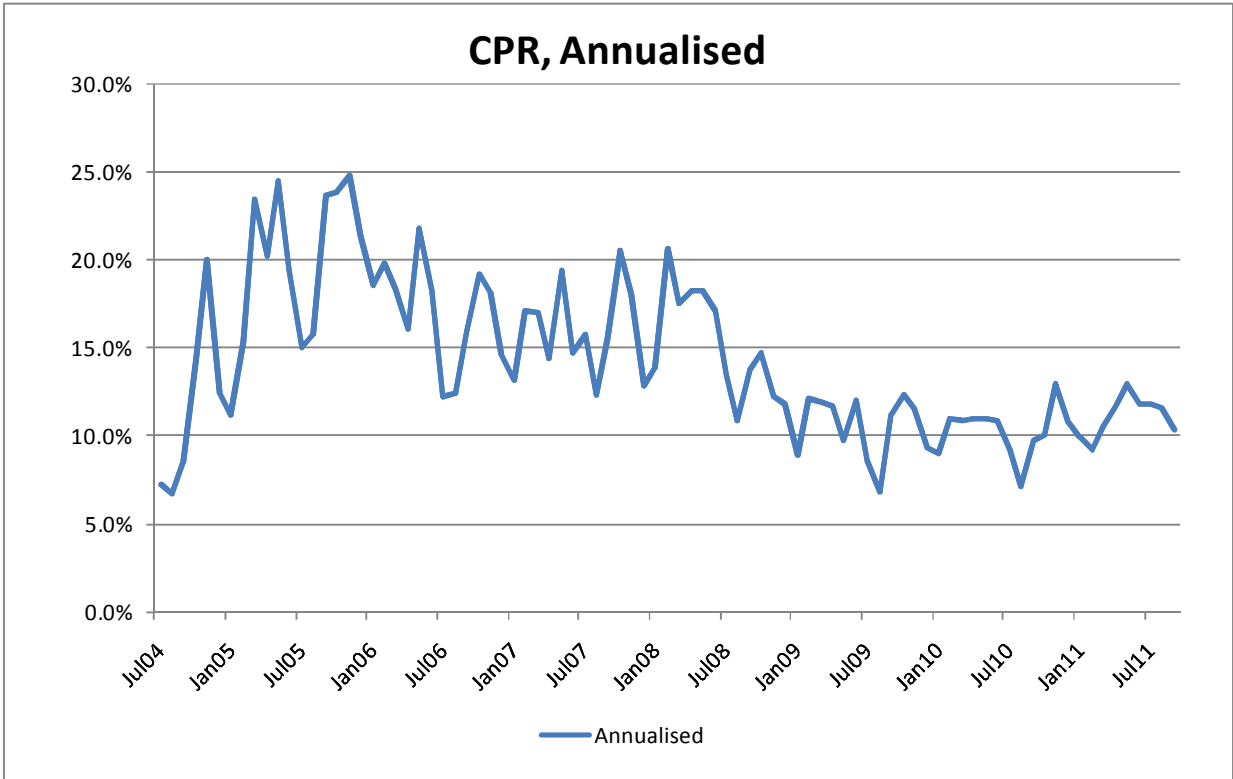
The weighted average rate (by outstanding balance) is 14.09% over the relevant period considered.

Portfolio period	Delinquencies				Prepayments	
	Total Outstanding Balance	30+ dpd	60+ dpd	90+ dpd	Monthly prepayment	Annualised
Jul04	436 949 373	0.02%	0.02%	0.02%	0.62%	7.22%
Aug04	473 174 762	0.05%	0.02%	0.01%	0.58%	6.70%
Sep04	507 635 222	0.15%	0.07%	0.04%	0.74%	8.50%
Oct04	549 224 985	0.15%	0.09%	0.03%	1.28%	14.34%
Nov04	623 964 006	0.17%	0.08%	0.04%	1.85%	20.07%
Dec04	677 158 791	0.27%	0.09%	0.06%	1.10%	12.46%
Jan05	768 408 007	0.29%	0.17%	0.05%	0.99%	11.23%
Feb05	864 248 026	0.21%	0.15%	0.09%	1.38%	15.33%
Mar05	987 493 441	0.21%	0.15%	0.12%	2.20%	23.41%
Apr05	1 064 878 890	0.31%	0.10%	0.06%	1.87%	20.23%
May05	1 169 278 170	0.31%	0.16%	0.05%	2.31%	24.46%
Jun05	1 224 211 724	0.41%	0.19%	0.13%	1.78%	19.41%
Jul05	1 310 497 037	0.39%	0.21%	0.14%	1.34%	15.00%
Aug05	1 356 636 741	0.41%	0.21%	0.12%	1.42%	15.81%
Sep05	1 401 824 069	0.54%	0.22%	0.13%	2.22%	23.63%
Oct05	1 430 370 589	0.52%	0.29%	0.16%	2.25%	23.86%
Nov05	1 460 992 950	0.59%	0.31%	0.23%	2.35%	24.81%
Dec05	1 491 719 911	0.63%	0.35%	0.21%	1.98%	21.36%
Jan06	1 543 592 991	0.63%	0.34%	0.20%	1.69%	18.52%
Feb06	1 560 333 282	0.68%	0.40%	0.26%	1.83%	19.84%
Mar06	1 603 550 498	0.71%	0.38%	0.25%	1.68%	18.38%
Apr06	1 613 973 047	0.79%	0.41%	0.23%	1.45%	16.07%
May06	1 646 626 503	0.75%	0.41%	0.24%	2.03%	21.83%
Jun06	1 658 312 501	0.75%	0.42%	0.28%	1.67%	18.28%
Jul06	1 680 547 583	0.68%	0.39%	0.24%	1.08%	12.23%
Aug06	1 690 838 759	0.63%	0.34%	0.24%	1.10%	12.47%
Sep06	1 691 543 588	0.66%	0.30%	0.20%	1.43%	15.87%
Oct06	1 735 884 609	0.73%	0.28%	0.13%	1.76%	19.22%
Nov06	1 752 452 230	0.93%	0.38%	0.18%	1.66%	18.20%
Dec06	1 749 077 573	1.07%	0.56%	0.30%	1.31%	14.63%
Jan07	1 765 443 227	0.92%	0.57%	0.38%	1.17%	13.18%
Feb07	1 788 631 297	0.93%	0.48%	0.41%	1.55%	17.11%

Portfolio period	Delinquencies				Prepayments	
	Total Outstanding Balance	30+ dpd	60+ dpd	90+ dpd	Monthly prepayment	Annualised
Mar07	1 797 077 201	1.08%	0.41%	0.26%	1.54%	17.02%
Apr07	1 793 488 697	1.12%	0.51%	0.21%	1.29%	14.41%
May07	1 803 870 092	1.14%	0.67%	0.41%	1.78%	19.42%
Jun07	1 811 134 538	1.13%	0.64%	0.49%	1.32%	14.73%
Jul07	1 825 032 627	1.07%	0.54%	0.35%	1.42%	15.81%
Aug07	1 813 474 001	0.97%	0.57%	0.31%	1.09%	12.35%
Sep07	1 836 191 554	1.14%	0.53%	0.38%	1.40%	15.57%
Oct07	1 858 391 303	1.19%	0.54%	0.35%	1.90%	20.56%
Nov07	1 902 023 513	1.12%	0.56%	0.30%	1.64%	18.01%
Dec07	1 901 326 273	1.16%	0.59%	0.36%	1.14%	12.86%
Jan08	1 939 082 276	1.40%	0.62%	0.38%	1.24%	13.93%
Feb08	1 974 648 018	1.09%	0.68%	0.37%	1.91%	20.68%
Mar08	1 968 267 872	1.28%	0.65%	0.47%	1.59%	17.53%
Apr08	2 000 899 038	1.08%	0.62%	0.38%	1.67%	18.26%
May08	2 025 907 850	1.05%	0.60%	0.38%	1.66%	18.21%
Jun08	2 058 936 808	1.24%	0.64%	0.42%	1.55%	17.09%
Jul08	2 058 090 565	1.28%	0.74%	0.40%	1.20%	13.47%
Aug08	2 076 607 519	1.33%	0.76%	0.53%	0.96%	10.92%
Sep08	2 112 938 399	1.29%	0.78%	0.55%	1.23%	13.83%
Oct08	2 088 990 372	1.37%	0.71%	0.43%	1.31%	14.69%
Nov08	2 059 894 061	1.61%	0.87%	0.45%	1.08%	12.24%
Dec08	2 023 444 927	1.97%	1.20%	0.60%	1.04%	11.83%
Jan09	2 001 910 487	2.24%	1.35%	0.91%	0.78%	8.96%
Feb09	1 964 327 951	2.07%	1.44%	0.92%	1.07%	12.13%
Mar09	1 921 615 736	1.86%	1.00%	0.73%	1.06%	11.97%
Apr09	1 883 635 226	1.96%	1.12%	0.64%	1.03%	11.70%
May09	1 843 769 405	1.89%	1.01%	0.48%	0.85%	9.75%
Jun09	1 830 262 049	1.58%	0.95%	0.64%	1.06%	12.00%
Jul09	1 799 728 864	1.68%	0.99%	0.60%	0.75%	8.59%
Aug09	1 779 667 698	1.88%	1.08%	0.64%	0.59%	6.82%
Sep09	1 743 149 294	2.00%	1.21%	0.71%	0.98%	11.18%
Oct09	1 707 453 213	2.19%	1.26%	0.84%	1.09%	12.34%
Nov09	1 672 632 187	2.25%	1.38%	0.85%	1.01%	11.47%
Dec09	1 643 481 980	2.24%	1.32%	0.90%	0.81%	9.34%
Jan10	1 612 168 595	2.38%	1.46%	0.95%	0.79%	9.03%
Feb10	1 578 635 442	2.37%	1.50%	0.99%	0.96%	10.96%
Mar10	1 585 215 009	2.30%	1.40%	1.06%	0.96%	10.93%
Apr10	1 593 763 637	2.26%	1.32%	0.96%	0.97%	10.99%
May10	1 596 143 625	2.39%	1.25%	0.85%	0.97%	11.00%
Jun10	1 596 217 497	1.97%	1.24%	0.78%	0.95%	10.84%
Jul10	1 600 140 001	1.97%	1.19%	0.81%	0.80%	9.19%
Aug10	1 611 377 130	2.12%	1.13%	0.78%	0.61%	7.10%
Sep10	1 675 042 195	2.03%	1.15%	0.78%	0.85%	9.71%
Oct10	1 745 739 025	2.15%	1.24%	0.76%	0.88%	10.04%
Nov10	1 836 317 602	2.04%	1.17%	0.78%	1.15%	12.96%
Dec10	1 862 186 432	2.10%	1.22%	0.79%	0.95%	10.77%
Jan11	1 921 393 490	2.07%	1.14%	0.69%	0.87%	9.91%

Portfolio period	Delinquencies				Prepayments	
	Total Outstanding Balance	30+ dpd	60+ dpd	90+ dpd	Monthly prepayment	Annualised
Feb11	1 994 606 703	1.89%	1.13%	0.71%	0.80%	9.17%
Mar11	2 067 906 921	1.92%	1.07%	0.75%	0.93%	10.58%
Apr11	2 122 785 579	1.85%	0.99%	0.60%	1.04%	11.76%
May11	2 183 837 328	1.80%	1.00%	0.63%	1.15%	12.95%
Jun11	2 211 223 542	1.67%	1.05%	0.70%	1.04%	11.79%
Jul11	2 241 307 566	1.75%	0.98%	0.62%	1.04%	11.79%
Aug11	2 296 360 083	1.56%	1.03%	0.61%	1.02%	11.59%
Sep11	2 383 479 239	1.57%	0.92%	0.64%	0.91%	10.41%





DESCRIPTION OF THE PORTFOLIO

Introduction

The Seller has selected Promissory Notes that as at 30 September 2011 (the **Pool Cut Date**), have been provisionally identified to comprise the Initial Portfolio (the **Provisional Portfolio**). The Seller has based such selection 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. The Provisional Portfolio comprises approximately 18,676 Promissory Notes and the aggregate principal balance of such Promissory Notes is SEK2,099,609,970.

From the Pool Cut Date to 6 December 2011 (the **Second Pool Cut Date**), the Provisional Portfolio will have decreased in size (such decreased in size portfolio being referred to as the **Actual Provisional Portfolio**) resulting from, amongst others, repayments in full of certain Promissory Notes and the Loan Criteria no longer being met by certain Promissory Notes.

All Promissory Notes in the Actual Provisional Portfolio shall comprise the Initial Portfolio as at the Closing Date. 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 Second Pool Cut Date to (but excluding) the Closing Date such Promissory Note is repaid in full as of the Closing Date. However, to compensate for this, the Seller shall pay an amount equal to the collections received in respect of such fully repaid Promissory Notes during the period from (and including) the Second Pool Cut Date to (but excluding) the Closing Date (such amounts together with the collections in respect of the Transferred Promissory Notes in the Initial Portfolio for that same period, the **Pre-Closing Amount**) to the GIC Account on or around the Closing Date.

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. During the Revolving Period, the Seller will use its reasonable efforts to continue to sell Promissory Notes to the Issuer, and provided that all the FA Conditions are satisfied, the Seller may continue to sell Promissory Notes to the Issuer from the Revolving Period End Date until the Step-Up Date respectively 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 Pool Cut Date. The information contained in this section will not be updated to reflect any change in the size of the Initial Portfolio or the Actual Provisional Portfolio from that of the Provisional Portfolio.

1. Summary

Number of loans	18,676
Total principal balance	SEK2,099,609,970
Average current Promissory Note balance.....	SEK112,423
Average original Promissory Note balance.....	SEK108,110
Weighted average interest.....	15.3%
Weighted average seasoning	37.0 months
Weighted average remaining term.....	103.2 months
Weighted average original term	119.0 months

2. Capital Balance

	Number of Loans	%	Capital Balance	%
x ≤25k	1,744	9.34%	31,035,225	1.48%
25k < x ≤50k	3,776	20.22%	151,241,826	7.20%
50k < x ≤75k	2,195	11.75%	133,719,963	6.37%
75k < x ≤100k	2,900	15.53%	265,215,969	12.63%
100k < x ≤125k	1,348	7.22%	148,337,726	7.07%
125k < x ≤150k	1,350	7.23%	188,985,026	9.00%
150k < x ≤200k	2,600	13.92%	468,888,673	22.33%
200k < x ≤250k	1,250	6.69%	281,254,345	13.40%
250k < x ≤350k	1,513	8.10%	430,931,216	20.52%
x >350k	0	0.00%	0	0.00%
	18,676	100%	2,099,609,970	100%
Max	304,172			
Min	10,002			
Average	112,423			

3. Original Limit

	Number of Loans	%	Capital Balance	%
x ≤25k	1,821	9.75%	65,984,178	3.14%
25k < x ≤50k	5,571	29.83%	329,904,006	15.71%
50k < x ≤75k	1,018	5.45%	81,724,221	3.89%
75k < x ≤100k	4,060	21.74%	436,336,709	20.78%
100k < x ≤125k	368	1.97%	44,945,558	2.14%
125k < x ≤150k	1,479	7.92%	218,359,375	10.40%
150k < x ≤200k	2,577	13.80%	479,393,641	22.83%
200k < x ≤250k	703	3.76%	146,568,418	6.98%
250k < x ≤300k	1,077	5.77%	296,014,773	14.10%
x >300k	2	0.01%	379,092	0.02%
	18,676	100%	2,099,609,970	100%
Max	300,400			
Min	5,000			
Average	108,110			

4. Origination Date

	Number of Loans	%	Capital Balance	%
<2004	0	0.00%	0	0.00%
2004	1,662	8.90%	185,136,330	8.82%
2005	2,812	15.06%	296,577,910	14.13%
2006	1,752	9.38%	195,287,453	9.30%
2007	1,804	9.66%	196,853,812	9.38%
2008	2,356	12.62%	250,557,092	11.93%
2009	117	0.63%	9,355,647	0.45%
2010	2,823	15.12%	318,593,196	15.17%
2011	5,350	28.65%	647,248,529	30.83%
	18,676	100%	2,099,609,970	100%
Max	30-Sep-2011			
Min	25-Feb-2004			
Average	24-Jul-2008			
Weighted Average	28-Aug-2008			

5. Seasoning (months)

	Number of Loans	%	Capital Balance	%
$x \leq 10$	5,824	31.18%	704,394,059	33.55%
$10 < x \leq 20$	2,343	12.55%	260,897,600	12.43%
$20 < x \leq 30$	86	0.46%	6,986,772	0.33%
$30 < x \leq 40$	1,131	6.06%	113,511,030	5.41%
$40 < x \leq 50$	2,073	11.10%	230,063,584	10.96%
$50 < x \leq 60$	1,475	7.90%	160,652,212	7.65%
$60 < x \leq 70$	1,395	7.47%	154,533,609	7.36%
$70 < x \leq 80$	2,511	13.45%	264,034,251	12.58%
$80 < x$	1,838	9.84%	204,536,854	9.74%
	18,676	100%	2,099,609,970	100%
Max	91			
Min	0			
Average	38			
Weighted Average	37			

6. Original Loan Term (months)

	Number of Loans	%	Capital Balance	%
$x \leq 20$	33	0.18%	633,333	0.03%
$20 < x \leq 40$	467	2.50%	19,585,224	0.93%
$40 < x \leq 60$	1,678	8.98%	109,522,296	5.22%
$60 < x \leq 80$	2,662	14.25%	225,643,795	10.75%
$80 < x \leq 100$	2,634	14.10%	279,747,930	13.32%
$100 < x \leq 120$	3,627	19.42%	418,932,429	19.95%
$120 < x \leq 140$	62	0.33%	8,496,662	0.40%
$140 < x \leq 160$	7,513	40.23%	1,037,048,300	49.39%
$160 < x$	0	0.00%	0	0.00%
	18,676	100%	2,099,609,970	100%
Max	144.0			
Min	12.0			
Average	110.9			
Weighted Average	119.0			

7. Remaining Term to Maturity (months)

	Number of Loans	%	Capital Balance	%
$x \leq 20$	390	2.09%	9,356,533	0.45%
$20 < x \leq 40$	1,385	7.42%	53,545,628	2.55%
$40 < x \leq 60$	2,098	11.23%	139,060,256	6.62%
$60 < x \leq 80$	3,657	19.58%	343,092,230	16.34%
$80 < x \leq 100$	3,549	19.00%	435,767,877	20.75%
$100 < x \leq 120$	3,020	16.17%	388,906,408	18.52%
$120 < x \leq 140$	2,902	15.54%	468,539,697	22.32%
$140 < x \leq 160$	1,675	8.97%	261,341,340	12.45%
$160 < x$	0	0.00%	0	0.00%
	18,676	100%	2,099,609,970	100%
Max	145.0			
Min	3.0			
Average	91.1			
Weighted Average	103.2			

8. Yield

	Number of Loans	%	Capital Balance	%
$x \leq 5\%$	0	0.00%	0	0.00%
$5\% < x \leq 10\%$	36	0.19%	8,905,539	0.42%
$10\% < x \leq 12\%$	396	2.12%	99,227,393	4.73%
$12\% < x \leq 14\%$	3,031	16.23%	633,779,742	30.19%
$14\% < x \leq 16\%$	4,623	24.75%	645,558,565	30.75%
$16\% < x \leq 18\%$	6,365	34.08%	521,268,973	24.83%
$18\% < x \leq 20\%$	4,058	21.73%	186,794,092	8.90%
$20\% < x$	167	0.89%	4,075,665	0.19%
	18,676	100%	2,099,609,970	100%
Max	22.0			
Min	7.9			
Average	16.4			
Weighted Average	15.3			

9. Monthly Instalment

	Number of Loans	%	Capital Balance	%
$x \leq 500$	750	4.02%	12,687,804	0.60%
$500 < x \leq 1,000$	3,359	17.99%	121,466,227	5.79%
$1,000 < x \leq 1,500$	2,673	14.31%	137,932,069	6.57%
$1,500 < x \leq 2,000$	3,313	17.74%	285,217,625	13.58%
$2,000 < x \leq 2,500$	1,839	9.85%	199,844,527	9.52%
$2,500 < x \leq 3,000$	2,131	11.41%	331,181,747	15.77%
$3,000 < x \leq 3,500$	1,509	8.08%	266,280,755	12.68%
$3,500 < x \leq 4,000$	1,224	6.55%	263,698,783	12.56%
$4,000 < x \leq 4,500$	1,181	6.32%	300,265,540	14.30%
$x > 4,500$	697	3.73%	181,034,893	8.62%
	18,676	100%	2,099,609,970	100%
Max	12,673			
Min	143			
Average	2,142			
Weighted Average	2,944			

10. Main Applicant Current Age

	Number of Loans	%	Capital Balance	%
x ≤20	0	0.00%	0	0.00%
20< x ≤30	348	1.86%	34,479,828	1.64%
30< x ≤40	2,082	11.15%	228,853,456	10.90%
40< x ≤50	5,487	29.38%	655,970,623	31.24%
50< x ≤60	6,760	36.20%	815,049,505	38.82%
60< x ≤70	3,881	20.78%	358,833,967	17.09%
70< x ≤80	118	0.63%	6,422,590	0.31%
	18,676	100%	2,099,609,970	100%
Max	76			
Min	22			
Average	52			
Weighted Average	52			

11. Employment Category

	Number of Loans	%	Capital Balance	%
Salary income	16,005	85.70%	1,847,485,904	87.99%
Retired due to sickness	1,067	5.71%	92,259,685	4.39%
Self employed	719	3.85%	83,910,038	4.00%
Retired	747	4.00%	60,977,511	2.90%
Temporary employed	134	0.72%	14,371,837	0.68%
Unemployed	0	0.00%	0	0.00%
Other	4	0.02%	604,994	0.03%
	18,676	100%	2,099,609,970	100%

12. Delinquency Status

	Number of Loans	%	Capital Balance	%
Current	18,676	100.00%	2,099,609,970	100.00%
	18,676	100%	2,099,609,970	100%

13. Housing Status

	Number of Loans	%	Capital Balance	%
House owner	7,808	41.81%	929,419,322	44.27%
Renter	7,804	41.79%	847,171,743	40.35%
Apartment owner	2,668	14.29%	286,470,842	13.64%
Lodger	257	1.38%	23,951,248	1.14%
Accommodation type missing	139	0.74%	12,596,814	0.60%
	18,676	100%	2,099,609,970	100%

14. Civil Status

	Number of Loans	%	Capital Balance	%
Married	8,228	44.06%	1,053,946,146	50.20%
Divorced	2,497	13.37%	238,594,222	11.36%
Living together	2,670	14.30%	309,669,803	14.75%
Widow	456	2.44%	42,697,766	2.03%
Unmarried	4,688	25.10%	441,625,821	21.03%
Civil status missing	137	0.73%	13,076,211	0.62%
	18,676	100%	2,099,609,970	100%

15. Direct Debit

	Number of Loans	%	Capital Balance	%
Yes	13,807	73.93%	1,616,978,985	77.01%
No	4,869	26.07%	482,630,985	22.99%
	18,676	100%	2,099,609,970	100%

16. Origination Channel

	Number of Loans	%	Capital Balance	%
Direct Mails	16,628	89.03%	1,891,981,299	90.11%
Non Direct Mail	2,048	10.97%	207,628,670	9.89%
	18,676	100%	2,099,609,970	100%

17. Income Both Applicants

	Number of Loans	%	Capital Balance	%
x ≤200k	1,114	5.96%	58,290,062	2.78%
200k < x ≤250k	2,821	15.10%	215,733,419	10.27%
250k < x ≤300k	3,606	19.31%	345,915,731	16.48%
300k < x ≤350k	2,701	14.46%	295,116,080	14.06%
350k < x ≤400k	1,927	10.32%	221,088,617	10.53%
400k < x ≤450k	1,615	8.65%	214,304,446	10.21%
450k < x ≤500k	1,385	7.42%	199,299,757	9.49%
500k < x ≤550k	1,079	5.78%	162,284,646	7.73%
550k < x ≤600k	780	4.18%	124,144,257	5.91%
x >600k	1,648	8.82%	263,432,955	12.55%
	18,676	100%	2,099,609,970	100%

Max	6,359,800
Min	102,100
Average	381,058
Weighted Average	423,651

18. Arrears Outstanding

	Number of Loans	%	Capital Balance	%
x =0	18,676	100.00%	2,099,609,970	100.00%
	18,676	100%	2,099,609,970	100%

19. Municipality

	Number of Loans	%	Capital Balance	%
GÖTEBORG	690	3.69%	73,240,164	3.49%
STOCKHOLM	482	2.58%	52,392,667	2.50%
MALMÖ	418	2.24%	48,726,419	2.32%
VÄSTERÅS	284	1.52%	33,009,016	1.57%
ÖREBRO	227	1.22%	27,341,972	1.30%
UPPSALA	242	1.30%	27,074,487	1.29%
HELSINGBORG	220	1.18%	24,465,812	1.17%
NORRKÖPING	211	1.13%	23,025,220	1.10%
SÖDERTÄLJE	193	1.03%	21,848,191	1.04%
LINKÖPING	186	1.00%	19,603,044	0.93%
Top 10	3,153	16.88%	350,726,990	16.70%
Top 100	10,014	53.62%	1,127,032,508	53.68%
Outside top 100	8,662	46.38%	972,577,461	46.32%
	18,676	100%	2,099,609,970	100%

THE UNSECURED CONSUMER CREDIT MARKET IN SWEDEN

Market overview

The Swedish unsecured consumer credit market size is SEK182 billion, and it has showed an average growth rate of approximately 9% over the past ten years (Source: *Statistics Sweden*). In respect of the market for unsecured loans, which is the area of Swedish consumer credit market in which Nordax operates, the market size is estimated at approximately SEK76 billion.

Swedish unsecured loan products generally offer a maximum amount of SEK300,000 for a maximum tenor of 10-12 years.

Lenders in Sweden

The Swedish market for unsecured loans experienced increasing competition during the period between 2004-2007, with many new niche participants (i.e. credit companies whose business is primarily focused on the unsecured loan market) entering the market, coupled with an increased participation from the high street banks. As a result of the financial crisis in 2008, most participants reduced their market activity dramatically and over the following years many of niche participants have suffered from refinancing problems which has continued to hold back their market activity. The credit crisis also resulted in some of the market participants shifting focus and strategy; e.g. an international bank decided to divest all of its non-core business resulting in the divestment of its Swedish branch which was bought by Marginalen Bank; and the high street banks (SEB, Nordea, SHB, Swedbank) have shifted focus towards the niche market.

As of 2011, competition within the unsecured loan market has begun to increase, although not to the pre-crisis levels, as most of the market participants seem to have adjusted their business models to cope with the scarcer financing environment. In recent years brokers, such as Freedom Finance and Lendo, have been established in the market and now have a considerable market share in respect of new lending in the market space.

The high street banks are estimated to hold a market share of approximately 80% of the total unsecured credit market in Sweden, with the remaining 20% shared between the niche participants, including (but not limited to):

GE Money Bank	ICA Banken
Ikano Banken	Marginalen Bank
Resurs Bank	SevenDay
Wasa Kredit	Nordnet
Forex Bank	

As of 30 September 2011, portfolios managed by Nordax Finans AB (publ) held a market share of approximately 1.3 per cent. of the total Swedish unsecured credit market and a 3.2 per cent. share of the estimated market for unsecured consumer loans.

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 (and in respect of (c) only, may) acquire from the Seller:

- (a) the Promissory Notes comprised in the Initial Portfolio on the Closing Date;
- (b) Additional Promissory Notes during each Monthly Acquisition Period during the Revolving Period; and
- (c) from (and excluding) the Revolving Period End Date to (and including) the Step-Up Date, the Issuer may continue to acquire Further Additional Promissory Notes from the Seller PROVIDED THAT (i) the repurchase by the Seller and the purchase by the Issuer will occur on the same day and such purchase and repurchase relates to a Further Advance to a Customer, (ii) no Trigger Event has occurred, (iii) all Loan Criteria are satisfied in respect of the Promissory Note to be purchased by the Issuer, (iv) the Initial Purchase Price payable by the Issuer in respect of the Promissory Note to be purchased by the Issuer will be fully netted against the aggregate amount of (A) the amount payable by the Seller for the repurchase of the relevant Promissory Note from the Issuer and (B) the proceeds payable by the Seller to the Issuer from the advance of Further Loan(s) under the First Subordinated Loan Agreement and (v) the fraction (expressed as a percentage) of which the numerator is (A) the portion of the aggregate of the Principal Promissory Note Amount of each Transferred Promissory Note representing Further Advances which have been granted for the period since the end of the Calculation Period immediately preceding the Revolving Period End Date up to the date of the intended Further Advance and the denominator is (B) the Principal Promissory Note Amount of all the Transferred Promissory Notes in the Portfolio as at the end of the Calculation Period immediately preceding the Revolving Period End Date (the **Further Advance Ratio**) does not exceed 10%, (collectively the **FA Conditions**), are satisfied),

each Promissory Note is sold to the Issuer together with the benefit of any insurance policy (if there is any such insurance policy in place).

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.

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 payable by the Issuer:

- (a) for the Initial Portfolio is an amount equal to the Principal Promissory Note Amount of the Promissory Notes in the Actual Provisional Portfolio as at the Second Pool Cut Date; and
- (b) for any Additional Promissory Notes or, as the case may be, any Further Additional Promissory Notes on each Transfer Date is an amount equal to the Principal Promissory Note Amount of such Promissory Notes to be sold by the Seller to the Issuer as at that Transfer Date.

The Initial Purchase Price in respect of:

- (a) the Initial Portfolio is payable on the Closing Date;
- (b) each Additional Promissory Note is payable on the Interest Payment Date immediately following the end of the Monthly Acquisition Period in which it was purchased, subject to and in accordance with the relevant Priority of Payments; and
- (c) each Further Additional Promissory Note is payable on the relevant Transfer Date.

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) 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 (less the sum of SEK10,000 per calendar year, as applicable).

Transfer of Legal Title

The Business Day specified in a Transfer Notice as the date on which a transfer of Promissory Notes (after the Closing Date) 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 (including for the purpose of making a further advance to a Customer (each, a **Further Advance**), the repurchase of any Promissory Note that has been Written-off or the repurchase of any Excluded Promissory Note) shall pass on the date of such repurchase (each a **Repurchase Date**).

Transfer Notice means a notice delivered by the Seller to the Issuer pursuant to clause 2.4.1 (Procedure for assignment and transfers to the Issuer) of the Loan Transfer Agreement in the form set out in schedule 1 (Form of Transfer Notice) to the Loan Transfer Agreement.

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 accordingly. In the event that the Seller elects (at its sole discretion) to fund such Further Advance, the Seller shall repurchase the relevant Transferred Promissory Note from the Issuer and thereafter sell the new Promissory Note back to the Issuer after such Further Advance has been made and the corresponding loan to the Customer increased. 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.

It is further agreed between the Issuer and the Seller that the Seller will not be entitled to grant a Further Advance to a Customer or accept a request for a Further Advance from a Customer (in each case in respect of a Transferred Promissory Note) where:

- (a) such Customer has previously been granted a Further Advance on five (5) separate occasions since the origination of the Promissory Note by the Seller and the relevant Transferred Promissory Note

has been allocated a risk class of "risk class A (741-high)", "risk class B (691-740)" or "risk class C (641-690)" pursuant to the Originator's Risk Model; or

- (b) the relevant Transferred Promissory Note has been allocated a risk class of "risk class D (591-640)" or "risk class E (low-590)" pursuant to the Originator's Risk Model.

Any Transferred Promissory Note repurchased by the Seller for the purpose of funding a Further Advance will (a) on the same day or subsequently be acquired by the Issuer as an Additional Promissory Note during the Revolving Period or (b) on the same day be acquired by the Issuer as a Further Additional Promissory Note after the Revolving Period End Date (subject always to all FA Conditions being satisfied).

The 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 Note together with all accrued and unpaid interest and all other amounts outstanding thereunder as at the Repurchase Date except in respect of Promissory Notes which are Written-off for which the repurchase price shall be an amount equal to their net book value according to IFRS.

Where any such repurchase of a Transferred Promissory Note by the Seller and assignment and re-assignment back to the Issuer of a new Promissory Note is to occur on the same day, the parties hereto have agreed to (a) (for repurchases and purchases during the Revolving Period) net-off the Repurchase Price payable by the Seller against the Initial Purchase Price payable by the Issuer, and the difference only to be payable by the Issuer on the immediately following Interest Payment Date in accordance with the relevant Priority of Payments and (b) (for repurchases and purchases from (and excluding) the Revolving Period End Date to (and including) the Step-Up Date) net-off the Repurchase Price payable by the Seller against the Initial Purchase Price payable by the Issuer (in full) with the difference only paid via an advance of a Further Loan to the Issuer from the First Subordinated Loan Provider under the First Subordinated Loan Agreement.

The terms of the relevant Repurchase Notice and Transfer Notice, during the Revolving Period, shall state whether such netting off is to occur and, after the Revolving Period End Date, must state that such netting off has occurred.

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 Agreements 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, 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) **Customer:** at the time of origination of the Promissory Note, the Customer was noted as resident in Sweden in the Credit Bureau's register (or any other equivalent register) 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;
- (c) **Deceased Customer:** to the best knowledge of the Seller, no Customer is deceased;
- (d) **Valid and Binding:** the Promissory Note has been duly executed 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 Swedish Kronor;
- (f) **Maximum Maturity:** the Promissory Note has a maximum legal maturity of 12 years and 1 month;
- (g) **Minimum Term:** the Promissory Note has a minimum remaining legal maturity of 1 month;
- (h) **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);
- (i) **Interest Rate:** the Promissory Note has a variable rate of interest set in accordance with the Credit Policy and the Collection and Provisioning Policy;
- (j) **Write-off:** the Promissory Note is not Written-off;
- (k) **Delinquent Promissory Note:** the Promissory Note is not Delinquent;
- (l) **Prepayment:** no notice of prepayment has been given on the Promissory Note by the Customer to the Seller;
- (m) **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;
- (n) **Encumbrance:** the Promissory Note is not subject to any encumbrance;
- (o) **Assignability to the Issuer:** the Promissory Note can be freely and validly transferred by way of assignment and transfer to the Issuer without any requirement to obtain consent from the Customer and without otherwise breaching the Promissory Note;
- (p) **Set-off:** there are no circumstances which would give rise to any right of set off, withholding, suspensions, counterclaim, defence or deduction (including any objection under Section 15 of the Swedish Promissory Notes Act (*Sw. lag (1936:81) om skuldebrev*) on the part of the Customer in respect of any amount owing by such Customer under the Promissory Note (including the amount as reflected by the Initial Purchase Price of the Promissory Note);
- (q) **Contracts:** the Promissory Note is substantially in the form set out in the relevant schedules to the Loan Transfer Agreement;

- (r) **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;
- (s) **Loan Value:** the maximum principal amount outstanding (including any capitalised interest) of the Promissory Note is SEK310,000;
- (t) **Direct Mail:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) originated via direct mail programmes to be less than 90%;
- (u) **Governing Law:** the Promissory Note is governed by the laws of Sweden;
- (v) **Compliance with Laws:** the terms of the Promissory Note complies with all applicable laws, including in relation to the Consumer Credit Act (Sw. *Konsumentkreditlag (2010:1846)*) and other similar regulations under Swedish law including the rules and regulations of the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*);
- (w) **Deposits:** the Seller has not taken any deposits from each relevant Customer;
- (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 SEK275,000 to be greater than 22%;
- (y) **Margin:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a margin (net of the Issuer's cost of funding and calculated based on the interest rate most recently notified in writing to the Customer (whether or not such rate has become effective)) exceeding 13% to be greater than 10%;
- (z) **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 to be less than 60% (unless payments by direct debit become prohibited by a change in Swedish law);
- (aa) **Debt to income 1:** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) where the debt to income ratio of the Customer exceeds 3.5:1 to be greater than 10%;
- (bb) **Debt to income 2:** the debt to income ratio of the Customer does not exceed 5:1 where the principal amount outstanding (including capitalised interest) of the Promissory Note exceeds SEK120,000;
- (cc) **Minimum Age:** at the time of origination of the Promissory Note, the Customer is at least 20 years old;
- (dd) **Unemployment:** at the time of origination, to the best knowledge of the Seller at least one Customer under the Promissory Note is employed;
- (ee) **Risk class D (591-640):** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a risk class of "risk class D (591-640)" pursuant to the Originator's Risk Model to be greater than 9%;
- (ff) **Risk class E (low-590):** the Promissory Note will not cause the percentage of Promissory Notes in the Portfolio (by balance) with a risk class of "risk class E (low-590)" pursuant to the Originator's Risk Model to be greater than 1%; and

(gg) **Score Missing:**

- (i) in respect of the Promissory Notes in the Initial Portfolio only, the Promissory Note will not cause the cumulative amount of such Promissory Notes (by balance) allocated with a risk class of "score missing" pursuant to the Originator's Risk Model to be greater than SEK51,698,833; and
- (ii) in respect of any Additional Promissory Note or Further Additional Promissory Note, the Promissory Note has not been allocated with a risk class of "score missing" pursuant to the Originator's Risk Model.

Risk Model means the matrix as set out in schedule 12 to the Loan Transfer Agreement.

In respect of the Loan Criteria on Deposits, the Seller will continue to repeat such representation and warranty on each Interest Payment Date in respect of each Transferred Promissory Note.

If, in respect of any Transferred Promissory Note, and at any time, the Customer has made a deposit with the Seller in the period between any two consecutive Interest Payment Dates, the Seller is required to repurchase the affected Transferred Promissory Notes pursuant to the Loan Transfer Agreement.

Credit Policy means the underwriting and lending policy of the Originator, as set out in the Servicing Agreement. The Originator may change the Credit Policy, provided that such changes would be acceptable to a prudent lender of unsecured loans to borrowers in Sweden. Changes to the Credit Policy will be notified by the Servicer to each Rating Agency.

Collection and Provisioning Policy means the collection and provisioning policy applied by the Originator from time to time for Swedish 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 Sweden. Changes to the Collection and Provisioning Policy will be notified by the Servicer to each Rating Agency.

Pursuant to the Loan Transfer Agreement, the Seller, during the Revolving Period:

- (a) may repurchase from the Issuer from time to time any Excluded Promissory Note; and
- (b) will repurchase from the Issuer, no later than on the Calculation Date immediately following the relevant Testing Date, each Excluded Promissory Note in the Portfolio (as represented by the Excluded Promissory Note Percentage determined by the Servicer) if the Servicer had, on such Testing Date, determined that the Excluded Promissory Note Percentage has exceeded 2.500% (the **Excluded Promissory Note Repurchase Obligation**).

Excluded Promissory Note means any Transferred Promissory Note which satisfies at least one of the following criteria (as at the initial origination of that Promissory Note):

- (a) the Customer was over 60 years old and the Promissory Note had a legal maturity greater than 120 months;
- (b) the Customer was temporarily employed and the Promissory Note had no co-applicant; or
- (c) the monthly payment by the Customer on the Promissory Note:
 - (i) allocated a risk class of "risk class A (741-high)" or "risk class B (691-740)" pursuant to the Originator's Risk Model exceeded 20% of that Customer's gross monthly income and the Promissory Note had a remaining term greater than 60 months; or

- (ii) allocated a risk class of "risk class C (641-690)", "risk class D (591-640)" or "risk class E (low-590)" pursuant to the Originator's Risk Model exceeded 15% of that Customer's gross monthly income and the Promissory Note had a remaining term greater than 60 months.

Remedy for breach of Representation and Warranty

If there is a breach of any Loan Criteria, 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 repurchase the relevant Transferred Promissory Note from the Issuer for a consideration equal to the aggregate Principal Promissory Note Amount of the relevant Transferred Promissory Note together with all accrued and unpaid interest and all other amounts outstanding thereunder as at the Repurchase Date.

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.

Provided that no Trigger Event has occurred and subject always to the satisfaction of all other FA Conditions, the Issuer can acquire Further Additional Promissory Notes from the Seller during the period from (and excluding) the Revolving Period End Date to (and including) the Step-Up Date.

Governing law

The Loan Transfer Agreement will be governed by Swedish law.

Servicing Agreement

General

The Servicing Agreement will be entered into between the Issuer, the Servicer 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) pay, from the Transaction Account, on a timely basis, all amounts owing to any relevant Customer as a result of incorrect payments made in connection with each Transferred Promissory Note;
- (e) in the event that any amount in respect of the Transferred Promissory Notes is received (i) by it (including in its capacities as Originator and Seller, as applicable) in violation of subparagraph (c) above, hold such amount separately and for the account of the Issuer, and promptly pay such amount into the GIC Account, or (ii) by any other parties in violation of subparagraph (c) above, promptly procure such amount to be paid by such other party into the GIC Account;

- (f) comply with the obligations on its part set out in the Swedish Bank Account Agreement and the Cash Management Agreement including, without limitation, the specific provisions relating to the collection of monies and repayment of incorrect payments to Customers set out in such Transaction Documents;
- (g) keep full and proper ledgers, books, accounts and records in relation to the Transferred Promissory Notes and keep them up to date;
- (h) maintain management information systems which are adequate to generate reliable periodical and statistical portfolio information for the purposes of the Issuer's reporting obligations;
- (i) ensure that the electronic systems used by it in relation to the Transferred Promissory Notes are maintained in working order and that the Issuer complies with the Swedish Personal Data Act (Sw. *Personuppgiftslagen (1998:204)*);
- (j) prepare and submit on behalf of the Issuer all necessary applications and requests for any approval, authorisation, consent or licence required by law or regulation in any applicable jurisdiction in connection with the business of the Issuer;
- (k) 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 to prepare and file;
- (l) 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;
- (m) ensure that each Transferred Promissory Note is delivered without delay and on a daily basis to and kept by the Storage Company;
- (n) 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 and in accordance with the terms of the Transaction Documents;
- (o) 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;
- (p) provide to the Issuer, the Security Trustee and 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 February 2012 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 Excluded Promissory Note Information, (c) the performance of the Portfolio and delinquency information for delinquency periods of up to one month, one month to two months, two months to three months, three months to four months, four months to five months, five months to six months and more than six months, and (d) the amount and number of all loans repurchased in such period, 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 immediately succeeding Interest Payment Date in accordance with the terms of the relevant Priority of Payments. The Servicer also undertakes to provide the Rating Agencies with such other information available to it as they may reasonably request. Such information provided shall also include details on any repurchases of Transferred Promissory Notes by the Originator for each Calculation Period (including in respect of those repurchases due to breaches of certain warranties relating to such Transferred Promissory Notes) for inclusion in each Monthly Report; and

- (q) calculate and determine, on the Business Day falling immediately after each Cut-off Date during the Revolving Period (each a **Testing Date**) the percentage of Excluded Promissory Notes in the Portfolio (by balance) as at the Testing Date (the **Excluded Promissory Note Percentage**).

The Servicer will include all such information as calculated and determined on each Testing Date, in respect of the Excluded Promissory Note Percentage in the Servicing Report due on the immediately following Servicing Report Performance Date as well as confirmation of whether the Excluded Promissory Note Repurchase Obligation has been satisfied by the Seller by the immediately following Calculation Date in the event that the Excluded Promissory Note Percentage has exceeded 2.500% on a Testing Date (collectively, the **Excluded Promissory Note Information**) to the Cash Manager on or before the immediately following Calculation Date in order for such information to be incorporated in the Monthly Report to be prepared by the Cash Manager.

The Servicer will give notice to the Noteholders of the Most Senior Class, and the Noteholder Representative (if a Noteholder Representative is appointed):

- (a) no later than two (2) Business Days after a Testing Date if it has been determined on such Testing Date that the Excluded Promissory Note Percentage had exceeded 2.500%;
- (b) no later than one (1) Business Day after the Calculation Date immediately following such Testing Date if it has been determined that the Excluded Promissory Note Percentage had exceeded 2.500% and that the Excluded Promissory Note Repurchase Obligation is breached,

and liaise with the Noteholders of the Most Senior Class or, if appointed, the Noteholder Representative for its determination in respect of Trigger Event (k).

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, the Issuer or the Security Trustee.

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 Swedish Consumer Credit Act (Sw. *konsumentkreditlag (2010:1846)*).

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 as is hereinafter mentioned 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 (including for the avoidance of doubt any treaties to which Sweden is a party) for the Servicer to perform any material part of the services to be rendered hereunder except in circumstances where no other person could perform such material part of the services lawfully; or
- (k) the Servicer repudiates this Agreement.

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 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 Principal Promissory Note Amount of all Transferred Promissory Notes as at each Cut-off Date falling immediately preceding the relevant Interest Payment Date, divided by 12.

Governing law

The Servicing Agreement will be governed by Swedish law.

Standby Servicing Agreement

General

The Standby Servicing Agreement will be entered into between the Issuer, the Servicer, Cerdo Bankpartner 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 (the **Services**) 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 SEK150,000 per year (inclusive of any VAT); and
- (b) in the event that the Standby Servicer shall commence the provision and performance of the Services:
 - (i) a fixed fee of SEK450,000 (inclusive of any VAT) 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 as a percentage of the total amount of the Portfolio, which shall be calculated as of the Cut-off Date immediately preceding the relevant Interest Payment Date in accordance with Clause 8 (the **Servicing Fee**) of the Standby Servicing Agreement:

Size of portfolio	Servicing Fee (inclusive of any VAT)
Up to SEK500,000,000	2.25%
Up to SEK1,000,000,000	1.75%
Above SEK1,000,000,000	1.25%

Governing law

The Standby Servicing Agreement will be governed by 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 will be governed by 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 Liquidity Reserve, the Credit Enhancement Reserve, the Payment Holiday Reserve, the GIC Account, the Liquidity Reserve Account, the Credit Enhancement Reserve Account, the Transaction Account, to maintain the Issuer Ledgers and to prepare certain Monthly Reports to be made available to Noteholders (the **Cash Management Services**). For the avoidance of doubt, the Cash Management Services shall not include any payments to be made from the Transaction Account to reimburse Customers for any amounts owing to Customers as a result of incorrect payments made under the Transferred Promissory Notes.

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 GIC 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 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 (including funds from the Liquidity Reserve) 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 Security Trustee, the Note Trustee, the Paying Agents and each Rating Agency 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 (including in respect of those repurchases due to breaches of certain warranties relating to such Transferred Promissory Notes) and confirmation as to whether the Excluded Promissory Note Percentage was exceeded as determined on the immediately preceding Testing Date, and if so, whether the Excluded Promissory note Repurchase Obligation had been breached as of that Calculation Date. The Cash Manager shall also ensure that such Monthly Reports shall be placed on the password protected website currently located at www.scl-ir.com. Such password can be obtained from Nordax. 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).

Servicing Report Delivery Failure means, 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.

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 above) as a result of the Servicer not delivering a separate Servicing Report to the Cash Manager, the Issuer or the Security Trustee.

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

- (a) insufficient to reduce the Class D 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 (k) of the Pre-Enforcement Revenue Priority of Payments to reduce the Class D 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 (k) of the Pre-Enforcement Revenue Priority of Payments in accordance with the relevant Provisional Monthly Report; and
- (b) sufficient to reduce the Class D 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 (k) of the Pre-Enforcement Revenue Priority of Payments to reduce the Class D 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 (k) 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 do so 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 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 SEK100,000 per annum (inclusive of any VAT) 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, any default by the Cash Manager in respect of a payment required to be made by the Cash Manager on behalf of the Issuer when due on the due date 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 12 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 will be governed by 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 Dokumenthuset Recall 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 will be governed by 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 First Subordinated Loan Provider, the Second Subordinated Loan Provider, the Servicer, the Cash Manager, the Standby Cash Manager, the Agent Bank, the Reserve Account Bank and the Paying Agents pursuant to which the Issuer will grant security in respect of its obligations, including its Secured 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;
 - (iii) the Reserve Bank Account Agreement; and
 - (iv) 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), all of its rights in respect of:
 - (i) any amount standing from time to time to the credit of the Reserve Accounts and any other 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 of the Issuer's assets deemed to be situated in England; 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 of the Issuer situated in England, both present and future other than any property or assets 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 relevant 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 Swedish law in respect of the enforcement of the Swedish Security and the Parent Company Security.

Modification of the Transaction Documents

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 Creditors (if there are no Notes outstanding)

Governing law

The English Deed of Charge will be governed by English law.

First Subordinated Loan Agreement

General

The Issuer, the First Subordinated Loan Provider and the Security Trustee will enter into a loan agreement (the **First Subordinated Loan Agreement**) on or before the Closing Date pursuant to which the First Subordinated Loan Provider will grant the Issuer subordinated loans to the value of SEK91,000,000. The First Subordinated Loan Provider is committed to provide certain loans to the Issuer on the Closing Date. Upon a request by the Issuer, the First Subordinated Loan Provider may (but is not in any way obliged to) make Further 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 (5.00 per cent per annum), (ii) STIBOR, and (iii) Mandatory Cost (as defined in the First Subordinated Loan Agreement) and is payable subject to and in accordance with the relevant Priority of Payments.

Purpose

The initial loans and the Further Loans, as the case may be, may only be used:

- (a) to fund the Liquidity Reserve by crediting such loan to the Liquidity Reserve Account on the Closing Date;
- (b) to fund the difference between the Repurchase Price of a Transferred Promissory Note and the Initial Purchase Price of a Further Additional Promissory Note purchased by the Issuer from the Seller, both occurring on the same day;

- (c) to fund the Payment Holiday Reserve by crediting such loan to the Payment Holiday Reserve Ledger on the GIC Account;
- (d) to fund the Establishment Loan by crediting such loan to the Transaction Account;
- (e) to support the Issuer's payment obligations under the Notes and the Transaction Documents, by the First Subordinated Loan Provider designating that a Further Loan shall form part of the Principal Receipts or Revenue Receipts in accordance with the Cash Management Agreement and crediting such sum to the GIC Account;
- (f) to reconvert conditional shareholder's contributions (Sw. *villkorat aktieägartillskott*) into debt made by the First Subordinated Loan Provider (in which case no amount is advanced); and
- (g) for such other purposes as may be agreed between the First Subordinated Loan Provider, the Issuer and the Security Trustee.

Governing law

The First Subordinated Loan Agreement will be governed by Swedish law.

Second Subordinated Loan Agreement

General

The Issuer, Second Subordinated Loan Provider and the Security Trustee will enter into an uncommitted loan agreement (the **Second Subordinated Loan Agreement**) on or around the Closing Date pursuant to which the Second Subordinated Loan Provider may (but is not in any way obliged to) grant the Issuer subordinated loans.

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 (5.00 per cent per annum), (ii) STIBOR, and (iii) Mandatory Cost (as defined in the Second Subordinated Loan Agreement) and is payable subject to and in accordance with the relevant Priority of Payments.

Purpose

Each Further Loan shall be used to support the Issuer's payment obligations under the Notes and the Transaction Documents by the Second Subordinated Loan Provider designating that the relevant Further Loan shall form part of the Principal Receipts or Revenue Receipts in accordance with the Cash Management Agreement and crediting such sum to the GIC Account.

Governing law

The Second Subordinated Loan Agreement will be governed by 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 to secure its obligations and liabilities under the Transaction Documents.

Under the Swedish Security Agreement, the Issuer will grant, to the Secured Parties as represented by the Security Trustee, a first ranking security over (i) all present and future claims under the Transferred Promissory Notes, (ii) all present and future rights, title and interest in and to the Insurance Proceeds, (iii) the Issuer's rights, title and interest in, to and under the Pledged Agreements (being the Servicing Agreement, the Standby Servicing Agreement the Servicing Transfer Agreement, the Swedish Bank Account Agreement and the Loan Transfer Agreement), and (iv) the GIC Account and all funds held on such account from time to time.

Governing law

The Swedish Security Agreement will be governed by Swedish law.

Share Pledge Agreement

General

On or before the Closing Date, the Parent Company will enter into a share pledge agreement (the **Share Pledge Agreement**) with the Security Trustee pursuant to which the Parent Company as the sole 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 to the board of the Issuer at its earliest convenience if a sole Independent Director of the Issuer resigns or is terminated.

Governing law

The Share Pledge Agreement will be governed by Swedish law.

Swedish Bank Account Agreement

General

The Issuer, the Servicer, the Cash Manager, Nordea Bank as the Collection Account Bank and the Security Trustee will enter into a bank account agreement (the **Swedish Bank Account Agreement** and, together with the Reserve Bank Account Agreement, the **Bank Account Agreements** and each, a **Bank Account Agreement**) on or around the Closing Date pursuant to which the Collection Account Bank will establish the GIC Account, the Transaction 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 and the Transaction Account will be made in accordance with the provisions of the Cash Management Agreement and, in respect of payments of incorrect amounts to be reimbursed to the Customers only, the Servicing Agreement and, as applicable, the relevant Priority of Payments contained therein as described under "*Cashflows*" below.

If the Collection Account Bank ceases to be an **Eligible Bank** (if the Collection Account Bank ceases to have the Account Banks Requisite Ratings), then the Collection Account Bank will be required to, at its own cost, arrange for the transfer of the Issuer Bank Accounts to an Eligible Bank on terms substantially similar to the Swedish Bank Account Agreement within 30 days or, in the event that the Collection Account Bank ceases to have the Account Banks Requisite Ratings as assigned by S&P only, within 60 calendar days, of the date that the Collection Account Bank ceased to be an Eligible Bank.

Governing law

The Swedish Bank Account Agreement will be governed by Swedish law.

Reserve Bank Account Agreement

General

The Issuer, the Cash Manager, BNP Paribas (London Branch) as the Reserve Account Bank and the Security Trustee will enter into a bank account agreement (the **Reserve Bank Account Agreement** on or around the Closing Date pursuant to which the Reserve Account Bank will establish the Liquidity Reserve Account and the Credit Enhancement Reserve Account in the name of the Issuer.

Payments out of the Liquidity Reserve Account and the Credit Enhancement Reserve 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 Reserve Account Bank ceases to be an **Eligible Bank** (if the Reserve Account Bank ceases to have the Account Banks Requisite Ratings), then the Reserve Account Bank will be required to, at its own cost, arrange for the transfer of the Issuer Bank Accounts to an Eligible Bank on terms substantially similar to the Reserve Bank Account Agreement within 30 days or, in the event that the Reserve Account Bank ceases to have the Account Banks Requisite Ratings as assigned by S&P only, within 60 calendar days, of the date that the Reserve Account Bank ceased to be an Eligible Bank.

Governing law

The Reserve Bank Account Agreement will be governed by English 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 and the Class D 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 the Class D 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, 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. 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 75 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 Agency, 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 (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 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 will be governed by 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 will be governed by 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 the amounts debited and credited to the Credit Enhancement Reserve Account (the **Credit Enhancement Reserve Ledger**);
- (h) a ledger which shall record the amounts debited and credited to the Liquidity Reserve Account (the **Liquidity Reserve Ledger**);
- (i) a ledger which shall record all amounts debited and credited to the Initial Purchase Price Reserve (the **Initial Purchase Price Reserve Ledger**);
- (j) a ledger which shall record all amounts credited to the Payment Holiday Reserve Ledger on the GIC Account and all debits from that ledger to pay Payment Holiday Amounts (the **Payment Holiday 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 on or around the Closing Date (ii) the shareholder's contribution (contributed on or around the Closing Date) (together with the amounts specified in (i) above, the **Establishment Amount**), (iii) amounts received to replenish the Float Amount in accordance with the Pre-Enforcement Revenue Priority of Payments, (iv) amounts towards the payment of the Difference Amount, (v) amounts towards the payment of any Setup Fees and (vi) 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 or the

reimbursements to be made by the Servicer to any Customer for incorrect payments made to the GIC Account and respectively paid for from the Float Amount (the **Transaction Account Ledger**);

- (l) a ledger in respect of each Subordinated Loan Provider which shall record the Establishment Loan or the initial loan, as applicable and all Further Loans made that Subordinated Loan Provider from time to time, and the use of proceeds of those Further Loans (each, a **Subordinated Loan Ledger**); and
- (m) a ledger which shall record all Insurance Premiums paid by Customers and all Insurance Proceeds received by the Issuer (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 Priority 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 Priority of Payments;
- (c) credit the Credit Enhancement Reserve Ledger with the proceeds of any 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 of funds made from the Liquidity Reserve Account (i) towards any Revenue Deficit and (ii) to be applied as available Principal Receipts upon the occurrence of a Liquidity Redemption Event;
- (g) debit the Transaction Account Ledger with any payments made from the Transaction Account relating to (i) the Difference Amount, (ii) the Setup Fees and (iii) the General Expenses of the Issuer or reimbursements made by the Servicer to any Customer 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 of any Losses in respect of the Transferred Promissory Notes (as notified to it by the Servicer) and any Principal Receipts applied as Deemed Revenue Receipts towards the curing of any Revenue Deficit;
- (i) credit the relevant Principal Deficiency Ledger with the amount of any available Revenue Receipts applied in accordance with the Pre-Enforcement Revenue Priority of Payments as Deemed Principal Receipts;

- (j) credit the relevant Subordinated Loan Ledger with the Establishment Loan, or as applicable, the initial loan amount and all Further Loans made by the relevant Subordinated Loan Provider from time to time, and debit the Subordinated Loan Ledger with all payments made by the Issuer towards that Subordinated Loan Provider in accordance with the relevant Priorities of Payment;
- (k) credit the Payment Holiday Reserve Ledger with (i) all loans made by a Subordinated Loan Provider to fund the Payment Holiday Reserve and (ii) any further amounts credited to the Payment Holiday Reserve (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. 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.

Until the Step-Up Date, the Credit Enhancement Reserve will be replenished up to the Credit Enhancement Reserve Required Amount on each Interest Payment Date, pursuant to the Pre-Enforcement Revenue Priority of Payments (subject to any payments in priority thereto).

The Credit Enhancement Reserve Required Amount will be determined by the Cash Manager on each Calculation Date in accordance with the following:

- (a) the Principal Promissory Note Amount of the Transferred Promissory Notes on that day multiplied by the weighted average life (expressed in years) of the Transferred Promissory Notes on that day multiplied by:
 - (i) if the 3-Month Weighted Average Excess Margin is greater than or equal to 8.0%, 0;
 - (ii) if the 3-Month Weighted Average Excess Margin is less than 8.0% but greater than or equal to 7.75%, 0.005;
 - (iii) if the 3-Month Weighted Average Excess Margin is less than 7.75% but greater than or equal to 7.5%, 0.008;
 - (iv) if the 3-Month Weighted Average Excess Margin is less than 7.5% but greater than or equal to 7.25%, 0.013;
 - (v) if the 3-Month Weighted Average Excess Margin is less than 7.25%, 0.024; *plus*
- (b) for each Transferred Promissory Note which is Delinquent, 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 month, 0.2;
 - (iii) if that Transferred Promissory Note has been Delinquent for 2 months but less than 3 month, 0.4;

- (iv) if that Transferred Promissory Note has been Delinquent for 3 months but less than 4 month, 0.5;
- (v) if that Transferred Promissory Note has been Delinquent for 4 months or more, then for so long as that Transferred Promissory Note remains Delinquent, 1,

provided that the determination of such amount on the first two occurring Calculation Dates shall not include item (a).

Following the Step-Up Date, there shall be no requirement to retain the Credit Enhancement Reserve at the Credit Enhancement Reserve Required Amount.

Liquidity Reserve

On the Closing Date, the Issuer shall establish a Liquidity Reserve by depositing in the Liquidity Reserve Account an amount equal to SEK58,000,000, which shall be funded from the proceeds of the Liquidity Reserve Loan made by Nordax in its capacity as the First Subordinated Loan Provider to the Issuer.

Until the repayment in full of the Notes, 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).

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.

After applying any funds in the Liquidity Reserve towards the curing of a Revenue Deficit, if any, the amount remaining in the Liquidity Reserve (the **Residual Liquidity Funds**) shall also be applied by the Issuer (or the Cash Manager on its behalf) 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.

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.

Payment Holiday Reserve

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

Until the earlier to occur of an Insolvency Event in relation to the Seller or the repayment in full of the 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 a Subordinated Loan Provider via Further Loans to the Issuer that are required by the relevant Subordinated Loan Provider to be credited to the Payment Holiday Reserve.

The Servicer will not, in addition to other conditions to be met, 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:

- (a) a Further Loan has been granted by a 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 or the occurrence of an Insolvency Event in relation to the Seller, amounts standing to the credit of the Payment Holiday Reserve Ledger on the GIC Account will be available for application as Payment Holiday Amounts in accordance with the Pre-Enforcement Priority of Payments. Following the occurrence of an Insolvency Event in relation to the Seller, amounts (if any) standing to the credit of the Payment Holiday Reserve on the GIC Account shall constitute Principal Receipts of the Issuer available for application in accordance with the Pre-Enforcement Principal 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.

Principal Deficiency Ledger

Four Principal Deficiency Ledgers comprising the Class A Principal Deficiency Ledger (relating to the Class A Notes), the Class B Principal Deficiency Ledger (relating to the Class B Notes), the Class C Principal Deficiency Ledger (relating to the Class C Notes) and the Class D Principal Deficiency Ledger (relating to the Class D Notes) (each a **Principal Deficiency Ledger** and, together, the **Principal Deficiency Ledgers**), will be established on the Closing Date in order to record the application of any Principal Receipts to meet any Revenue Deficit and any Losses on the Portfolio.

The application of any Principal Receipts to meet any Revenue Deficit will be recorded first on the Class D Principal Deficiency Ledger until the balance of the Class D Principal Deficiency Ledger is equal to the then aggregate Principal Amount Outstanding of the Class D Notes then outstanding, next on the Class C Principal Deficiency Ledger until the balance of the Class C Principal Deficiency Ledger is equal to the then aggregate Principal Amount Outstanding of the Class C Notes then outstanding, next on the Class B Principal Deficiency Ledger until the balance of the Class B Principal Deficiency Ledger is equal to the then aggregate Principal Amount Outstanding of the Class B Notes then outstanding and finally on the Class A Principal Deficiency Ledger until the balance of the Class A Principal Deficiency Ledger is equal to the then aggregate Principal Amount Outstanding of the Class A Notes.

Similarly, any Losses realised on the Portfolio will also result in a Principal Deficiency and a corresponding debit will be made to the appropriate Principal Deficiency Ledger in the order set out above.

On each Interest Payment Date, available Revenue Receipts shall, after making the payments or provisions required to be met in priority to item (f) of the Pre-Enforcement Revenue Priority of Payments, be applied in an amount necessary to reduce to nil the balance on the Class A Principal Deficiency Ledger. Then once the balance on the Class A Principal Deficiency Ledger is reduced to nil and interest due on the Class B Notes has been paid (in accordance with the Pre-Enforcement Revenue Priority of Payments), available Revenue Receipts shall be applied to reduce to nil the balance on the Class B Principal Deficiency Ledger. Then once the balance on the Class B Principal Deficiency Ledger is reduced to nil and interest due on the Class C Notes has been paid (in accordance with the Pre-Enforcement Revenue Priority of Payments), available Revenue Receipts shall be applied to reduce to nil the balance on the Class C Principal Deficiency Ledger. Then once the balance on the Class C Principal Deficiency Ledger is reduced to nil and interest due on the Class D Notes has been paid (in accordance with the Pre-Enforcement Revenue Priority of Payments),

available Revenue Receipts shall be applied to reduce to nil the balance on the Class D Principal Deficiency Ledger.

Priorities of Payments

The Priorities of Payments 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 the shareholder's 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 shareholder's contribution towards payment of the Difference Amount and the Establishment Amount (excluding the initial Float Amount) towards payment of any Setup Fees only.

Float Amount

The **Float Amount** shall be an amount not exceeding SEK1,000,000 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 reimburse 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 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 Setup 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 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 Share Pledge Agreement or any other Transaction Document to which it is a party;
- (b) in or towards satisfaction of any 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*, and thereafter to credit the Transaction Account with an amount up to the Float Amount;
- (d) prior to the repayment in full of the Notes, to replenish the Liquidity Reserve to the Liquidity Reserve Required Amount;
- (e) in or towards satisfaction of any interest due 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 application of such amount as is required to reduce any debit balance on the Class D Principal Deficiency Ledger to zero;
- (l) prior to the Step-Up Date, to credit the Credit Enhancement Reserve Ledger in an amount up to the Credit Enhancement Reserve Required Amount;
- (m) 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;
- (n) 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; and
 - (ii) *secondly*, to redeem the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (o) following repayment in full of the Class A Notes and the Class B Notes:
 - (i) *firstly*, to redeem the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero; and
 - (ii) *secondly*, to redeem the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;
- (p) 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 Priorities of Payments);
- (q) in payment of the Originator Premium Portion due and payable by the Issuer on such Interest Payment Date to the Originator;
- (r) *pari passu* and *pro rata* to each Subordinated Loan Provider, in or towards satisfaction of payment of:
 - (i) *firstly*, any interest due to that Subordinated Loan Provider;
 - (ii) *secondly*, any principal due to that Subordinated Loan Provider; and
 - (iii) *thirdly*, any other amounts due to that Subordinated Loan Provider,
 under the relevant Subordinated Loan Agreement;
- (s) prior to the earlier to occur of an Insolvency Event in relation to the Seller and the repayment in full of the Notes, to credit the Payment Holiday Reserve in an amount up to the Payment Holiday Reserve Required Amount in accordance with the requirements of the Cash Management Agreement;
- (t) 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 SEK10,000 per calendar year); and

- (u) 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:

- (A) **first**, apply amounts standing to the credit of the Liquidity Reserve Account towards curing any Revenue Deficit provided that no amounts from the Liquidity Reserve Account may be applied to pay interest on any of the Class C Notes or Class D Notes respectively if and to the extent that a deficiency is currently recorded on a Principal Deficiency Ledger of that Class of Notes or a More Senior Class of Notes; and
- (B) **second**, apply Principal Receipts towards curing any residual Revenue Deficit provided that no amounts of Principal Receipts may be applied to pay interest on any Class C Notes or Class D Notes (any Principal Receipts so applied being the **Deemed Revenue Receipts**).

The application of such funds to cure any Revenue Deficit shall be in accordance with the priority of the relevant items set out in the Pre-Enforcement Revenue Priority of Payments.

Capitalised Interest means the amount of 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 Promissory Note Amount in respect of the relevant Transferred Promissory Note. For the avoidance of doubt, any sum of Capitalised Interest which has been added to the Principal Promissory Note Amount shall also accrue interest as of the date of such capitalisation.

Deemed Principal Receipts means, in respect of any Calculation Period, the aggregate of the amounts to be applied from available Revenue Receipts on the immediately following Interest Payment Date pursuant to paragraphs (f), (h), (j) and (k) 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 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) 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) net recoveries of interest, principal, fees and other amounts from defaulting Customers under Transferred Promissory Notes in respect of which enforcement procedures have been completed and the Transferred Promissory Notes Written-off;
- (d) interest earned on the balance from time to time in the Issuer Bank Accounts (excluding the Equity Account);
- (e) net recoveries of interest and outstanding fees from defaulting Customers under Transferred Promissory Notes which are Delinquent but not Written-off;
- (f) payments of Insurance Proceeds from an Insurance Company to the extent attributable to interest and fees (but not principal) owing by a Customer; and

- (g) (in respect of the first Interest Payment Date only) all sums of the type referred to in paragraphs (a) and (f) above received in respect of the Promissory Notes that comprised the Actual Provisional Portfolio but do not comprise the Initial Portfolio credited to the GIC Account as part of the Pre-Closing Amount on or around the Closing Date.

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) and, as applicable, as at the relevant Calculation Date.

Liquidity Reserve Required Amount means SEK58,000,000.

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; and
- (c) in relation to the Class D Notes, the Class A Notes, Class B Notes and Class C 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 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 being Delinquent but not Written-off;
- (c) the proceeds (excluding the accrued interest component thereof) of the repurchase of any Transferred Promissory Note by the Seller 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 (c) of the Pre-Enforcement Principal Priority of Payments;
- (f) Further Loans (as defined in each Subordinated Loan Agreement) expressly required by the relevant 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;
- (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; and

- (k) (in respect of the first Interest Payment Date only) all sums of the type referred to in paragraph (a) and (d) above received in respect of the Promissory Notes that comprised the Actual Provisional Portfolio but do not comprise the Initial Portfolio credited to the GIC Account as part of the Pre-Closing Amount on or around the Closing Date,

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, 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), (g), (i) and (m) of the Pre-Enforcement Revenue Priority of Payments.

Revenue Receipts means, as at each Calculation Date and, as applicable, in respect of the Calculation Period ending on the immediately preceding Cut-off Date, an amount equal:

- (a) Income Receipts in respect of such Calculation Period;
- (b) the balance standing to the credit of the Transaction Account which will be transferred to the GIC Account on the immediately following Interest Payment Date;
- (c) 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) in respect of such Calculation Period;
- (d) for so long as any Notes remain outstanding, any amounts debited to the Payment Holiday Reserve Ledger, which shall be applied to pay Payment Holiday Amounts only;
- (e) (so long as there has not been an Insolvency Event in relation to the Seller) all amounts (if any) standing in the Payment Holiday Reserve Ledger following the redemption of all Notes;
- (f) Further Loans (as defined in the First Subordinated Loan Agreement or the Second Subordinated Loan Agreement, as applicable) expressly required by the First Subordinated Loan Provider or the Second Subordinated Loan Provider, as the case may be, to form part of Revenue Receipts;
- (g) any shareholders' contribution made by the Parent Company to the Issuer which the Parent Company explicitly designates as a Revenue Receipt; and
- (h) all amounts standing to the credit of the Credit Enhancement Reserve Account,

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 (k) 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 Priorities 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) 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) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) after the Revolving Period End Date, *pari passu* and *pro rata* to pay each Subordinated Loan Provider, in or towards satisfaction of payment of:
 - (i) *firstly*, any interest due to that Subordinated Loan Provider;
 - (ii) *secondly*, any principal due to that Subordinated Loan Provider; and
 - (iii) *thirdly*, any other amounts due to that Subordinated Loan Provider, under the relevant Subordinated Loan Agreement;
- (i) after the Revolving Period End Date, to pay the Seller the Deferred Consideration payable under the Loan Transfer Agreement; and
- (j) 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.

In addition, any Revenue Deficit shall be cured utilising funds from the Liquidity Reserve and, if applicable, Principal Receipts to be applied as Deemed Revenue Receipts in accordance with the terms set out in the Cash Management Agreement. The application of such funds to cure any Revenue Deficit shall be in accordance with the priority of the relevant items set out in the Pre-Enforcement Revenue Priority of Payments.

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, (including, for the avoidance of doubt, amounts standing to the credit of the Liquidity Reserve Account and the Credit Enhancement Reserve Account, if any) in accordance with the following order of priority (the **Post-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) 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 or any other Transaction Document to which it is a party;
- (b) in or towards satisfaction of any 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 any amounts due in respect of any principal and interest on the Class A Notes;
- (e) *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 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) *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 D Notes;
- (h) 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;
- (i) in or towards payment of the Originator Premium Portion due to the Originator;
- (j) *pro rata* and *pari passu*, to each Subordinated Loan Provider, in or towards satisfaction of payment of firstly, any interest, secondly, principal and thirdly, any other amounts due to the relevant Subordinated Loan Provider under the relevant Subordinated Loan Agreement;
- (k) in or towards satisfaction of:
 - (i) *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
 - (ii) *secondly*, the Deferred Consideration payable to the Seller under the Loan Transfer Agreement; and
- (l) any remaining amount 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 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 tradeable only in the minimum authorised denomination of SEK1,000,000, and higher integral multiples of SEK10,000 up to and including SEK1,990,000. No Notes in definitive form will be issued with a denomination above SEK1,990,000

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 SEK1,000,000 and integral multiples of SEK10,000 respectively, in excess thereof up to and including SEK1,990,000 respectively. No Definitive Notes will be issued with a denomination above SEK1,990,000, 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 SEK 1,082,000,000 Class A Floating Rate Notes due January 2033 (the **Class A Notes**), the SEK 96,000,000 Class B Floating Rate Notes due January 2033 (the **Class B Notes**), the SEK 193,000,000 Class C Floating Rate Notes due January 2033 (the **Class C Notes** and, together with the Class A Notes and the Class B Notes, the **Rated Notes**) and the SEK 560,000,000 Class D Floating Rate Notes due January 2033 (the **Class D Notes** and, together and the Rated Notes, the **Notes**) in each case of SCL – Scandinavian Consumer Loans III (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated 8 December 2011 (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 or the Class D 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; and (iii) 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 and the Swedish 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 SEK1,082,000,000 for the

Class A Notes, SEK96,000,000 for the Class B Notes, SEK193,000,000 for the Class C Notes and SEK560,000,000 for the Class D Notes. Each Temporary Global Note has been deposited on behalf of the subscribers of the relevant class of Notes with a common depositary (the **Common Depositary**) 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 Depositary 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 tradable only in the minimum authorised denomination of SEK1,000,000 and higher integral multiples of SEK10,000 up to and including SEK1,990,000 notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above SEK1,990,000. 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 SEK1,000,000 and integral multiples of SEK10,000 in excess thereof up to and including SEK1,990,000. No Definitive Notes will be issued with a denomination above SEK1,990,000, 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; and
- (d) **Class D Noteholders** means holders of the Class D 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.

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 Creditors, 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 (the **Security**), 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;
- (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) not to become a member of any VAT group (*mervärdesskattegrupp*);
- (j) to maintain arm's-length transactions with its affiliates (when looking at such transactions entered into as a whole);
- (k) to use stationery, invoices and cheques that are separate from those of any other person or entity;
- (l) to hold itself out as a separate entity; and
- (m) to correct any known misunderstanding regarding its separate identity.

3.3 Noteholder Representative

The Noteholders of the Most Senior Class may, by an Extraordinary Resolution appoint a representative (the **Noteholder Representative**) whom the Servicer (on behalf of the Issuer), will be required to notify and liaise with in respect of its determination of Trigger Event (k). Unless directed otherwise by way of an Extraordinary Resolution passed by that Class of Noteholders, the Issuer, the Servicer and the Note Trustee may assume that an appointed Noteholder Representative will continue to be so appointed as long as that Class of Notes remain the Most Senior Class.

The Servicer will give notice to the Noteholder Representative (if a Noteholder Representative is appointed):

- (a) no later than two (2) Business Days after a Testing Date if it has been determined on such Testing Date that the Excluded Promissory Note Percentage had exceeded 2.500%;
- (b) no later than one (1) Business Day after the Calculation Date immediately following such Testing Date if it has been determined that the Excluded Promissory Note Percentage had been exceeded 2.500% and that the Excluded Promissory Note Repurchase Obligation is breached,

and liaise with the Noteholder of the Most Senior Class or, if appointed, the Noteholder Representative for its determination in respect of Trigger Event (k).

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 February 2012. 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. (Stockholm time) on that Interest Determination Date. If the Screen Rate is unavailable, the Agent Bank will request the principal Stockholm office of each of the Reference Banks (as defined below) to provide the Agent Bank with the rate at which deposits in SEK are offered by it to prime banks in the Swedish interbank market for one month at approximately 11.00 a.m. (Stockholm 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 Stockholm selected by the Agent Bank, at approximately 11.00 a.m. (Stockholm time) on the first day of such Interest Period for loans in SEK, 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 TARGET Business Day and 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 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, 3.50 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 7.00 per cent. per annum;
 - II. in relation to the Class B Notes, 4.90 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 9.80 per cent. per annum;
 - III. in relation to the Class C Notes, 5.00 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 10.00 per cent. per annum;
 - IV. in relation to the Class D Notes, 5.00 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Interest Payment Date falling in December 2015 and thereafter 10.00 per cent. per annum;
- (vi) **Reference Banks** means the principal Stockholm office of each of four major banks engaged in the Swedish interbank market selected by the Agent Bank, provided that, once a Reference Bank has been selected by the Agent Bank, 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;
- (viii) **Screen Rate** means the rate for one month deposits in SEK, which appears on the Reuters page SIOR (or such other page as may replace the respective page on that service) or, in the case of the first Interest Period, a linear interpolation of the rates for 2 month and 3 month deposits in SEK, which appear as aforesaid; and
- (ix) **TARGET Business Day** means every day on which payments in Euro are settled over the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System launched on 19 November 2007.

4.4 Determination of Rate of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Stockholm 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 shall, 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 wilful default, bad faith, gross negligence or manifest error) be binding on the Issuer, the Note Trustee, the Agent Bank, the Paying Agents and all Noteholders and (in the absence of wilful default, bad faith, gross negligence or manifest error) 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 Stockholm office of another major bank engaged in the Swedish 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 SEK maintained by the payee with a bank in Stockholm.

5.3 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

5.4 Payment only on a Presentation Date

A holder shall be entitled to present a 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) is a Banking Day in Stockholm.

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;

- (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; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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, the Notes will be subject to mandatory redemption on each Interest Payment Date:

- (a) from available Principal Receipts subject to and in accordance with the Pre-Enforcement Principal Priority of Payments from and including the Interest Payment Date immediately following the Revolving Period End Date;
- (b) 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;
- (c) (in respect of Class A Notes and Class B Notes only) from available Revenue Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments on and from the Step-Up Date; and
- (d) (in respect of the Class C Notes and Class D Notes only) from available Revenue Receipts of the Issuer subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments after the repayment in full of the Class A Notes and the Class B Notes.

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 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 law, or as otherwise applicable, then the Issuer shall, if the same would avoid the effect of the relevant event described, 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 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 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 or is otherwise applicable. 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 three-fourths 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 subparagraphs (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) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or 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 and the Class D 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.
- 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 and the Class D 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.
- 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 and the Class D 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 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.

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 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.

11.9 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.

11.10 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.

11.11 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)**.

11.12 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.

11.13 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 each Rating Agency, in each case as soon as practicable thereafter.

11.14 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.

11.15 Notwithstanding **Condition 11.12**, 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 become an Eligible Bank pursuant to Clause 13 (Termination of Reserve Bank Accounts Agreement) of the Reserve Bank Account Agreement and Clause 13 (Termination of this Agreement) of the Swedish 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.

- 11.16** 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.
- 11.17** 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 relevant 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.
- 11.18** 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) (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 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, 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 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 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 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 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 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 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 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.

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 ISSUANCE PROCEEDS

The gross proceeds of the issue of the Notes to the sum of SEK1,931,000,000 (the **Issuance Proceeds**) 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 the shareholder's contribution deposited in the Transaction Account.

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 five 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) none of the Promissory Notes become Written-off or Delinquent;
- (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 48th 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 on 15th February 2012;
- (e) there has been no Note Event of Default (as defined in the Conditions) in respect of the Notes;
- (f) no Trigger Event occurs during the Revolving Period;
- (g) STIBOR 1M remains constant at a level of 2.32%;
- (h) the Seller will sell and the Issuer will acquire Additional Promissory Notes during the Revolving Period (and such period will not end before January 2015), in an amount equal to the principal receipts less any Further Advances and interest capitalised due to Payment Holidays, with each Additional Promissory Note having a remaining term to maturity of 120 months and a yield matching the average portfolio yield;
- (i) Weighted average portfolio remaining term and yield as seen in the Provisional Portfolio as at the Pool Cut-off Date;
- (j) Further Advances are made at a constant rate of one-twelfth of 8% of the outstanding Portfolio, each month during both the Revolving Period and following the Revolving Period End Date. Promissory Notes to which Further Advances are made have weighted average Portfolio yield and remaining term, and following the Further Advance, 90% extend the remaining term to maturity to 120 months, with the remaining 10% retaining the same maturity as before, while each Further Advance amounts to a 32% increase in balance and has the same yield; and
- (k) Payment Holidays occur at a constant rate of 8% of the outstanding portfolio each month during both the Revolving Period and following the Revolving Period End Date, with interest due in that month capitalised.

AVERAGE LIVES PREPAYMENT SCENARIO TABLE – CPR (% per annum)

	8%	10.00%	12.00%	14.00%	16.00%
Class A	3.88	3.87	3.85	3.84	3.82
Class B	4.00	4.00	4.00	4.00	4.00
Class C	4.00	4.00	4.00	4.00	4.00

CPR means the constant rate of unscheduled repayments on the Transferred Promissory Notes each month relative to the aggregate Principal Promissory Note Amount 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 five 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 law and practice in the United Kingdom as at the date of this Prospectus relating to certain aspects of the United Kingdom taxation of the Notes. Special rules may apply to certain classes of persons (such as dealers). 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. Interest on the Notes

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.

Provision of information

Noteholders may wish to note that in certain circumstances HM Revenue and Customs (**HMRC**) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of a Noteholder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

2. United Kingdom corporation tax payers

In general, Noteholders which are within the charge to United Kingdom corporation tax in respect of the Notes will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (including fluctuations attributable to exchange rates), broadly in accordance with their statutory accounting treatment.

3. Other United Kingdom tax payers

Taxation of chargeable gains

A disposal of a Note by an individual Noteholder who is resident or ordinarily resident in the United Kingdom, or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or an allowable loss for the purposes of the taxation of capital gains.

Accrued income scheme

On a disposal of Notes by a Noteholder, any interest which has accrued between the last Interest Payment Date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Income Tax Act of 2007, if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

The Notes are likely to constitute variable rate securities for the purposes of the accrued income scheme. Under the accrued income scheme, on a disposal of Notes by a Noteholder who is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable, the Noteholder may be charged income tax on an amount of income which is just and reasonable in the circumstances. The purchaser of such a Note will not be entitled to any equivalent tax credit under the accrued income scheme to set against any actual interest received by the purchaser in respect of the Notes (which may therefore be taxable in full).

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.

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 does not cover tax issues in cases where Notes are held as current assets in business operations or by a partnership. 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. Each investor should consult a tax adviser as to the tax consequences of acquiring, owning and disposing of Notes in their 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 consideration (less selling expenses) and the tax acquisition cost of the Note.

When computing the capital gain or the capital loss, the acquisition cost 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*).

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 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 amounts 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) with residence for Swedish tax purposes, Swedish preliminary 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 26.3 per cent. Capital losses on the Notes may normally be fully off-set against income in the 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 generally not 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.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited and UBS Limited (the **Lead Managers** and each, a **Lead Manager**) has, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated on or around the Closing Date, agreed to subscribe or procure subscribers (which may include Nordax) for the Class A Notes and the Class B Notes at the issue price of 100 per cent. of the respective principal amount of such Notes. The Issuer will reimburse each Lead Manager in respect of certain of their expenses, and has agreed to indemnify each 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 C Notes and the Class D Notes pursuant to a Note Purchase Agreement (the **Note Purchase Agreement**).

Pursuant to the Subscription Agreement, the Originator has covenanted that it will maintain a net economic interest of not less than 5 per cent. in the Portfolio comprised of the first loss tranche (held via the Class D Notes), as contemplated by Article 122a of Directive 2006/48/EC (as amended). Any change to the manner in which such interest is held will be notified to Noteholders.

United States of America

Each of the Lead Managers 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 any state securities laws, and 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 except in accordance with Regulation S or pursuant to any other exemption from the registration requirements of the Securities Act and applicable state laws. Each of the Lead Managers and the Purchaser has agreed that, except as permitted by the Subscription Agreement or the Note Purchase Agreement (as the case may be), 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**), only in accordance with Rule 903 of Regulation S under the Securities Act. Each of the Lead Managers 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 (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

The Notes are subject to U.S. tax law requirements and may not be sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by the U.S. Treasury regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulation promulgated thereunder.

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 any 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 legal entities which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); 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) through (c) above shall require the Issuer, any 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 the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each of the Lead Managers 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.

Sweden

Each of the Lead Managers 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 for an offer to the public pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991: 980) om handel med finansiella instrument*).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Lead Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of,

and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Australia

This Prospectus is not a "Product Disclosure Statement" for the purposes of Chapter 7 of the Corporations Act 2001 of Australia (the **Corporations Act**) and has not (and nor has any other prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes been and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)). Each Lead Manager has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless (1) the aggregate consideration payable upon acceptance of the offer of invitation by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, (2) the offer or invitation or distribution or publication (as the case may be) is not made to "retail client" within the meaning of section 761G of the Corporations Act, (3) such action otherwise complies the Corporations Act and with all applicable laws, regulations and directives, and (4) such action does not require any document to be lodged with ASIC.

Republic of Italy

Each of the Lead Managers 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 Managers 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.

General

Other than the approval by the IFSRA 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 Managers 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.

GENERAL INFORMATION

Authorisation

1. The issue of the Notes was duly authorised by a resolution of the board of directors of the Issuer dated 1 December 2011.

Listing

2. It is expected that listing of the Notes on the Official List of the Irish Stock Exchange will be granted on or about 8 December 2011, 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 €6,000.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following securities codes:

	Common Code	ISIN
Class A.....	071701450	XS0717014509
Class B.....	071706478	XS0717064785
Class C.....	071706494	XS0717064942
Class D.....	071706567	XS0717065675

Accounts

4. As at the date of this Prospectus, the Issuer has not commenced operations and not published any audited annual accounts.
5. 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

6. Save as disclosed herein, 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.

No Material Contracts

7. 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

8. 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 since the date of its incorporation.

Reliance

9. 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

10. 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 latest annual audited financial statements of the Issuer; 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 Swedish Security Agreement;
 - (v) the Share Pledge Agreement;
 - (vi) the Servicing Agreement;
 - (vii) the Servicing Transfer Agreement;
 - (viii) the Standby Servicing Agreement;
 - (ix) the Cash Management Agreement;
 - (x) the Bank Account Agreements;
 - (xi) each Subordinated Loan Agreement;
 - (xii) the Storage Agreement;
 - (xiii) the Agency Agreement; and
 - (xiv) the Master Definitions and Construction Agreement.

Listing Agent

11. A&L Listing 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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