UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

COMMISSION FILE NUMBER: 000-26489

ENCORE CAPITAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**48-1090909**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
3111 Camino Del Rio North, Suite 1300 San Diego, California	**92108**
(Address of principal executive offices)	**(Zip code)**

(877) 445 - 4581
(Registrant's telephone number, including area code)

(Not Applicable)
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at October 30, 2013**
Common Stock, $0.01 par value	25,421,823 shares

ENCORE CAPITAL GROUP, INC.
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PART I – FINANCIAL INFORMATION
Item 1 – Condensed Consolidated Financial Statements (Unaudited)

ENCORE CAPITAL GROUP, INC.
Condensed Consolidated Statements of Financial Condition
(In Thousands, Except Par Value Amounts)
(Unaudited)

	September 30, 2013	December 31, 2012
Assets		
Cash and cash equivalents	$ 110,156	$ 17,510
Investment in receivable portfolios, net	1,595,642	873,119
Deferred court costs, net	39,004	35,407
Receivables secured by property tax liens, net	186,190	135,100
Property and equipment, net	50,050	23,223
Other assets	120,441	31,535
Goodwill	489,520	55,446
Total assets[1]	$ 2,591,003	$ 1,171,340
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable and accrued liabilities	$ 106,632	$ 45,450
Deferred tax liabilities, net	110,453	8,236
Debt	1,806,680	706,036
Other liabilities	6,967	5,802
Total liabilities[1]	2,030,732	765,524
Redeemable noncontrolling interest	12,231	—
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, $.01 par value, 5,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $.01 par value, 50,000 shares authorized, 25,412 shares and 23,191 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	254	232
Additional paid-in capital	171,548	88,029
Accumulated earnings	371,676	319,329
Accumulated other comprehensive gain (loss)	455	(1,774)
Total Encore Capital Group, Inc. stockholders' equity	543,933	405,816
Noncontrolling interest	4,107	—
Total stockholders' equity	548,040	405,816
Total liabilities, redeemable noncontrolling interest and stockholders' equity	$ 2,591,003	$ 1,171,340

(1) The Company's consolidated assets as of September 30, 2013 included $1,067,007 of assets from its variable interest entity, or VIE, that can only be used to settle obligations of the VIE. These assets include cash and cash equivalents of $54,584; investment in receivable portfolios, net, of $596,160; property and equipment, net, of $14,249; other assets of $32,102; and goodwill of $369,912. The Company's consolidated liabilities as of September 30, 2013, included $864,432 of liabilities of its VIE, whose creditors have no recourse to the Company. These liabilities include accounts payable and accrued liabilities of $31,817; deferred tax liabilities of $6,978; debt of $825,524; and other liabilities of $113. See further details of the assets and liabilities of the Company's VIE in Note 12, "Variable Interest Entity."

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.

Condensed Consolidated Statements of Income
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues				
Revenue from receivable portfolios, net	$ 225,387	$ 140,682	$ 518,094	$ 405,818
Other revenues	5,792	426	6,473	614
Net interest income – tax lien business	4,379	4,110	11,698	6,442
Total revenues	235,558	145,218	536,265	412,874
Operating expenses				
Salaries and employee benefits	52,253	25,397	114,054	72,891
Cost of legal collections	50,953	43,544	137,694	123,203
Other operating expenses	19,056	14,829	46,118	38,854
Collection agency commissions	14,158	4,227	22,717	12,352
General and administrative expenses	33,486	14,091	77,429	46,331
Depreciation and amortization	4,523	1,533	8,527	4,193
Total operating expenses	174,429	103,621	406,539	297,824
Income from operations	61,129	41,597	129,726	115,050
Other (expense) income				
Interest expense	(29,186)	(7,012)	(43,522)	(19,024)
Other (expense) income	(299)	610	(4,262)	771
Total other expense	(29,485)	(6,402)	(47,784)	(18,253)
Income from continuing operations before income taxes	31,644	35,195	81,942	96,797
Provision for income taxes	(10,272)	(13,887)	(30,110)	(38,393)
Income from continuing operations	21,372	21,308	51,832	58,404
Loss from discontinued operations, net of tax	(308)	—	(308)	(9,094)
Net income	21,064	21,308	51,524	49,310
Net loss attributable to noncontrolling interest	822	—	822	—
Net income attributable to Encore Capital Group, Inc. stockholders	$ 21,886	$ 21,308	$ 52,346	$ 49,310
Amounts attributable to Encore Capital Group, Inc.:				
Income from continuing operations	$ 22,194	$ 21,308	$ 52,654	$ 58,404
Loss from discontinued operations, net of tax	(308)	—	(308)	(9,094)
Net income	$ 21,886	$ 21,308	$ 52,346	$ 49,310
Earnings (loss) per share attributable to Encore Capital Group, Inc.:				
Basic earnings (loss) per share from:				
Continuing operations	$ 0.87	$ 0.85	$ 2.16	$ 2.34
Discontinued operations	$ (0.01)	$ —	$ (0.01)	$ (0.36)
Net basic earnings per share	$ 0.86	$ 0.85	$ 2.15	$ 1.98
Diluted earnings (loss) per share from:				
Continuing operations	$ 0.82	$ 0.82	$ 2.06	$ 2.25
Discontinued operations	$ (0.01)	$ —	$ (0.01)	$ (0.35)
Net diluted earnings per share	$ 0.81	$ 0.82	$ 2.05	$ 1.90
Weighted average shares outstanding:				
Basic	25,535	25,071	24,323	24,930
Diluted	27,183	26,047	25,561	25,920

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.

Condensed Consolidated Statements of Comprehensive Income
(Unaudited, In Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income	$ 21,064	$ 21,308	$ 51,524	$ 49,310
Other comprehensive (loss) gain, net of tax:				
Unrealized (loss) gain on derivative instruments	(768)	1,841	(1,722)	1,205
Unrealized gain (loss) on foreign currency translation	4,648	—	3,951	(472)
Other comprehensive gain, net of tax	3,880	1,841	2,229	733
Comprehensive income	24,944	23,149	53,753	50,043
Comprehensive gain attributable to noncontrolling interest				
Net loss	822	—	822	—
Unrealized gain on foreign currency translation	(2,633)	—	(2,633)	—
Comprehensive gain attributable to noncontrolling interests	(1,811)	—	(1,811)	—
Comprehensive income attributable to Encore Capital Group, Inc. stockholders	$ 23,133	$ 23,149	$ 51,942	$ 50,043

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited, In Thousands)

	Nine Months Ended September 30,	
	2013	2012
Operating activities:		
Net income	$ 51,524	$ 49,310
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	8,527	4,193
Impairment charge for goodwill and identifiable intangible assets	—	10,400
Amortization of loan costs and premium on receivables secured by tax liens	5,411	2,091
Stock-based compensation expense	9,163	6,710
Recognized loss on termination of derivative contract	3,630	—
Deferred income taxes	(217)	1,823
Excess tax benefit from stock-based payment arrangements	(5,238)	(3,600)
Loss on sale of discontinued operations	—	2,416
Reversal for allowances on receivable portfolios, net	(7,658)	(1,506)
Changes in operating assets and liabilities, net of effects of acquisitions		
Other assets	(647)	(20)
Deferred court costs	2,544	945
Prepaid income tax and income taxes payable	(25,785)	(8,407)
Accounts payable, accrued liabilities and other liabilities	(1,388)	1,798
Net cash provided by operating activities	39,866	66,153
Investing activities:		
Cash paid for acquisitions, net of cash acquired	(413,055)	(186,731)
Purchases of receivable portfolios, net of put-backs	(156,438)	(406,865)
Collections applied to investment in receivable portfolios, net	418,024	313,205
Originations and purchases of receivables secured by tax liens	(100,278)	(22,912)
Collections applied to receivables secured by tax liens	51,111	24,967
Payment on termination of derivative contract	(3,630)	—
Purchases of property and equipment	(8,178)	(3,665)
Other	(1,950)	—
Net cash used in investing activities	(214,394)	(282,001)
Financing activities:		
Payment of loan costs	(17,152)	(1,832)
Proceeds from credit facilities	522,065	390,399
Repayment of credit facilities	(491,462)	(163,048)
Proceeds from senior secured notes	151,670	—
Repayment of senior secured notes	(10,000)	—
Proceeds from issuance of convertible senior notes	172,500	—
Repayment of preferred equity certificates	(39,743)	—
Payment of convertible hedge transactions	(18,113)	—
Taxes paid related to net share settlement of equity awards	(9,270)	(2,287)
Excess tax benefit from stock-based payment arrangements	5,238	3,600
Other	(1,073)	232
Net cash provided by financing activities	264,660	227,064
Net increase in cash and cash equivalents	90,132	11,216
Effect of exchange rate changes on cash	2,514	—
Cash and cash equivalents, beginning of period	17,510	8,047
Cash and cash equivalents, end of period	$ 110,156	$ 19,263
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 48,243	$ 18,634
Cash paid for income taxes	54,499	36,840
Supplemental schedule of non-cash investing and financing activities:		
Fixed assets acquired through capital lease	1,189	2,817

See accompanying notes to condensed consolidated financial statements

ENCORE CAPITAL GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Ownership, Description of Business and Summary of Significant Accounting Policies

Encore Capital Group, Inc. ("Encore"), through its subsidiaries (collectively, the "Company"), is a global leading provider of debt recovery solutions for consumers and property owners across a broad range of financial assets. The Company purchases portfolios of defaulted consumer receivables at deep discounts to face value and manages them by working with individuals as they repay their obligations and work toward financial recovery. Defaulted receivables are consumers' unpaid financial commitments to credit originators, including banks, credit unions, consumer finance companies, commercial retailers, and telecommunication companies. Defaulted receivables may also include receivables subject to bankruptcy proceedings. Encore's subsidiary, Janus Holdings Luxembourg S.a.r.l. ("Janus Holdings"), through its indirectly held United Kingdom based subsidiary Cabot Credit Management Limited ("Cabot"), is a market leader in debt management in the United Kingdom specializing in higher balance, "semi-performing" accounts. In addition, through Encore's subsidiary, Propel Financial Services, LLC ("Propel"), the Company assists Texas and Nevada property owners who are delinquent on their property taxes by paying these taxes on behalf of the property owners in exchange for payment agreements collateralized by the existing tax liens on the property. Propel also acquires tax lien certificates directly from taxing authorities outside of Texas.

Portfolio Purchasing and Recovery

United States. The Company purchases receivable portfolios based on robust, account-level valuation methods and employs a suite of proprietary statistical and behavioral models across the full extent of its operations. These investments allow the Company to value portfolios accurately (and limit the risk of overpaying), avoid buying portfolios that are incompatible with its methods or goals and precisely align the accounts it purchases with its operational channels to maximize future collections. As a result, the Company has been able to realize significant returns from the receivables it acquires. The Company maintains strong relationships with many of the largest credit and telecommunication providers, and possesses one of the industry's best collection staff retention rates.

The Company uses insights discovered during its purchasing process to build account collection strategies. The Company's proprietary consumer-level collectability analysis is the primary determinant of whether an account will be actively serviced post-purchase. The Company continuously refines this analysis to determine the most effective collection strategy to pursue for each account it owns. After the Company's preliminary analysis, it seeks to collect on only a fraction of the accounts it purchases, through one or more of its collection channels. The channel identification process is analogous to a funneling system, where the Company first differentiates those consumers who it believes are not able to pay from those who are able to pay. Consumers who the Company believes are financially incapable of making any payments, facing extenuating circumstances or hardships (such as medical issues), serving in the military, or currently receiving social security as their only source of income are excluded from the next step of its collection process and are designated as inactive. The remaining pool of accounts in the funnel then receives further evaluation. At that point, the Company analyzes and determines a consumer's perceived willingness to pay. Based on that analysis, the Company will pursue collections through letters and/or phone calls to its consumers. Despite its efforts to reach consumers and work out a settlement option, only a small number of consumers who are contacted choose to engage with the Company. Those who do are often offered deep discounts on their obligations, or are presented with payment plans that are better suited to meet their daily cash flow needs. The majority of contacted consumers, however, ignore both the Company's calls and letters, and therefore the Company must then make the difficult decision whether or not to pursue collections through legal means.

The Company continually monitors applicable changes to laws governing statutes of limitations and disclosures to consumers. The Company maintains policies, system controls, and processes designed to ensure that accounts past the applicable statute of limitations do not get placed into legal collections. Additionally, in written and verbal communications with consumers, the Company provides disclosures to the consumer that the account is past its applicable statute of limitations and, therefore, the Company will not pursue collections through legal means.

United Kingdom. Through Cabot, portfolio receivables are purchased using a proprietary pricing model. This model allows Cabot to value portfolios with a high degree of accuracy and quantify portfolio performance in order to maximize future collections. As a result, Cabot has been able to realize significant returns from the assets it has acquired. Cabot maintains strong relationships with many of the largest financial service providers in the United Kingdom.

Cabot also uses insights discovered during its purchasing process to build account collection strategies. Cabot's proprietary consumer-level collectability analysis is the primary determinant of how an account will be serviced post-purchase. Cabot continuously refines this analysis to determine the most effective collection strategy to pursue for each account it owns. In recent years, Cabot has concentrated on buying portfolios that are described as semi-performing in which over 50% of accounts have made a payment in three of the last four months immediately prior to the portfolio purchase. Cabot will try to establish contact with these consumers in order to transfer payment arrangements and gauge the willingness of these consumers to pay. Consumers who Cabot believes are financially incapable of making any payments, those having negative disposable income, or those experiencing hardships (such as medical issues or mental incapacity), are placed on hold and handled outside of normal collections routines.

The remaining pool of accounts in the funnel then receives further evaluation. At that point, Cabot analyzes and determines a consumer's perceived willingness to pay. Based on that analysis, Cabot pursues collections through letters and/or phone calls to its consumers. Where contact is made and consumers indicate a willingness to pay, a patient approach of forbearance is applied using regulatory protocols within the United Kingdom to assess affordability and ensure that plans are fair and balanced and therefore sustainable.

Where consumers are not locatable or refuse to engage in a constructive dialogue, Cabot will pass these accounts through a litigation scorecard and rule set in order to assess suitability for legal action.

Tax Lien Business

Propel's principal activities are the acquisition and servicing of residential and commercial tax liens on real property. These liens take priority over most other liens. By funding tax liens, Propel provides state and local taxing authorities and governments with much needed tax revenue. To the extent permitted by local law, Propel works with property owners to structure affordable payment plans designed to allow them to keep their property while paying their property tax obligation over time. Propel maintains a foreclosure rate of less than one-half of one percent.

Propel's receivables secured by property tax liens include tax lien transfers ("TLTs") and tax lien certificates ("TLCs"). With TLTs, property owners choose to have the taxing authority transfer their tax lien to Propel. Propel pays their tax lien obligation to the taxing authority and the property owner pays Propel over time at a lower interest rate than is being assessed by the taxing authority. TLTs provide property owners with repayment plans that are both affordable and flexible when compared with other payment options. Propel also purchases TLCs directly from taxing authorities, securing rights to future property tax payments, interest and penalties. In most cases, TLCs continue to be serviced by the taxing authority. When the taxing authority is paid, it repays the Company the outstanding balance of the lien plus interest, which is negotiated at the time of the purchase.

Financial Statement Preparation and Presentation

The accompanying interim condensed consolidated financial statements have been prepared by Encore, without audit, in accordance with the instructions to the Quarterly Report on Form 10-Q, and Rule 10-01 of Regulation S-X promulgated by the United States Securities and Exchange Commission (the "SEC") and, therefore, do not include all information and footnotes necessary for a fair presentation of its consolidated financial position, results of operations and cash flows in accordance with accounting principles generally accepted in the United States ("GAAP").

In the opinion of management, the unaudited financial information for the interim periods presented reflects all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of the Company's consolidated financial position, results of operations, and cash flows. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the Company's financial statements and the accompanying notes. Actual results could materially differ from those estimates.

Basis of Consolidation

The consolidated financial statements have been prepared in conformity with GAAP, and reflect the accounts and operations of the Company and those of its subsidiaries in which the Company has a controlling financial interest. The Company also consolidates Variable Interest Entities ("VIE"), for which it is the primary beneficiary. The primary beneficiary has both (a) the power to direct the activities of the VIE that most significantly affect the entity's economic performance, and (b) the obligation to absorb losses or the right to receive benefits. The Company has determined that its less than wholly owned subsidiary Janus Holdings is a VIE, and the Company is the primary beneficiary of the VIE. As a result, the financial results of Janus Holdings are consolidated under the VIE consolidation model. Refer to Note 12, "Variable Interest Entity," for further details. The Company evaluates its relationships with the VIE on an ongoing basis to ensure that it continues to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

Translation of Foreign Currencies

The financial statements of Janus Holdings are measured using their local currency Great British Pounds as the functional currency. Janus Holdings assets and liabilities are translated as of the end of the balance sheet date and revenue and expenses are translated at an average rate over the period. Currency translation adjustments are recorded as a component of other comprehensive income. Transaction gains and losses are included in other (expense) income.

Reclassifications

Certain immaterial amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation.

Note 2: Discontinued Operations

On May 16, 2012, the Company completed the sale of substantially all of the assets and certain of the liabilities of its bankruptcy servicing subsidiary, Ascension Capital Group, Inc. ("Ascension"), to a subsidiary of American InfoSource, L.P. ("AIS"). As part of the sale, the Company agreed to fund certain agreed-upon operating losses in the first year of AIS' ownership of the Ascension business, not to exceed $4.0 million. If the Ascension business becomes profitable under AIS' ownership, the Company will be paid an earn-out equal to 40% of Ascension's EBITDA for the first five years commencing May 16, 2012. The Company received no proceeds from the sale and recognized the entire $4.0 million loss contingency during the second quarter of 2012. Additionally, the Company did not receive any earn-out from AIS during the first year subsequent to the sale.

During the quarter ending September 30, 2013, the Company incurred $0.5 million in expense related to Ascension, which is presented as a discontinued operation in the Company's condensed consolidated statements of income for the three and nine months ended September 30, 2013 and 2012. The following table presents the revenue and loss from discontinued operations (*in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenue	$ —	$ —	$ —	$ 5,704
Loss from discontinued operations before income taxes	$ (500)	$ —	$ (500)	$(11,942)
Income tax benefit	192	—	192	4,678
Loss from discontinued operations	(308)	—	(308)	(7,264)
Loss on sale of discontinued operations, before income taxes	—	—	—	(2,416)
Income tax benefit	—	—	—	586
Loss on sale of discontinued operations	—	—	—	(1,830)
Total loss from discontinued operations	$ (308)	$ —	$ (308)	$ (9,094)

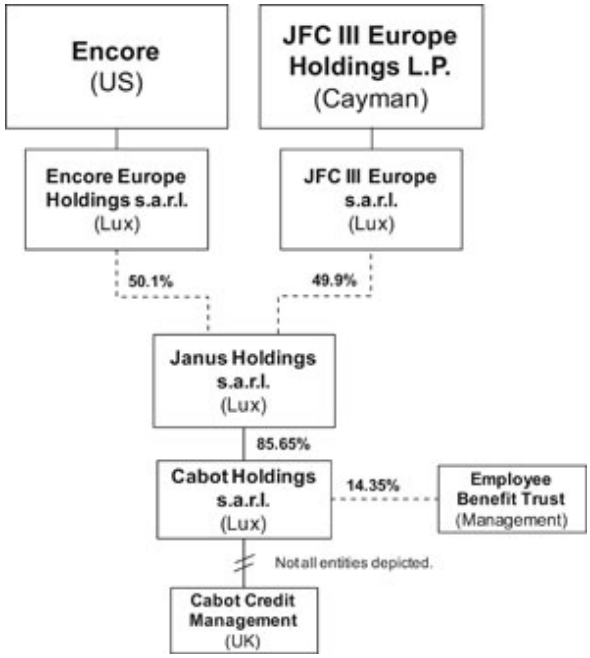
Note 3: Business Combinations

Cabot Acquisition

On July 1, 2013, the Company, through its wholly owned subsidiary Encore Europe Holdings S.a.r.l. ("Encore Europe"), completed its acquisition (the "Cabot Acquisition") of 50.1% of the equity interest in Janus Holdings, the indirect holding company of United Kingdom based Cabot from certain funds advised by J.C. Flowers & Co. LLC ("J.C. Flowers") pursuant to a Securities Purchase Agreement (as amended, the "Purchase Agreement"). Pursuant to the terms and conditions of the Purchase Agreement, Encore Europe purchased from J.C. Flowers: (i) E Bridge preferred equity certificates issued by Janus Holdings, with a face value of £10,218,574 (and any accrued interest thereof) (the "E Bridge PECs"), (ii) E preferred equity certificates issued by Janus Holdings with a face value of £96,729,661 (and any accrued interest thereof) (the "E PECs"), (iii) 3,498,563 E shares of Janus Holdings (the "E Shares"), and (iv) 100 A shares of Cabot Holdings S.a.r.l. (" Cabot Holdings"), the direct subsidiary of Janus Holdings, for an aggregate purchase price of approximately £115.1 million. The E Bridge PECs, E PECs, and E Shares represent 50.1% of all of the issued and outstanding equity and debt securities of Janus Holdings. The remaining 49.9% of Janus Holdings' equity and debt securities are owned by J.C. Flowers and include: (a) J Bridge preferred equity certificates with a face value of £10,177,781 (the "J Bridge PECs") (represents the amount after the partial redemption of the J Bridge PECs contemplated in the Purchase Agreement and discussed in Note 11, "Debt"), (b) J preferred equity certificates with a face value of £96,343,515 (the "J PECs"), (c) 3,484,597 J shares of Janus Holdings (the "J Shares"), and (d) 100 A shares of Cabot Holdings.

Through its acquisition of Janus Holdings, the Company's effective equity ownership of Cabot will amount to approximately 42.9%, after reflecting the ownership of the noncontrolling interests and the redemption or conversion of the E Bridge PECS and the J Bridge PECs. The E Bridge PECs and the J Bridge PECs may be redeemed at any time prior to June 18, 2014. Any E Bridge PECs and J Bridge PECs that remain unredeemed as of June 18, 2014 will be converted into E Shares and E PECs, or J Shares and J PECs, as the case may be, in proportion to the number of E Shares and E PECs, or J Shares and J PECs, as applicable, outstanding on the closing date of the Cabot Acquisition. The E Bridge PECs, E PECs, J Bridge PECs and J PECs accrue interest at 12% per annum.

The following diagram summarizes Cabot's corporate structure after the Company's completion of the Cabot Acquisition. Encore has no interest in the J.C. Flowers entities or the employee benefit trust and they are not included in the Company's consolidated financial statements.



The Cabot Acquisition was accounted for using the acquisition method of accounting and, accordingly, the tangible and intangible assets acquired and liabilities assumed were recorded at their estimated fair values as of the date of the acquisition. Fair value measurements have been applied based on assumptions that market participants would use in the pricing of the respective assets and liabilities. As of the date of this Quarterly Report on Form 10-Q, the Company is still finalizing the allocation of the purchase price. The initial purchase price allocation presented below was based on the preliminary assessment of assets acquired and liabilities assumed, which is subject to change based on the final valuation study that is expected to be completed by the second quarter of 2014.

The components of the preliminary purchase price allocation for the Cabot Acquisition are as follows (*in thousands*):

Purchase price:	
Cash paid at acquisition	$ 177,246
Allocation of purchase price:	
Cash	$ 57,520
Investment in receivable portfolios	558,951
Property and equipment	13,672
Other assets	20,772
Preferred equity certificates assumed	(211,549)
Debt assumed	(559,907)
Other liabilities assumed	(44,727)
Redeemable noncontrolling interests	(12,064)
Noncontrolling interests	(4,051)
Identifiable intangible assets	7,011
Goodwill	351,618
Total net assets acquired	$ 177,246

The goodwill recognized is primarily attributable to (i) the ability to capitalize on Cabot's existing operating platform to gain immediate access to the debt management business in Europe and (ii) substantial synergies that are expected to be achieved through Cabot's ability to leverage the Company's analytic capacities and efficient operating platform. The entire goodwill of $351.6 million related to the Cabot Acquisition was assigned to the Company's portfolio purchasing reporting unit and is not deductible for income tax purposes.

As discussed above, the Company purchased a majority interest in Janus Holdings. The Company has determined that Janus Holdings is a VIE and the Company is the primary beneficiary of the VIE. In accordance with authoritative guidance, the Company consolidates the financial results of Janus Holdings under the VIE consolidation model. The J Bridge PECs, J PECs, and any accrued interest are legal form debt, and are included as debt in the Company's consolidated financial statements. In addition, certain other minority owners hold preferred equity certificates at the Cabot Holdings level. These preferred equity certificates and accrued interests are also included as debt. The Company's preliminary valuation study indicated that the fair value of these preferred equity certificates approximates face value. The J shares represent noncontrolling interest at the Janus Holdings level, and the 100 A shares owned by J.C. Flowers represent noncontrolling interest at the Cabot Holdings level, and have been fair valued at the time of acquisition.

In connection with the Cabot Acquisition, the Company entered into an Investors Agreement with J.C. Flowers. Pursuant to the Investors Agreement, J.C. Flowers has the right, at certain times, to offer to sell its interest in Janus Holdings to the Company. The Company would then have the right, but not the obligation, to acquire J.C. Flowers' interest at the offered price, or allow J.C. Flowers to offer Janus Holdings for sale to others. As a result, the noncontrolling interests owned by J.C. Flowers have been reflected as redeemable noncontrolling interests in the accompanying condensed consolidated statements of financial condition. The remaining noncontrolling interests represent other minority owners' share of interests in Cabot Holdings.

Total acquisition and integration costs related to the Cabot Acquisition were approximately $3.3 million and $6.4 million for the three and nine months ended September 30, 2013, respectively, and have been expensed in the accompanying condensed consolidated statements of income within general and administrative expenses.

The amount of revenue and net income included in the Company's condensed consolidated statement of income for the three months ended September 30, 2013 directly related to the Cabot Acquisition, excluding the acquisition and integration costs, was $46.5 million and $4.4 million, respectively. The revenue and loss for the three months ended September 30, 2013 at Janus Holdings was $46.5 million and $1.4 million, respectively. This loss is due to the fact that Janus Holdings recognizes all interest expense related to the outstanding preferred equity certificates owed to Encore, J.C. Flowers, and management. The loss attributable to noncontrolling interests included in the Company's consolidated statement of income of $0.8 million for the three months ended September 30, 2013 represents the total loss at Janus Holdings of $1.4 million multiplied by the noncontrolling ownership interest of 57.1%. The difference of $5.8 million between what was included in the Company's financial statements and what was reported by Janus Holdings, represents Encore's share of preferred equity certificate interest income recognized at Encore Europe and the loss attributable to noncontrolling interests.

The following table summarizes the operating performance of Janus Holdings and Encore Europe *(in thousands)*:

	Three Months Ended September 30, 2013		
	Janus Holdings	Encore Europe	Encore Europe Consolidated
Total revenues	$ 46,472	$ —	$ 46,472
Total operating expenses	(23,640)	—	(23,640)
Income from operations	22,832	—	22,832
Interest expense – non-PEC	(12,319)	—	(12,319)
PEC interest (expense) income	(10,875)	4,998	(5,877)
Other income	96	—	96
(Loss) income before income taxes	(266)	4,998	4,732
Provision for income taxes	(1,174)	—	(1,174)
Net (loss) income	(1,440)	4,998	3,558
Net loss attributable to noncontrolling interests	822	—	822
Net (loss) income attributable to Encore	$ (618)	$ 4,998	$ 4,380

AACC Merger

On June 13, 2013, the Company completed its merger (the "AACC Merger") with Asset Acceptance Capital Corp. ("AACC"), a leading provider of debt management and recovery solutions in the United States. The purchase price consisted of $150.8 million in cash consideration and 1.7 million shares of Encore common stock valued at $37.30 per share. In addition, the Company paid off approximately $165.7 million of AACC debt on the closing date of the AACC Merger.

The AACC Merger was accounted for using the acquisition method of accounting and, accordingly, the tangible and intangible assets acquired and liabilities assumed were recorded at their estimated fair values as of the date of the merger. Fair value measurements have been applied based on assumptions that market participants would use in the pricing of the respective assets and liabilities. As of the date of this Quarterly Report on Form 10-Q, the Company is still finalizing the allocation of the purchase price. The initial purchase price allocation presented below was based on the preliminary assessment of assets acquired and liabilities assumed, which is subject to change based on the final valuation study that is expected to be completed by the second quarter of 2014.

The components of the preliminary purchase price allocation for the AACC Merger are as follows (*in thousands*):

Purchase price:	
Cash paid at acquisition	$ 316,485
Stock consideration	62,352
Total purchase price	$ 378,837
Allocation of purchase price:	
Cash	$ 23,156
Investment in receivable portfolios	381,233
Deferred court costs	6,141
Property and equipment	11,003
Other assets	16,004
Liabilities assumed	(128,341)
Identifiable intangible assets	1,470
Goodwill	68,171
Total net assets acquired	$ 378,837

The entire goodwill of $68.2 million related to AACC was assigned to the Company's portfolio purchasing reporting unit and is not deductible for income tax purposes. The goodwill recognized is primarily attributable to expected synergies when combining AACC with the Company.

Total acquisition and integration costs related to the AACC Merger were approximately $1.8 million and $7.9 million for the three and nine months ended September 30, 2013, respectively, and were expensed in the accompanying condensed consolidated statements of income within general and administrative expenses. The amount of revenue and net income included in the Company's condensed consolidated statement of income for the three months ended September 30, 2013 related to AACC was $49.1 million and $7.3 million, respectively. The amount of revenue and net income included in the Company's condensed consolidated statement of income for the nine months ended September 30, 2013 related to AACC was $59.1 million and $8.2 million, respectively.

The following summary presents unaudited pro forma consolidated results of operations for the three and nine months ended September 30, 2013 and 2012 as if the Cabot Acquisition and AACC Merger had occurred on January 1, 2012. The following unaudited pro forma financial information does not necessarily reflect the actual results that would have occurred had Encore, Cabot, and AACC been combined during the periods presented, nor is it necessarily indicative of the future results of operations of the combined companies (*in thousands*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Consolidated pro forma revenue	$ 235,558	$ 236,693	$ 712,237	$ 693,718
Consolidated pro forma income from continuing operations attributable to Encore	22,194	27,743	68,731	75,928

Note 4: Earnings per Share

Basic earnings per share is calculated by dividing net earnings attributable to Encore by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is calculated on the basis of the weighted average number of

shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options, restricted stock, and the dilutive effect of the convertible senior notes.

A reconciliation of shares used in calculating earnings per basic and diluted shares follows *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Weighted average common shares outstanding – basic	25,535	25,071	24,323	24,930
Dilutive effect of stock-based awards	843	976	940	990
Dilutive effect of convertible senior notes	805	—	298	—
Weighted average common shares outstanding – diluted	27,183	26,047	25,561	25,920

No anti-dilutive employee stock options were outstanding during the three and nine months ended September 30, 2013. Employee stock options to purchase approximately 210,000 and 335,000 shares of common stock during the three and nine months ended September 30, 2012, respectively, were outstanding but not included in the computation of diluted earnings per share because the effect on diluted earnings per share would be anti-dilutive.

For the three and nine months ended September 30, 2013, diluted earnings per share includes the effect of common shares issuable upon conversion of the Company's convertible senior notes due 2017. During the periods, the notes were convertible at a conversion price equivalent to approximately $31.56 per share of the Company's common stock as a result of the conditions of the notes. As a result, the amount in excess of the principal is presumed to be settled in common shares and is reflected in the calculation of diluted earnings per share. However, as described in Note 11, "Debt—Convertible Senior Notes—2017 Convertible Senior Notes," the convertible note hedge transactions and warrant transactions entered into in connection with the notes have the effect of increasing the effective conversion price of those notes to $44.1875 per share. For the three and nine months ended September 30, 2012, the Company's convertible senior notes were not convertible at a premium and thus the impact of an assumed conversion was not applicable.

In conjunction with the issuance of convertible senior notes due 2017, the Company sold warrants to purchase approximately 3.6 million shares of its common stock. As of September 30, 2013, all of these warrants were outstanding but were not included in the computation of diluted earnings per share because the warrants' exercise price of $44.1875 was greater than the average share price of the Company's common stock during the three and nine months ended September 30, 2013; therefore, the effect of the warrants was anti-dilutive for those periods.

Note 5: Fair Value Measurements

The authoritative guidance for fair value measurements defines fair value as the price that would be received upon sale of an asset or the price paid to transfer a liability, in an orderly transaction between market participants at the measurement date (*i.e.,* the "exit price"). The guidance utilizes a fair value hierarchy that prioritizes the inputs used in valuation techniques to measure fair value into three broad levels. The following is a brief description of each level:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs, including inputs that reflect the reporting entity's own assumptions.

Financial Instruments Required To Be Carried At Fair Value

Financial assets and liabilities measured at fair value on a recurring basis are summarized below (*in thousands*):

	Fair Value Measurements as of September 30, 2013			
	Level 1	Level 2	Level 3	Total
Assets				
Interest rate cap	$ —	$ 206	$ —	$ 206
Liabilities				
Interest rate swap agreements	$ —	$ (139)	$ —	$ (139)
Foreign currency exchange contracts	—	(5,567)	—	(5,567)
Temporary Equity				
Redeemable noncontrolling interests	$ —	$ —	$ (12,231)	$ (12,231)

	Fair Value Measurements as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Liabilities				
Interest rate swap agreements	$ —	$ (645)	$ —	$ (645)
Foreign currency exchange contracts	—	(2,010)	—	(2,010)

Derivative Contracts:

The Company uses derivative instruments to minimize its exposure to fluctuations in interest rates and foreign currency exchange rates. The Company's derivative instruments primarily include interest rate swap agreements and foreign currency exchange contracts. Fair values of these derivative instruments are estimated using industry standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves, foreign currency exchange rates, and forward and spot prices for currencies.

Redeemable Noncontrolling Interests:

As discussed in Note 3, "Business Combinations," the minority shareholder in the Company's Janus Holdings subsidiary, J.C. Flowers, has the right, at certain times, to offer to sell its interest in Janus Holdings to the Company. The Company would then have the right, but not the obligation, to acquire J.C. Flowers' interest at the offered price, or allow J.C. Flowers to offer Janus Holdings for sale to others. The noncontrolling interests subject to this arrangement are included in temporary equity as redeemable noncontrolling interests, and are adjusted to their estimated redemption amounts each reporting period with a corresponding adjustment to additional paid-in capital. Future reductions in the carrying amounts are subject to a "floor" amount that is equal to the fair value of the redeemable noncontrolling interests at the time they were originally recorded. The recorded value of the redeemable noncontrolling interests cannot go below the floor level. These adjustments will not affect the calculation of earnings per share. There is no change in fair value of the redeemable noncontrolling interests for the three months ended September 30, 2013. The components of the change in the redeemable noncontrolling interests for the periods ended September 30, 2013 are presented in the following table:

	September 30, 2013
Balance at beginning of period	$ —
Initial redeemable noncontrolling interest related to business combination	12,064
Net loss attributable to redeemable noncontrolling interests	(615)
Effect of foreign currency translation attributable to redeemable noncontrolling interests	782
Balance at end of period	$ 12,231

Financial Instruments Not Required To Be Carried At Fair Value

Investment in Receivable Portfolios:

The Company records its investment in receivable portfolios at cost, which represents a significant discount from the contractual receivable balances due. The Company computes the fair value of its investment in receivable portfolios by discounting the estimated future cash flows generated by its proprietary forecasting models, using an estimated market participant cost to collect of approximately 50.3% and a discount rate of approximately 12.0% for United States portfolios and an estimated market participant cost to collect of approximately 29.7% and a discount rate of approximately 18.2% for United Kingdom portfolios. Using this method, the fair value of investment in receivable portfolios approximates book value as of September 30, 2013 and December 31, 2012, respectively. A 100 basis point fluctuation in the cost to collect and discount rate used would result in an increase or decrease in the fair value by approximately $37.9 million and $18.3 million, respectively, as of September 30, 2013. This fair value calculation does not represent, and should not be construed to represent, the underlying value of the Company or the amount which could be realized if its investment in receivable

portfolios were sold. The carrying value of the investment in receivable portfolios was $1.6 billion and $873.1 million as of September 30, 2013 and December 31, 2012, respectively.

Deferred Court Costs:

The Company capitalizes deferred court costs and provides a reserve for those costs that it believes will ultimately be uncollectible. The carrying value of net deferred court costs approximates fair value.

Receivables Secured By Property Tax Liens:

The fair value of receivables secured by property tax liens is estimated as follows: for TLT receivables, the fair value is estimated by discounting the future cash flows of the portfolio using a discount rate equivalent to the current rate at which similar portfolios would be originated and; for TLC receivables, the fair value is estimated by discounting the expected future cash flows of the portfolio using a discount rate equivalent to the interest rate expected when acquiring these certificates. The carrying value of receivables secured by property tax liens approximates fair value. Additionally, the carrying value of the related interest receivable also approximates fair value.

Debt:

Encore's senior secured notes and borrowings under its revolving credit and term loan facilities are carried at historical amount, adjusted for additional borrowings less principal repayments, which approximate fair value.

Encore's convertible senior notes are carried at historical cost, adjusted for the debt discount. The carrying value of the convertible senior notes was $287.5 million, net of debt discount of $43.8 million, and $115.0 million, net of debt discount of $14.4 million as of September 30, 2013 and December 31, 2012, respectively. The fair value estimate for these convertible senior notes incorporates quoted market prices, which was approximately $384.7 million and $128.3 million as of September 30, 2013 and December 31, 2012, respectively.

Cabot's senior secured notes due 2019 are carried at the fair value determined at the time of the Cabot Acquisition. Cabot's senior secured notes due 2020 are carried at historical cost. The carrying values of both the Cabot senior secured notes approximate their respective fair values.

Cabot's senior revolving credit facility is carried at historical costs, adjusted for additional borrowings less principal repayments, which approximate fair value.

The Company's preferred equity certificates are legal obligations to the noncontrolling shareholders at its Janus Holdings and Cabot Holdings subsidiaries. They are carried at the face amount, plus any accrued interest. The Company determined, at the time of the Cabot Acquisition and at September 30, 2013, that the carrying value of these preferred equity certificates approximates fair value.

Note 6: Derivatives and Hedging Instruments

The Company uses derivative instruments to manage risks related to interest rates and foreign currency. The Company's outstanding interest rate swap contracts and foreign currency exchange contracts qualify for hedge accounting treatment under the authoritative guidance for derivatives and hedging. The Company's Cabot subsidiary also holds an interest rate cap that is used to manage its risk related to interest rate fluctuations. The Company does not apply hedge accounting on the interest rate cap contract. The impact of the interest rate cap contract to the Company's consolidated financial statements for the three months ended September 30, 2013, was immaterial.

Interest Rate Swaps

The Company may periodically enter into derivative financial instruments, typically interest rate swap agreements, to reduce its exposure to fluctuations in interest rates on variable interest rate debt and their impact on earnings and cash flows. As of September 30, 2013, the Company had three interest rate swap agreements outstanding with a total notional amount of $75.0 million. Under the swap agreements, the Company receives floating interest rate payments based on one-month reserve-adjusted LIBOR and makes interest payments based on fixed interest rates. The Company intends to continue electing the one-month reserve-adjusted LIBOR as the benchmark interest rate on the debt being hedged through its term. No credit spread was hedged. The Company designates its interest rate swap instruments as cash flow hedges.

The authoritative accounting guidance requires companies to recognize derivative instruments as either an asset or liability measured at fair value in the statement of financial position. The effective portion of the change in fair value of the derivative instrument is recorded in other comprehensive income ("OCI"). The ineffective portion of the change in fair value of the derivative instrument, if any, is recognized in interest expense in the period of change. From the inception of the hedging program, the Company has determined that the hedging instruments are highly effective.

Foreign Currency Exchange Contracts

The Company has operations in India, which exposes the Company to foreign currency exchange rate fluctuations due to transactions denominated in Indian rupees, such as employee salaries and rent expenditures. To mitigate this risk, the Company enters into derivative financial instruments, principally forward contracts, which are designated as cash flow hedges, to mitigate fluctuations in the cash payments of future forecasted transactions in Indian rupees for up to 36 months. The Company adjusts the level and use of derivatives as soon as practicable after learning that an exposure has changed and reviews all exposures and derivative positions on an ongoing basis.

Gains and losses on cash flow hedges are recorded in OCI until the hedged transaction is recorded in the consolidated financial statements. Once the underlying transaction is recorded in the consolidated financial statements, the Company reclassifies the OCI on the derivative into earnings. If all or a portion of the forecasted transaction is cancelled, this would render all or a portion of the cash flow hedge ineffective and the Company would reclassify the ineffective portion of the hedge into earnings. The Company generally does not experience ineffectiveness of the hedge relationship and the accompanying consolidated financial statements do not include any such gains or losses.

As of September 30, 2013, the total notional amount of the forward contracts to buy Indian rupees in exchange for United States dollars was $52.8 million. As of September 30, 2013, all outstanding contracts qualified for hedge accounting treatment. The Company estimates that approximately $2.2 million of net derivative loss included in OCI will be reclassified into earnings within the next 12 months. No gains or losses were reclassified from OCI into earnings as a result of forecasted transactions that failed to occur during the three and nine months ended September 30, 2013 and 2012.

The Company may periodically enter into other foreign currency exchange contracts to mitigate its risk that cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. In anticipation of the Cabot Acquisition, on June 7, 2013, the Company entered into a European style zero-cost collar foreign exchange contract with a notional amount of £132.1 million (approximately $206.0 million), which was equal to the anticipated purchase price for the Cabot Acquisition. The collar was set to expire on August 13, 2013, which was the anticipated date of closing of the Cabot Acquisition. The collar was used to offset the risk of changes in the foreign exchange rate relating to the purchase price for the Company's interest in Janus Holdings. The Company did not apply hedge accounting on this foreign exchange contract. Due to the early closing of the Cabot Acquisition, the foreign exchange contract was terminated on June 28, 2013 at a loss of $3.6 million, which was recorded as other expenses in the Company's condensed consolidated statements of income in the second quarter of 2013 and is included in the nine months ended September 30, 2013. This foreign exchange loss was offset by a decrease in the estimated purchase price for Cabot of approximately $4.3 million.

The Company does not enter into derivative instruments for trading or speculative purposes.

The following table summarizes the fair value of derivative instruments as recorded in the Company's condensed consolidated statements of financial condition *(in thousands):*

	September 30, 2013		December 31, 2012	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate swaps	Other liabilities	$ (139)	Other liabilities	$ (645)
Foreign currency exchange contracts	Other liabilities	(5,567)	Other liabilities	(2,010)
Derivatives not designated as hedging instruments:				
Interest rate cap	Other assets	206		

	Gain or (Loss) Recognized in OCI-Effective Portion		Location of Gain or (Loss) Reclassified from OCI into Income - Effective Portion	Gain or (Loss) Reclassified from OCI into Income - Effective Portion		Location of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	
	Three Months Ended September 30,			Three Months Ended September 30,			Three Months Ended September 30,	
	2013	2012		2013	2012		2013	2012
Interest rate swaps	$ 132	$ 62	Interest expense	$ —	$ —	Other (expense) income	$—	$—
Foreign currency exchange contracts	(1,871)	2,131	Salaries and employee benefits	(622)	(389)	Other (expense) income	—	—
Foreign currency exchange contracts	(381)	377	General and administrative expenses	(119)	(69)	Other (expense) income	—	—

	Gain or (Loss) Recognized in OCI-Effective Portion		Location of Gain or (Loss) Reclassified from OCI into Income - Effective Portion	Gain or (Loss) Reclassified from OCI into Income - Effective Portion		Location of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain or (Loss) Recognized - Ineffective Portion and Amount Excluded from Effectiveness Testing	
	Nine Months Ended September 30,			Nine Months Ended September 30,			Nine Months Ended September 30,	
	2013	2012		2013	2012		2013	2012
Interest rate swaps	$ 506	$ (9)	Interest expense	$ —	$ —	Other (expense) income	$—	$—
Foreign currency exchange contracts	(3,809)	(69)	Salaries and employee benefits	(890)	(946)	Other (expense) income	—	—
Foreign currency exchange contracts	(809)	173	General and administrative expenses	(171)	(164)	Other (expense) income	—	—

Note 7: Investment in Receivable Portfolios, Net

In accordance with the authoritative guidance for loans and debt securities acquired with deteriorated credit quality, discrete receivable portfolio purchases during a quarter are aggregated into pools based on common risk characteristics. Once a static pool is established, the portfolios are permanently assigned to the pool. The discount (*i.e.*, the difference between the cost of each static pool and the related aggregate contractual receivable balance) is not recorded because the Company expects to collect a relatively small percentage of each static pool's contractual receivable balance. As a result, receivable portfolios are recorded at cost at the time of acquisition. The purchase cost of the portfolios includes certain fees paid to third parties incurred in connection with the direct acquisition of the receivable portfolios.

In compliance with the authoritative guidance, the Company accounts for its investments in receivable portfolios using either the interest method or the cost recovery method. The interest method applies an internal rate of return ("IRR") to the cost basis of the pool, which remains unchanged throughout the life of the pool, unless there is an increase in subsequent expected cash flows. Subsequent increases in expected cash flows are generally recognized prospectively through an upward adjustment of the pool's IRR over its remaining life. Subsequent decreases in expected cash flows do not change the IRR, but are recognized as an allowance to the cost basis of the pool, and are reflected in the consolidated statements of comprehensive income as a reduction in revenue, with a corresponding valuation allowance, offsetting the investment in receivable portfolios in the consolidated statements of financial condition.

The Company utilizes its proprietary forecasting models to continuously evaluate the economic life of each pool. The collection forecast of each pool is generally estimated to be between 84 to 96 months based on the expected collection period of each pool (up to 120 months for Cabot's semi-performing pools). The Company often experiences collections beyond the 84 to 96 month collection forecast. As of September 30, 2013, the total estimated remaining collections beyond the 84 to 96 month collection forecast, which are not

included in the calculation of the Company's IRRs, were $142.6 million. The collection forecast estimates for Cabot include a 120 month collection period which is included in its estimated remaining collections and is used for calculating its IRRs.

The Company accounts for each static pool as a unit for the economic life of the pool (similar to one loan) for recognition of revenue from receivable portfolios, for collections applied to the cost basis of receivable portfolios, and for provision for loss or allowance. Revenue from receivable portfolios is accrued based on each pool's IRR applied to each pool's adjusted cost basis. The cost basis of each pool is increased by revenue earned and decreased by gross collections and portfolio allowances.

If the amount and timing of future cash collections on a pool of receivables are not reasonably estimable, the Company accounts for such portfolios on the cost recovery method as Cost Recovery Portfolios. The accounts in these portfolios have different risk characteristics than those included in other portfolios acquired during the same quarter, or the necessary information was not available to estimate future cash flows and, accordingly, they were not aggregated with other portfolios. Under the cost recovery method of accounting, no income is recognized until the purchase price of a Cost Recovery Portfolio has been fully recovered.

Accretable yield represents the amount of revenue the Company expects to generate over the remaining life of its existing investment in receivable portfolios based on estimated future cash flows. Total accretable yield is the difference between future estimated collections and the current carrying value of a portfolio. All estimated cash flows on portfolios where the cost basis has been fully recovered are classified as zero basis cash flows.

The following table summarizes the Company's accretable yield and an estimate of zero basis future cash flows at the beginning and end of the period presented *(in thousands)*:

	Accretable Yield	Estimate of Zero Basis Cash Flows	Total
Balance at December 31, 2012	$ 984,944	$ 17,366	$ 1,002,310
Revenue recognized, net	(135,072)	(5,611)	(140,683)
Net additions to existing portfolios[1]	173,634	7,061	180,695
Additions for current purchases[1]	66,808	—	66,808
Balance at March 31, 2013	$ 1,090,314	$ 18,816	$ 1,109,130
Revenue recognized, net	(144,186)	(7,838)	(152,024)
Net additions to existing portfolios[1]	30,458	10,784	41,242
Additions for current purchases[1], [2]	645,865	—	645,865
Balance at June 30, 2013	$ 1,622,451	$ 21,762	$ 1,644,213
Revenue recognized, net	(218,182)	(7,205)	(225,387)
Net additions to existing portfolios[1]	29,101	3,048	32,149
Additions for current purchases[1], [2]	975,380	—	975,380
Balance at September 30, 2013	$ 2,408,750	$ 17,605	$ 2,426,355

	Accretable Yield	Estimate of Zero Basis Cash Flows	Total
Balance at December 31, 2011	$ 821,527	$ 32,676	$ 854,203
Revenue recognized, net	(119,340)	(7,065)	(126,405)
Net additions to existing portfolios[1]	131,039	3,608	134,647
Additions for current purchases[1]	119,533	—	119,533
Balance at March 31, 2012	$ 952,759	$ 29,219	$ 981,978
Revenue recognized, net	(131,624)	(7,107)	(138,731)
Net additions to existing portfolios[1]	77,473	13,738	91,211
Additions for current purchases[1]	178,332	—	178,332
Balance at June 30, 2012	$ 1,076,940	$ 35,850	$ 1,112,790
Revenue recognized, net	(134,295)	(6,387)	(140,682)
Net additions to existing			

portfolios[1]	71,730	(2,041)	69,689
Additions for current purchases[1]	36,387	—	36,387
Balance at September 30, 2012	$ 1,050,762	$ 27,422	$ 1,078,184

(1) Estimated remaining collections and accretable yield include anticipated collections beyond the 84 to 96 month collection forecast for United States portfolios.
(2) Includes $381.2 million of portfolios acquired in connection with the AACC Merger and $559.0 million of portfolios acquired in connection with the Cabot Acquisition discussed in Note 3, "Business Combinations."

During the three months ended September 30, 2013, the Company purchased receivable portfolios with a face value of $13.4 billion for $617.9 million, or a purchase cost of 4.6% of face value. Purchases of charged-off credit card, telecom and consumer bankruptcy portfolios include $559.0 million of portfolios acquired in conjunction with the Cabot Acquisition. The estimated future collections at acquisition for all portfolios purchased during the quarter amounted to $1.5 billion.

During the nine months ended September 30, 2013, the Company purchased receivable portfolios with a face value of $83.9 billion for $1.1 billion, or a purchase cost of 1.3% of face value. Purchases of charged-off credit card, telecom and consumer bankruptcy portfolios include $559.0 million of portfolios acquired in conjunction with the Cabot Acquisition and $381.2 million acquired in conjunction with the AACC Merger. The lower purchase rate for the nine months ended September 30, 2013 is due to the portfolio acquired in conjunction with the AACC Merger, which included all portfolios owned, including accounts that have no value and which the Company has no intention to collect. No-value accounts would typically not be included in a portfolio purchase transaction, as the sellers would remove them from the sale file. The estimated future collections at acquisition for all portfolios purchased during the nine months ended September 30, 2013, amounted to $2.6 billion.

During the three months ended September 30, 2012, the Company purchased receivable portfolios with a face value of $1.1 billion for $47.3 million, or a purchase cost of 4.5% of face value. The estimated future collections at acquisition for these portfolios amounted to $80.4 million. During the nine months ended September 30, 2012, the Company purchased receivable portfolios with a face value of $10.0 billion for $408.8 million, or a purchase cost of 4.1% of face value. The estimated future collections at acquisition for these portfolios amounted to $717.3 million.

All collections realized after the net book value of a portfolio has been fully recovered ("Zero Basis Portfolios") are recorded as revenue ("Zero Basis Revenue"). During the three months ended September 30, 2013 and 2012, Zero Basis Revenue was approximately $4.2 million and $5.5 million, respectively. During the nine months ended September 30, 2013 and 2012, Zero Basis Revenue was approximately $13.6 million and $17.6 million, respectively.

The following tables summarize the changes in the balance of the investment in receivable portfolios during the following periods (*in thousands, except percentages*):

	Three Months Ended September 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Purchases of receivable portfolios[1]	616,779	1,073	—	617,852
Gross collections[2]	(371,482)	(983)	(7,205)	(379,670)
Put-backs and recalls	(755)	(242)	—	(997)
Foreign currency adjustments	36,372	—	—	36,372
Revenue recognized	218,182	—	4,227	222,409
Portfolio allowances reversals, net	—	—	2,978	2,978
Balance, end of period	$ 1,590,018	$ 5,624	$ —	$ 1,595,642
Revenue as a percentage of collections[3]	58.7%	0.0%	58.7%	58.6%

	Three Months Ended September 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 869,859	$ —	$ —	$ 869,859
Purchases of receivable portfolios	47,311	—	—	47,311
Gross collections[2]	(239,577)	—	(6,388)	(245,965)
Put-backs and recalls	(267)	—	—	(267)
Revenue recognized	134,496	—	5,469	139,965
(Portfolio allowances) portfolio allowance reversals, net	(202)	—	919	717
Balance, end of period	$ 811,620	$ —	$ —	$ 811,620
Revenue as a percentage of collections[3]	56.1%	0.0%	85.6%	56.9%

	Nine Months Ended September 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 873,119	$ —	$ —	$ 873,119
Purchases of receivable portfolios[1]	1,098,663	1,073	—	1,099,736
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(905,751)	(1,825)	(20,652)	(928,228)
Put-backs and recalls	(2,512)	(273)	(2)	(2,787)
Foreign currency adjustments	35,708	—	—	35,708
Revenue recognized	496,804	—	13,632	510,436
Portfolio allowances reversals, net	636	—	7,022	7,658
Balance, end of period	$ 1,590,018	$ 5,624	$ —	$ 1,595,642
Revenue as a percentage of collections[3]	54.8%	0.0%	66.0%	55.0%

	Nine Months Ended September 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 716,454	$ —	$ —	$ 716,454
Purchases of receivable portfolios	408,757	—	—	408,757
Gross collections[2]	(696,957)	—	(20,560)	(717,517)
Put-backs and recalls	(1,892)	—	—	(1,892)
Revenue recognized	386,685	—	17,627	404,312
(Portfolio allowances) portfolio allowance reversals, net	(1,427)	—	2,933	1,506
Balance, end of period	$ 811,620	$ —	$ —	$ 811,620
Revenue as a percentage of collections[3]	55.5%	0.0%	85.7%	56.3%

(1) Purchases of portfolio receivables include $381.2 million acquired in connection with the AACC Merger in June 2013 and $559.0 million acquired in connection with the Cabot Acquisition in July 2013 discussed in Note 3, "Business Combinations."

(2) Does not include amounts collected on behalf of others.

(3) Revenue as a percentage of collections excludes the effects of net portfolio allowances or net portfolio allowance reversals.

The following table summarizes the change in the valuation allowance for investment in receivable portfolios during the periods presented (*in thousands*):

	Valuation Allowance			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Balance at beginning of period	$ 100,593	$ 108,705	$ 105,273	$ 109,494
Provision for portfolio allowances	—	1,616	479	5,491
Reversal of prior allowances	(2,978)	(2,333)	(8,137)	(6,997)
Balance at end of period	$ 97,615	$ 107,988	$ 97,615	$ 107,988

The Company currently utilizes various business channels for the collection of its receivables. The following table summarizes the total collections by collection channel and geographic area *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
United States:				
Legal collections	$ 153,556	$ 111,334	$ 409,511	$ 335,782
Collection sites	119,080	116,928	362,495	338,439
Collection agencies [1]	39,607	17,715	88,795	43,344
Subtotal	312,243	245,977	860,801	717,565
United Kingdom:				
Collection sites	37,931	—	37,931	—
Collection agencies	29,496	—	29,496	—

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Subtotal	67,427	—	67,427	—
Total collections	$ 379,670	$ 245,977	$ 928,228	$ 717,565

(1) Collections through our collection agency channel in the United States include accounts subject to bankruptcy filings collected by others. Additionally, collection agency collections often include accounts purchased from a competitor where we maintain the collection agency servicing until the accounts can be recalled and placed in our collection channels.

Note 8: Receivables Secured by Property Tax Liens, Net

The Company's receivables secured by property tax liens include TLTs and TLCs. Repayment of the tax liens is generally dependent on the property owner but can also come through payments from other lien holders or foreclosure on the properties. The Company evaluates the entire portfolio of tax liens for impairment. The primary factor the Company uses to evaluate each receivable is the lien to value ratio, which is typically less than 15% and rarely exceeds 25%. The Company has not experienced any losses on receivables secured by property tax liens in its portfolio. In addition, management believes, based on the fact that the tax liens that collateralize the TLTs and TLCs are in a priority position over most other liens on the properties, that it will not experience any material losses on the ultimate collection of these receivables. Therefore, no allowance has been provided for as of September 30, 2013.

The following table presents the Company's aging analysis of receivables secured by tax liens as of September 30, 2013 and December 31, 2012 *(in thousands):*

	September 30, 2013	December 31, 2012
Current	$ 113,985	$ 101,052
31-60 days past due	12,500	10,175
61-90 days past due	4,269	1,982
> 90 days past due	24,530	21,891
Tax lien transfer	155,284	135,100
Tax lien certificates	30,906	—
	$ 186,190	$ 135,100

Note 9: Deferred Court Costs, Net

Within the United States, the Company contracts with a nationwide network of attorneys that specialize in collection matters. The Company generally refers charged-off accounts to its contracted attorneys when it believes the related consumer has sufficient assets to repay the indebtedness and has, to date, been unwilling to pay. In connection with the Company's agreement with the contracted attorneys, it advances certain out-of-pocket court costs ("Deferred Court Costs"). The Company capitalizes Deferred Court Costs in its consolidated financial statements and provides a reserve for those costs that it believes will ultimately be uncollectible. The Company determines the reserve based on its analysis of court costs that have been advanced and those that have been recovered. Historically, the Company wrote off Deferred Court Costs not recovered within three years of placement. However, as a result of a history of court cost recoveries beyond three years, the Company has determined that court costs are recovered over a longer period of time. As a result, in January 2013, on a prospective basis, the Company began increasing its deferral period from three years to five years. Collections received from these debtors are first applied against related court costs with the balance applied to the debtors' account.

Deferred Court Costs consist of the following as of the dates presented (*in thousands*):

	September 30, 2013	December 31, 2012
Court costs advanced	$ 365,714	$ 279,314
Court costs recovered	(132,750)	(94,827)
Court costs reserve	(193,960)	(149,080)
	$ 39,004	$ 35,407

A roll forward of the Company's court cost reserve is as follows (*in thousands*):

	Court Cost Reserve			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Balance at beginning of period	$ (176,094)	$ (132,780)	$ (149,080)	$ (130,454)
Provision for court costs	(17,866)	(13,378)	(44,880)	(37,536)
Write-off of reserve after the deferral period	—	5,651	—	27,483
Balance at end of period	$ (193,960)	$ (140,507)	$ (193,960)	$ (140,507)

Note 10: Other Assets

Other assets consist of the following (*in thousands*):

	September 30, 2013	December 31, 2012
Debt issuance costs, net of amortization	$ 29,275	$ 14,397
Prepaid income taxes	24,975	—
Deferred tax assets	13,229	—
Service fee receivable	12,662	—
Prepaid expenses	12,710	6,399
Identifiable intangible assets, net	10,481	487
Interest receivable	6,851	4,042
Security deposit—India building leases	2,405	1,696
Recoverable legal fees	2,573	1,521
Other	5,280	2,993
	$ 120,441	$ 31,535

Note 11: Debt

The Company is in compliance with all covenants under its financing arrangements. The components of the Company's consolidated debt and capital lease obligations are as follows *(in thousands)*:

	September 30, 2013	December 31, 2012
Encore revolving credit facility	$ 343,000	$ 258,000
Encore term loan facility	166,813	148,125
Encore senior secured notes	62,500	72,500
Encore convertible notes	287,500	115,000
Less: Debt discount	(43,846)	(14,442)
Propel TLT facility	131,292	117,601
Propel TLC facility	26,977	—
Cabot senior secured notes	591,081	—
Add: Debt premium	44,164	—
Preferred equity certificates	190,279	—
Capital lease obligations	6,920	9,252
	$ 1,806,680	$ 706,036

Encore Revolving Credit Facility and Term Loan Facility

Encore's Amended and Restated Credit Agreement (the "Restated Credit Agreement") includes a term loan facility tranche of $150.0 million, a six-month term loan facility tranche of $48.6 million, a revolving credit facility tranche of $613.9 million and an accordion feature that would allow the Company to increase the revolving credit facility by an additional $162.5 million. Including the accordion feature, the maximum amount that can be borrowed under the Restated Credit Agreement is $975.0 million. The term loan facility and the revolving credit facility have five-year maturities expiring in November 2017, except with respect to a $50.0 million subtranche of the term loan facility, which has a three-year maturity, expiring in November 2015. The $48.6 million six-month term loan facility tranche matures in November 2013. The Restated Credit Agreement includes several financial institutions and lenders and is led by an administrative agent.

The Restated Credit Agreement includes a basket to allow for investments in unrestricted subsidiaries and a subordinated debt basket of $300.0 million, among other things.

Provisions of the Restated Credit Agreement include, but are not limited to:

- A revolving loan of $613.9 million, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted London Interbank Offered Rate ("LIBOR"), plus a spread that ranges from, depending on the Company's cash flow leverage ratio, 250 to 300 basis points; or (2) Alternate Base Rate, plus a spread that ranges from, depending on the Company's cash flow leverage ratio, 150 to 200 basis points. "Alternate Base Rate," as defined in the agreement, means the highest of (i) the per annum rate which the administrative agent publicly announces from time to time as its prime lending rate, as in effect from time to time, (ii) the federal funds effective rate from time to time, plus 0.5% and (iii) reserved adjusted LIBOR determined on a daily basis for a one month interest period, plus 1.0%;
- A $100.0 million five-year term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 250 to 300 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 150 to 200 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes $1.3 million in 2012, $5.0 million in 2013, $5.6 million in 2014, $8.1 million in 2015, $10.0 million in 2016, and $5.0 million in 2017 with the remaining principal due at the end of the term;
- A $50.0 million three-year term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 200 to 250 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 100 to 150 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes $0.6 million in 2012, $2.5 million in 2013, $2.8 million in 2014, $2.8 million in 2015 with the remaining principal due at the end of the term;
- A $48.6 million six-month term loan, interest at a floating rate equal to, at the Company's option, either: (1) reserve adjusted LIBOR, plus a spread that ranges from 250 to 300 basis points, depending on the Company's cash flow leverage ratio; or (2) Alternate Base Rate, plus a spread that ranges from 150 to 200 basis points, depending on the Company's cash flow leverage ratio. Principal amortizes in six equal monthly installments;
- A borrowing base equal to (1) the lesser of (i) (a) 55% of eligible estimated remaining collections for consumer receivables subject to bankruptcy proceedings, provided that the amount described in this clause (i)(a) may not exceed 35% of the amount described in clauses (i)(a) and (i)(b), plus (b) 30%—35% (depending on the Company's trailing 12-month cost per dollar collected) of all other eligible estimated remaining collections, initially set at 33%, and (ii) the product of the net book value of all receivable portfolios acquired on or after January 1, 2005 multiplied by 95%, minus (2) (x) the aggregate principal amount outstanding of the Senior Secured Notes (as defined below) plus (y) the aggregate principal amount outstanding under the term loans;
- The allowance of additional unsecured indebtedness not to exceed $300.0 million;
- Restrictions and covenants, which limit the payment of dividends and the incurrence of additional indebtedness and liens, among other limitations;
- Repurchases of up to $50.0 million of Encore's common stock, subject to compliance with certain covenants and available borrowing capacity. The Company has repurchased approximately $50.0 million common stock during the fourth quarter of 2012 and in January 2013;
- A change of control definition, which excludes acquisitions of stock by Red Mountain Capital Partners LLC, JCF FPK LLP and their respective affiliates of up to 50% of the outstanding shares of Encore's voting stock;
- Events of default which, upon occurrence, may permit the lenders to terminate the facility and declare all amounts outstanding to be immediately due and payable;
- An acquisition limit of $100.0 million; and
- Collateralization by all assets of the Company, other than the assets of the Propel entities or any foreign or unrestricted subsidiaries.

At September 30, 2013, the outstanding balance under the Restated Credit Agreement was $509.8 million, which bore a weighted average interest rate of 3.07% and 4.16% for the three months ended September 30, 2013 and 2012, respectively, and a weighted average interest rate of 3.13% and 4.13% for the nine months ended September 30, 2013 and 2012, respectively.

Encore Senior Secured Notes

In 2010 and 2011, Encore entered into an aggregate of $75.0 million in senior secured notes with certain affiliates of Prudential Capital Group (the "Senior Secured Notes"). $25.0 million of the Senior Secured Notes bear an annual interest rate of 7.375%, mature in 2018 and require quarterly principal amortization payments of $1.25 million. Prior to May 2013, these notes required quarterly payments

of interest only. Prior to May 2013, these notes required quarterly interest payments only. The remaining $50.0 million of Senior Secured Notes bear an annual interest rate of 7.75%, mature in 2017 and require quarterly principal amortization payments of $2.5 million. Prior to December 2012, these notes required quarterly interest payments only. As of September 30, 2013, $62.5 million is outstanding under these obligations.

The Senior Secured Notes are guaranteed in full by certain of Encore's subsidiaries. Similar to, and *pari passu* with, Encore's credit facility, the Senior Secured Notes are also collateralized by all assets of the Company other than the assets of the Propel entities and any foreign and unrestricted subsidiaries including Janus Holdings. The Senior Secured Notes may be accelerated and become automatically and immediately due and payable upon certain events of default, including certain events related to insolvency, bankruptcy, or liquidation. Additionally, the Senior Secured Notes may be accelerated at the election of the holder or holders of a majority in principal amount of the Senior Secured Notes upon certain events of default by Encore, including the breach of affirmative covenants regarding guarantors, collateral, most favored lender treatment, minimum revolving credit facility commitment or the breach of any negative covenant. If Encore prepays the Senior Secured Notes at any time for any reason, payment will be at the higher of par or the present value of the remaining scheduled payments of principal and interest on the portion being prepaid. The discount rate used to determine the present value is 50 basis points over the then current Treasury Rate corresponding to the remaining average life of the senior secured notes. The covenants are substantially similar to those in the Restated Credit Agreement. Prudential Capital Group and the administrative agent for the lenders of the Restated Credit Agreement have an intercreditor agreement related to their pro rata rights to the collateral, actionable default, powers and duties and remedies, among other topics. The terms of the Senior Secured Notes were amended and restated on May 9, 2013 in connection with the Restated Credit Agreement in order to properly align certain provisions between the two agreements.

Encore Convertible Senior Notes

2017 Convertible Senior Notes

On November 27, 2012, Encore sold $100.0 million in aggregate principal amount of 3.0% convertible senior notes due November 27, 2017 in a private placement transaction. On December 6, 2012, the initial purchasers exercised, in full, their option to purchase an additional $15.0 million of the convertible senior notes, which resulted in an aggregate principal amount of $115.0 million of the convertible senior notes outstanding (collectively, the "2017 Convertible Notes"). Interest on the 2017 Convertible Notes is payable semi-annually, in arrears, on May 27 and November 27 of each year, beginning on May 27, 2013. The 2017 Convertible Notes are the Company's general unsecured obligations. The 2017 Convertible Notes will be convertible into cash up to the aggregate principal amount of the 2017 Convertible Notes to be converted and the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2017 Convertible Notes being converted. The 2017 Convertible Notes will be convertible at an initial conversion rate of 31.6832 shares of the Company's common stock per $1,000 principal amount of 2017 Convertible Notes, subject to adjustment upon certain events, which is equivalent to an initial conversion price of approximately $31.56 per share of the Company's common stock. As of September 30, 2013, none of the conditions allowing holders of the 2017 Convertible Notes to convert their notes had occurred.

In accordance with authoritative guidance related to derivatives and hedging and earnings per share calculation, only the conversion spread of the 2017 Convertible Notes is included in the diluted earnings per share calculation, if dilutive. Under such method, the settlement of the conversion spread has a dilutive effect when the average share price of the Company's common stock during any quarter exceeds $31.56. The average share price of the Company's common stock for the three and nine months ended September 30, 2013 exceeded $31.56. The dilutive effect from the 2017 Convertible Notes was approximately 0.8 million and 0.3 million shares for the three and nine months ended September 30, 2013, respectively. See Note 4, "Earnings per Share" for additional information.

Concurrent with the pricing of the 2017 Convertible Notes, the Company entered into privately negotiated convertible note hedge transactions (together, the "Convertible Note Hedge Transactions") with certain counterparties. The Convertible Note Hedge Transactions collectively cover, subject to customary anti-dilution adjustments, the number of shares of the Company's common stock underlying the 2017 Convertible Notes, as described below. Concurrently with entering into the Convertible Note Hedge Transactions, the Company also entered into separate, privately negotiated warrant transactions (together, the "Warrant Transactions") with the same counterparties, whereby the Company sold to the counterparties warrants to purchase, collectively, subject to customary anti-dilution adjustments, up to the same number of shares of the Company's common stock as in the Convertible Note Hedge Transactions. Subject to certain conditions, the Company may settle the warrants in cash or on a net-share basis.

The Convertible Note Hedge Transactions are expected generally to reduce the potential dilution and/or offset the potential cash payments the Company is required to make in excess of the principal amount upon conversion of the 2017 Convertible Notes in the event that the market price per share of the Company's common stock, is greater than the strike price of the Convertible Note Hedge Transactions, which initially corresponds to the conversion price of the 2017 Convertible Notes and is subject to anti-dilution adjustments. If, however, the market price per share of the Company's common stock, as measured under the terms of the Warrant Transactions, exceeds the strike price of the warrants, there would nevertheless be dilution to the extent that such market price exceeds the strike price of the warrants, unless the Company elects, subject to certain conditions, to settle the Warrant Transactions in cash. The strike price of the

Warrant Transactions will initially be $44.1875 per share of the Company's common stock and is subject to certain adjustments under the terms of the Warrant Transactions. Taken together, the Convertible Note Hedge Transactions and the Warrant Transactions have the effect of increasing the effective conversion price of the 2017 Convertible Notes to $44.1875 per share. The average share price of the Company's common stock for the three months ended September 30, 2013 did not exceed $44.1875.

The Convertible Note Hedge Transactions and the Warrant Transactions are separate transactions, in each case, entered into by the Company with certain counterparties, and are not part of the terms of the 2017 Convertible Notes and will not affect any holder's rights under the 2017 Convertible Notes. Holders of the 2017 Convertible Notes will not have any rights with respect to the Convertible Note Hedge Transactions or the Warrant Transactions. In accordance with authoritative guidance, the Company recorded the net cost of the Convertible Note Hedge Transactions and the Warrant Transactions as a reduction in additional paid in capital, and will not recognize subsequent changes in fair value of these financial instruments in its consolidated financial statements.

2020 Convertible Senior Notes

On June 24, 2013, Encore sold $150.0 million in aggregate principal amount of 3.0% convertible senior notes due July 1, 2020 in a private placement transaction. On July 18, 2013, the initial purchasers exercised, in full, their option to purchase an additional $22.5 million of the convertible senior notes, which resulted in an aggregate principal amount of $172.5 million of the convertible senior notes outstanding (collectively, the "2020 Convertible Notes"). The 2020 Convertible Notes are general unsecured obligations of the Company. Interest on the 2020 Convertible Notes is payable semi-annually, in arrears, on January 1 and July 1 of each year, beginning on January 1, 2014. Prior to January 1, 2020, the 2020 Convertible Notes will be convertible only during specified periods, if certain conditions are met. On or after January 1, 2020, the 2020 Convertible Notes will be convertible regardless of these conditions. Upon conversion, holders will receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election. The conversion rate for the 2020 Convertible Notes is 21.8718 shares per $1,000 principal amount, which is equivalent to an initial conversion price of approximately $45.72 per share of common stock. As of September 30, 2013, none of the conditions allowing holders of the 2020 Convertible Notes to convert their notes had occurred.

As noted above, upon conversion, holders of the Company's 2020 Convertible Notes will receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election. However, the Company's current intent is to settle conversions through combination settlement (*i.e.,* convertible into cash up to the aggregate principal amount, and shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, for the remainder). As a result and in accordance with authoritative guidance related to derivatives and hedging and earnings per share, only the conversion spread is included in the diluted earnings per share calculation, if dilutive. Under such method, the settlement of the conversion spread has a dilutive effect when the average share price of the Company's common stock during any quarter exceeds $45.72.

In connection with the pricing of the 2020 Convertible Notes, the Company entered into privately negotiated capped call transactions (the "Capped Call Transactions") with one or more of the initial purchasers (or their affiliates) and one or more other financial institutions (the "Option Counterparties"). The Capped Call Transactions cover, collectively, the number of shares of the Company's common stock underlying the 2020 Convertible Notes, subject to anti-dilution adjustments substantially similar to those applicable to the 2020 Convertible Notes. The cost of the Capped Call Transactions was approximately $18.1 million. In accordance with authoritative guidance, the Company recorded the net cost of the Capped Call Transactions as a reduction in additional paid in capital, and will not recognize subsequent changes in fair value of these financial instruments in its consolidated financial statements.

The Capped Call Transactions are expected generally to reduce the potential dilution and/or offset the cash payments the Company is required to make in excess of the principal amount upon conversion of the 2020 Convertible Notes in the event that the market price of the Company's common stock is greater than the strike price of the Capped Call Transactions (which initially corresponds to the initial conversion price of the 2020 Convertible Notes and is subject to certain adjustments under the terms of the Capped Call Transactions), with such reduction and/or offset subject to a cap based on the cap price of the Capped Call Transactions. The cap price of the Capped Call Transactions is $61.5475 per share, and is subject to certain adjustments under the terms of the Capped Call Transactions.

The Capped Call Transactions are separate transactions, in each case, entered into by the Company with the Option Counterparties, and are not part of the terms of the 2020 Convertible Notes and will not affect any holder's rights under the 2020 Convertible Notes. Holders of the 2020 Convertible Notes do not have any rights with respect to the Capped Call Transactions.

The net proceeds from the sale of the 2020 Convertible Notes were approximately $167.4 million, after deducting the initial purchasers' discounts and commissions and the estimated offering expenses paid by the Company. The Company used approximately $18.1 million of the net proceeds from this offering to pay the cost of the Capped Call Transactions and used the remainder of the net proceeds from this offering to pay a portion of the purchase price for the Cabot Acquisition and for general corporate purposes.

The Company determined that the fair value of the 2020 Convertible Notes at the date of issuance was approximately $140.2 million, and designated the residual value of approximately $32.3 million as the equity component. Additionally, the Company allocated approximately $4.9 million of the $6.0 million original 2020 Convertible Notes issuance cost as debt issuance costs and the remaining $1.1 million as equity issuance costs.

Authoritative guidance related to debt with conversion and other options requires that, for convertible debt instruments that may be settled fully or partially in cash upon conversion, issuers must separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. Additionally, debt issuance costs are required to be allocated in proportion to the allocation of the liability and equity components and accounted for as debt issuance costs and equity issuance costs, respectively.

The balances of the liability and equity components of all of the convertible notes outstanding were as follows *(in thousands)*:

	September 30, 2013	December 31, 2012
Liability component—principal amount	$ 287,500	$ 115,000
Unamortized debt discount	(43,846)	(14,442)
Liability component—net carrying amount	$ 243,654	$ 100,558
Equity component	$ 46,954	$ 14,702

The debt discount is being amortized into interest expense over the remaining life of the convertible notes using the effective interest rates, which are 6.0 % and 6.35% for the 2017 and 2020 Convertible Notes, respectively.

Interest expense related to the convertible notes was as follows *(in thousands)*:

	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Interest expense – stated coupon rate	$ 2,141	$ 3,947
Interest expense – amortization of debt discount	1,570	2,887
Total interest expense – convertible notes	$ 3,711	$ 6,834

Propel Tax Lien Transfer Facility

Propel has a $160.0 million syndicated loan facility (the "Propel TLT Facility").

The Propel TLT Facility has a three-year term and includes the following key provisions:

- Interest at Propel's option, at either: (1) LIBOR, plus a spread that ranges from 300 to 375 basis points, depending on Propel's cash flow leverage ratio; or (2) Prime Rate, which is defined in the agreement as the rate of interest per annum equal to the sum of (a) the interest rate quoted in the "Money Rates" section of *The Wall Street Journal* from time to time and designated as the "Prime Rate" *plus* (b) the Prime Rate Margin, which is a spread that ranges from 0 to 75 basis points, depending on Propel's cash flow leverage ratio;
- A borrowing base of 90% of the face value of the tax lien collateralized payment arrangements;
- Interest payable monthly; principal and interest due at maturity;
- Restrictions and covenants, which limit, among other things, the payment of dividends and the incurrence of additional indebtedness and liens;
- Events of default which, upon occurrence, may permit the lender to terminate the Propel TLT Facility and declare all amounts outstanding to be immediately due and payable; and
- A $40.0 million accordion feature.

The Propel TLT Facility is primarily collateralized by the TLT tax liens and requires Propel to maintain various financial covenants, including a minimum interest coverage ratio and a maximum cash flow leverage ratio.

At September 30, 2013, the outstanding balance on the Propel TLT Facility was $131.3 million, which bore a weighted average interest rate of 3.64% and 3.54% for the three months ended September 30, 2013 and 2012, respectively, and a weighted average interest rate of 3.52% and 3.56% for the nine months ended September 30, 2013 and 2012, respectively.

Propel Tax Lien Certificate Facility

On May 9, 2013, the Company, through subsidiaries of Propel, entered into a $100.0 million revolving credit facility (the "Propel TLC Facility"). The Propel TLC Facility is used to purchase TLCs from taxing authorities.

The Propel TLC Facility has a four-year term and includes the following key provisions:

- During the first two years of the four-year term, the committed amount can be drawn on a revolving basis. During the following two years, no additional draws are permitted, and all proceeds from the TLCs are used to repay any amounts

outstanding under the facility. After the four-year period ends, if any amounts are still outstanding, an alternate interest rate applies until all amounts owed are repaid;

- Prior to the expiration of the four-year term, interest at a per annum floating rate equal to LIBOR plus a spread of 325 basis points;
- Following the expiration of the four-year term or upon the occurrence of an event of default, interest at 400 basis points plus the greater of (i) a per annum floating rate equal to LIBOR plus a spread of 325 basis points, or (ii) Prime Rate, which is defined in the agreement as the rate most recently announced by the lender at its branch in San Francisco, California, from time to time as its prime commercial rate for United States dollar-denominated loans made in the United States;
- Proceeds from the TLCs are applied to pay interest, principal and other obligations incurred in connection with the Propel TLC Facility on a monthly basis as defined in the agreement;
- Special purpose entity covenants designed to protect the bankruptcy-remoteness of the borrowers and additional restrictions and covenants, which limit, among other things, the payment of certain dividends, the occurrence of additional indebtedness and liens and use of the collections proceeds from the TLCs; and
- Events of default which, upon occurrence, may permit the lender to terminate the Propel TLC Facility and declare all amounts outstanding to be immediately due and payable.

The Propel TLC Facility is collateralized by the TLCs acquired under the Propel TLC Facility. At September 30, 2013, the outstanding balance on the Propel TLC Facility was $27.0 million and, for the three and nine months ended September 30, 2013, bore a weighted average interest rate of 5.34% and 5.11%, respectively.

Cabot Senior Secured Notes

On September 20, 2012, Cabot Financial (Luxembourg) S.A. ("Cabot Financial"), an indirect subsidiary of Janus Holdings, issued £265.0 million in aggregate principal amount of 10.375% Senior Secured Notes due 2019 (the "Cabot 2019 Notes"). Interest on the Cabot 2019 Notes is payable semi-annually, in arrears, on April 1 and October 1 of each year.

On August 2, 2013, Cabot Financial issued £100 million in aggregate principal amount of 8.375% Senior Secured Notes due 2020 (the "Cabot 2020 Notes" and, together with the Cabot 2019 Notes, the "Cabot Notes"). Interest on the Cabot 2020 Notes is payable semi-annually, in arrears, on February 1 and August 1 of each year, beginning on February 1, 2014. The total debt issuance cost associated with the Cabot 2020 Notes was approximately $4.9 million.

Of the proceeds from the issuance of the Cabot 2020 Notes, approximately £75 million was used to repay all amounts outstanding under the senior credit facilities of Cabot Financial (UK) Limited ("Cabot Financial UK"), an indirect subsidiary of Janus Holdings, £25 million was used to partially repay a portion of the J Bridge PECs (as anticipated in the Purchase Agreement discussed in Note 3, "Business Combinations") to J.C. Flowers.

The Cabot Notes are fully and unconditionally guaranteed by the following indirect subsidiaries of the Company: Cabot, Cabot Financial Limited, and all material subsidiaries of Cabot Financial Limited (other than Cabot Financial). The Cabot Notes are secured by a first ranking security interest in all the outstanding shares of Cabot Financial and the guarantors (other than Cabot) and substantially all the assets of Cabot Financial and the guarantors (other than Cabot).

Interest expense related to the Cabot Notes was as follows *(in thousands)*:

	Three Months Ended September 30, 2013
Interest expense – stated coupon rate	$ 12,857
Interest income – appreciation of debt premium	(1,367)
Total interest expense – Cabot Notes	$ 11,490

Cabot Senior Revolving Credit Facility

On September 20, 2012, Cabot Financial UK entered into an agreement for a senior committed revolving credit facility of £50.0 million (the "Cabot Credit Agreement"). This agreement was amended and restated on June 28, 2013 to increase the size of the revolving credit facility to £85.0 million (the "Cabot Credit Facility").

The Cabot Credit Facility has a five-year term expiring in September 2017, and includes the following key provisions:

- Interest at LIBOR plus a maximum of 4.0% depending on the loan to value ("LTV") ratio determined quarterly, calculated as being the ratio of the net financial indebtedness of Cabot (as defined in the Cabot Credit Agreement) to Cabot's estimated remaining collections capped at 84-months;
- A restrictive covenant that limits the LTV ratio to 0.75;
- Additional restrictions and covenants which limit, among other things, the payment of dividends and the incurrence of additional indebtedness and liens; and
- Events of default which, upon occurrence, may permit the lenders to terminate the Cabot Credit Facility and declare all amounts outstanding to be immediately due and payable.

The Cabot Credit Facility is unconditionally guaranteed by the following indirect subsidiaries of the Company: Cabot, Cabot Financial Limited, and all material subsidiaries of Cabot Financial Limited. The Cabot Notes are secured by a first ranking security interest in all the outstanding shares of Cabot Financial UK and the guarantors (other than Cabot) and substantially all the assets of Cabot Financial UK and the guarantors (other than Cabot).

At September 30, 2013, there were no outstanding borrowings under the Cabot Credit Facility.

Preferred Equity Certificates

As discussed in Note 3, "Business Combinations," on July 1, 2013, the Company, through Encore Europe, completed the Cabot Acquisition by acquiring E Bridge PECs, E PECs, and E Shares that represent 50.1% of all of the issued and outstanding equity and debt securities of Janus Holdings. The remaining 49.9% of Janus Holdings' equity and debt securities constitute J Bridge PECs, J PECs, and J shares owned by J.C. Flowers. All of the PECs accrue interest at 12% per annum. In accordance with authoritative guidance related to debt and equity securities, the J Bridge PECs, J PECs and any accrued interests thereof are classified as liabilities and are included in debt in the Company's accompanying condensed consolidated statements of financial condition. In addition, certain other minority owners hold PECs at the Cabot Holdings level (the "Management PECs"). These PECs are also included in debt in the Company's accompanying condensed consolidated statements of financial condition. The E Bridge PECs and E PECs held by the Company, and their related interest eliminate in consolidation and therefore are not included in debt. As noted above, the J Bridge PECs, J PECs and Management PECs are included in debt in the Company's accompanying condensed consolidated statements of financial condition. However, as these liabilities are held by the noncontrolling interest holders and do not require the payment of cash interest expense, they have characteristics similar to equity with a preferred return. The ultimate payment of the accumulated interest would be satisfied only in connection with the disposition of the noncontrolling interests of J.C. Flowers and management.

The Company determined, at the time of the Cabot Acquisition, that the fair value of the preferred equity certificates and the respective accrued interests approximated their face value.

As anticipated in the Purchase Agreement, and as discussed in Note 3, "Business Combinations," in August 2013, Cabot made a payment of approximately $41.2 million to J.C. Flowers for a partial redemption of the J Bridge PECs.

As of September 30, 2013, the outstanding balance of the PECs and their accrued interests was $190.3 million.

Capital Lease Obligations

The Company has capital lease obligations primarily for computer equipment. As of September 30, 2013, the Company's combined obligations for these equipment leases were approximately $6.9 million. These lease obligations require monthly or quarterly payments through May 2018 and have implicit interest rates that range from zero to approximately 7.7%.

Note 12: Variable Interest Entity

On July 1, 2013, the Company, through Encore Europe, completed its acquisition of 50.1% of the equity interest in Janus Holdings. See Note 3, "Business Combinations" for more information. The Company has determined that Janus Holdings is a VIE, and the Company is the primary beneficiary of the VIE. As a result, the financial results of Janus Holdings are consolidated under the VIE consolidation model. A VIE is defined as a legal entity whose equity owners do not have sufficient equity at risk, or, as a group, the holders of the equity investment at risk lack any of the following three characteristics: decision-making rights, the obligation to absorb losses, or the right to receive the expected residual returns of the entity. The primary beneficiary is identified as the variable interest holder that has both the power to direct the activities of the VIE that most significantly affect the entity's economic performance and the obligation to absorb expected losses or the right to receive benefits from the entity that could potentially be significant to the VIE. The key activities that affect Cabot's economic performance include, but are not limited to, operational budgets and purchasing decisions. Through its control of the board of directors of Cabot's immediate parent company, the Company controls the key operating activities at Cabot. The Company evaluates its relationships with the VIE on an ongoing basis to ensure that it continues to be the primary beneficiary.

The Company considers that the rights granted to J.C. Flowers under the contractual arrangements are more protective in nature rather than participating rights.

The Company does not intend to provide financial support to Janus Holdings.

The Company's consolidated assets as of September 30, 2013 included assets from Janus Holdings that can only be used to settle obligations of Janus Holdings. The Company's consolidated liabilities as of September 30, 2013, included liabilities of Janus Holdings, whose creditors have no recourse to the Company. The following table presents Janus Holdings' assets and liabilities (after elimination of intercompany transactions and balances) in the Company's consolidated statement of financial position as of September 30, 2013 (*in thousands):*

		September 30, 2013
Assets		
Cash and cash equivalents	$	54,584
Investment in receivable portfolios, net		596,160
Property and equipment, net		14,249
Other assets		32,102
Goodwill		369,912
Total assets	$	1,067,007
Liabilities		
Accounts payable and accrued liabilities	$	31,817
Deferred tax liabilities, net		6,978
Debt		825,524
Other liabilities		113
Total liabilities	$	864,432

Note 13: Income Taxes

During the three months ended September 30, 2013 and 2012, the Company recorded an income tax provision of $10.3 million and $13.9 million, respectively. During the nine months ended September 30, 2013 and 2012, the Company recorded an income tax provision of $30.1 million and $38.4 million, respectively.

The effective tax rates for the respective periods are shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Federal provision	35.0%	35.0%	35.0%	35.0%
State provision	5.2%	6.5%	5.2%	6.5%
State benefit	(1.8%)	(2.3%)	(1.8%)	(2.3%)
Changes in state apportionment[1]	(4.0%)	(0.5%)	(1.7%)	0.7%
Tax reserves[2]	1.8%	0.0%	0.7%	0.0%
International provision[3]	(4.8%)	(0.5%)	(2.0%)	(0.6%)
Permanent items[4]	1.1%	1.3%	1.3%	0.4%
Effective rate	32.5%	39.5%	36.7%	39.7%

(1) Represents changes in state apportionment methodologies.
(2) Represents reserves taken for certain tax position adopted by the Company.
(3) Relates primarily to the lower tax rate on the income attributable to Cabot.
(4) Represents a provision for nondeductible items.

The Company's subsidiary in Costa Rica is operating under a 100% tax holiday through December 31, 2018 and a 50% tax holiday for the subsequent four years. The impact of the tax holiday in Costa Rica for the three and nine months ended September 30, 2013 and 2012 was immaterial.

As of September 30, 2013, the Company had a gross unrecognized tax benefit of $17.6 million that, if recognized, would result in a net tax benefit of approximately $15.3 million and would have a positive effect on the Company's effective tax rate. During the three and nine months ended September 30, 2013, there was an increase in the gross unrecognized tax benefit of $2.2 million primarily as a result of the Cabot acquisition as discussed in Note 3, "Business Combinations."

During the three and nine months ended September 30, 2013, the Company did not provide for United States income taxes or foreign withholding taxes on the quarterly undistributed earnings from continuing operations of its subsidiaries operating outside of the United States. Undistributed earnings of these subsidiaries during the three and nine months ended September 30, 2013, were approximately $1.5 million and $4.7 million, respectively. Such undistributed earnings are considered permanently reinvested.

Note 14: Purchase Concentrations

The following table summarizes purchases by seller sorted by total aggregate cost (*in thousands, except percentages*):

	Nine Months Ended September 30, 2013	
	Cost	%
Portfolios acquired in Cabot Acquisition	$ 558,951	50.8%
Portfolios acquired in AACC Merger	381,233	34.7%
Seller 1	24,610	2.2%
Seller 2	24,067	2.2%
Seller 3	17,151	1.6%
Other sellers	93,724	8.5%
Total purchases	$ 1,099,736	100.0%

Note 15: Commitments and Contingencies

Litigation

The Company is involved in disputes and legal actions from time to time in the ordinary course of business. The Company, along with others in its industry, is routinely subject to legal actions in the United States based on the Fair Debt Collection Practices Act ("FDCPA"), comparable state statutes, the Telephone Consumer Protection Act ("TCPA"), state and federal unfair competition statutes, and common law causes of action. The violations of law alleged in these actions often include claims that the Company lacks specified licenses to conduct its business, attempts to collect debts on which the statute of limitations has run, has made inaccurate assertions of fact in support of its collection actions, and/or has acted improperly in connection with its efforts to contact consumers. These cases are frequently styled as supposed class actions.

On March 8, 2013, March 19, 2013 and March 20, 2013, three actions entitled *Shell v. Asset Acceptance Capital Corp., et. al.*, *Neumann v. Asset Acceptance Capital Corp., et. al.*, and *Jaluka v. Asset Acceptance Capital Corp. et. al.*, respectively, were filed in the Macomb County Circuit Court of the State of Michigan. On April 19, 2013, a fourth action entitled *Dix v. Asset Acceptance Capital Corp. et al* was filed in the Court of Chancery of the State of Delaware. These actions were brought by purported stockholders of AACC, against the Company, AACC, and certain other named entities and individuals, and allege, among other things, that the Company has aided and abetted AACC's directors in breaching their fiduciary duties of care, loyalty and candor or disclosure owed to AACC stockholders. Plaintiffs in the actions sought, among other things, injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. The plaintiffs did not specify the dollar amount of damages sought in each action. On June 2, 2013, AACC entered into a Memorandum of Understanding (the "MOU") with the plaintiffs in the Michigan actions and Delaware action that sets forth the parties' agreement in principle for settlement. As explained in the MOU, without admitting any wrongdoing, AACC agreed to make certain additional disclosures related to the proposed merger, and to enter into a stipulation of settlement providing for the certification of a class, for settlement purposes only, that includes certain persons or entities who held shares of AACC common stock and the release of all asserted claims. On September 16, 2013, AACC entered into a stipulation of settlement which sets forth the terms of the MOU. On October 7, 2013, the Michigan court preliminarily approved the stipulation of settlement. Upon final approval by the Michigan court, which has yet to and may not occur, the attorneys for the class members intend to seek an award of attorneys' fees and costs incurred in a total amount not to exceed $550,000, which the defendants have agreed to not oppose.

Except as described above and in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, there have been no material developments in any of the legal proceedings disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

In certain legal proceedings, the Company may have recourse to insurance or third party contractual indemnities to cover all or portions of its litigation expenses, judgments, or settlements. In accordance with authoritative guidance, the Company records loss contingencies in its financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum estimated liability. The Company continuously assesses the potential liability related to the Company's pending litigation and revises its estimates when additional

information becomes available. As of September 30, 2013, the Company has no material reserves for litigation. Additionally, based on the current status of litigation matters, either the estimate of exposure is immaterial to the Company's financial statements or an estimate cannot yet be determined. The Company's legal costs are recorded to expense as incurred.

Purchase Commitments

In the normal course of business, the Company enters into forward flow purchase agreements and other purchase commitment agreements. As of September 30, 2013, the Company has entered into agreements to purchase receivable portfolios with a face value of approximately $562.8 million for a purchase price of approximately $58.5 million. The Company has no purchase commitments beyond December 2014.

Note 16: Segment Information

The Company conducts business primarily through two reportable segments: portfolio purchasing and recovery and tax lien business. The Company's management relies on internal management reporting processes that provide segment revenue, segment operating income, and segment asset information in order to make financial decisions and allocate resources. The operating results from the Company's tax lien business segment are immaterial to the Company's total consolidated operating results. However, total assets from the tax lien business segment are significant as compared to the Company's total consolidated assets. As a result, in accordance with authoritative guidance on segment reporting, the Company's tax lien business segment is determined to be a reportable segment.

Segment operating income includes income from operations before depreciation, amortization of intangible assets, and stock-based compensation expense. The following table provides a reconciliation of revenue and segment operating income by reportable segment to consolidated results and was derived from the segments' internal financial information as used for corporate management purposes *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues:				
Portfolio purchasing and recovery	$ 230,885	$ 140,682	$ 523,659	$ 405,818
Tax lien business	4,673	4,536	12,606	7,056
	$ 235,558	$ 145,218	$ 536,265	$ 412,874
Operating income:				
Portfolio purchasing and recovery	$ 67,803	$ 42,980	$ 143,961	$ 123,079
Tax lien business	1,832	2,055	3,455	2,874
	69,635	45,035	147,416	125,953
Depreciation and amortization	(4,523)	(1,533)	(8,527)	(4,193)
Stock-based compensation	(3,983)	(1,905)	(9,163)	(6,710)
Other expense	(29,485)	(6,402)	(47,784)	(18,253)
Income from continuing operations before income taxes	$ 31,644	$ 35,195	$ 81,942	$ 96,797

Additionally, assets are allocated to operating segments for management review. As of September 30, 2013, total segment assets were $2.3 billion and $237.3 million for the portfolio purchasing and recovery segment and tax lien business segment, respectively.

The following presents information about geographic areas in which the Company operates *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues[(1)]:				
United States	$ 189,086	$ 145,218	$ 489,793	$ 412,874
United Kingdom	46,472	—	46,472	—
	$ 235,558	$ 145,218	$ 536,265	$ 412,874

(1) Revenues are attributed to countries based on location of customer.

Note 17: Goodwill and Identifiable Intangible Assets

In accordance with authoritative guidance, goodwill is tested at the reporting unit level annually for impairment and in interim periods if certain events occur that indicate the fair value of a reporting unit may be below its carrying value.

As of September 30, 2013, the Company has two reporting units that carry goodwill: portfolio purchasing and recovery and tax lien business. Annual testing is performed as of October 1st for the portfolio purchasing and recovery reporting unit and as of April 1st for the tax lien business reporting unit.

The Company's acquired intangible assets are summarized as follows *(in thousands)*:

	As of September 30, 2013			As of December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Customer relationships	$ 1,494	$ (42)	$ 1,452	$ 570	$ (83)	$ 487
Developed technologies	4,681	(234)	4,447	—	—	—
Trade name and other	2,876	(256)	2,620	—	—	—
Total intangible assets subject to amortization	$ 9,051	$ (532)	$ 8,519	$ 570	$ (83)	$ 487
Intangible assets not subject to amortization:						
Goodwill – portfolio purchasing and recovery			$ 444,130			$ 6,047
Goodwill – tax lien business			45,390			49,399
Other intangibles			1,962			—
Total intangible assets not subject to amortization			$ 491,482			$ 55,446

The changes in carrying amount of goodwill by reporting unit for the nine months ended September 30, 2013 are as follows *(in thousands)*:

	Portfolio Purchasing and Recovery	Tax Lien business
Balance, December 31, 2012	$ 6,047	$ 49,399
Goodwill acquired	419,969	—
Goodwill adjustment	(180)	(4,009)[1]
Effect of foreign currency translation	18,294	—
Balance, September 30, 2013	$ 444,130	$ 45,390

(1) As a result of its final valuation study related to the Company's acquisition of Propel, during the three months ended March 31, 2013, the Company made an adjustment to the initial purchase price allocation, increasing receivables secured by tax liens and decreasing goodwill by approximately $4.0 million.

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains "forward-looking statements" relating to Encore Capital Group, Inc. ("Encore") and its subsidiaries (which we may collectively refer to as the "Company," "we," "our" or "us") within the meaning of the securities laws. The words "believe," "expect," "anticipate," "estimate," "project," "intend," "plan," "will," "may," and similar expressions often characterize forward-looking statements. These statements may include, but are not limited to, projections of collections, revenues, income or loss, estimates of capital expenditures, plans for future operations, products or services and financing needs or plans, as well as assumptions relating to these matters. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we caution that these expectations or predictions may not prove to be correct or we may not achieve the financial results, savings or other benefits anticipated in the forward-looking statements. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control or cannot be predicted or quantified, that could cause actual results to differ materially from those suggested by the forward-looking statements. Many factors, including but not limited to those set forth in our Annual Report on Form 10-K under "Part I, Item 1A. Risk Factors" and those set forth in our subsequent Quarterly Reports on Form 10-Q under "Part II, Item 1A – Risk Factors," could cause our actual results, performance, achievements or industry results to be very different from the results, performance, achievements or industry results expressed or implied by these forward-looking statements. Our business, financial condition or results of operations could also be materially and adversely affected by other factors besides those listed. Forward-looking statements speak only as of the date the statements were made. We do not undertake any obligation to update or revise any forward-looking statements to reflect new information or future events, or for any other reason, even if experience or future events make it clear that any expected results expressed or implied by these forward-looking statements will not be realized. In addition, it is generally our policy not to make any specific projections as to future earnings, and we do not endorse projections regarding future performance that may be made by third parties.

Our Business and Operating Segments

We are a global leading provider of debt recovery solutions for consumers and property owners across a broad range of financial assets. We purchase portfolios of defaulted consumer receivables at deep discounts to face value and manage them by working with individuals as they repay their obligations and work toward financial recovery. Defaulted receivables are consumers' unpaid financial commitments to credit originators, including banks, credit unions, consumer finance companies, commercial retailers, and telecommunication companies. Defaulted receivables may also include receivables subject to bankruptcy proceedings. Our subsidiary, Janus Holdings Luxembourg S.a.r.l. ("Janus Holdings"), through its indirectly held United Kingdom based subsidiary Cabot Credit Management Limited ("Cabot"), is a market leader in debt management in the United Kingdom specializing in higher balance, "semi-performing" (*i.e.*, debt portfolios in which over 50% of accounts have made a payment in three of the last four months immediately prior to the portfolio purchase) accounts. In addition, through our subsidiary, Propel Financial Services, LLC ("Propel"), we assist Texas and Nevada property owners who are delinquent on their property taxes by paying these taxes on behalf of the property owners in exchange for payment agreements collateralized by a tax lien on the property. Through Propel, we also purchase tax lien certificates directly from taxing authorities.

We conduct business through two operating segments: portfolio purchasing and recovery and tax lien business. The operating results from our tax lien business segment are immaterial to our total consolidated operating results. However, the total segment assets are significant as compared to our total consolidated assets. As a result, in accordance with authoritative guidance on segment reporting, our tax lien business segment is determined to be a reportable segment.

Our long-term growth strategy involves growing our core portfolio purchasing and recovery business (including by purchasing portfolios from issuers, purchasing portfolios from competitors or by acquiring competitors directly), expanding into new asset classes, and expanding into new geographies.

Portfolio Purchasing and Recovery

United States. Our portfolio purchasing and recovery segment purchases receivables based on robust, account-level valuation methods and employs proprietary statistical and behavioral models across the full extent of our operations. These investments allow us to value portfolios accurately (and limit the risk of overpaying), avoid buying portfolios that are incompatible with our methods or goals and align the accounts we purchase with our operational channels to maximize future collections. As a result, we have been able to realize significant returns from the receivables we acquire. We maintain strong relationships with many of the largest credit and telecommunication providers in the United States and believe we possess one of the industry's best collection staff retention rates.

While seasonality does not have a material impact on our portfolio purchasing and recovery segment, collections are generally strongest in our first calendar quarter, slower in the second and third calendar quarters, and slowest in the fourth calendar quarter. Relatively higher collections in the first quarter could result in a lower cost-to-collect ratio compared to the other quarters, as our fixed costs would be constant and applied against a larger collection base. The seasonal impact on our business may be influenced by our purchasing levels, the types of portfolios we purchase, and our operating strategies.

Collection seasonality with respect to our portfolio purchasing and recovery segment can also affect our revenue recognition rate. Generally, revenue for each pool group declines steadily over time, whereas collections can fluctuate from quarter to quarter based on seasonality, as described above. In quarters with lower collections (*e.g.,* the fourth calendar quarter), revenue as a percentage of collections can be higher than in quarters with higher collections (*e.g.,* the first calendar quarter).

In addition, seasonality could have an impact on the relative level of quarterly earnings. In quarters with stronger collections, total costs are higher as a result of the additional efforts required to generate those collections. Since revenue for each pool group declines steadily over time, in quarters with higher collections and higher costs (*e.g.,* the first calendar quarter), all else being equal, earnings could be lower than in quarters with slower collections and lower costs (*e.g.,* the fourth calendar quarter). Additionally, in quarters where a greater percentage of collections come from our legal and agency outsourcing channels, cost to collect will be higher than if there were more collections from our internal collection sites.

United Kingdom. Through Cabot, we purchase receivable portfolios using a proprietary pricing model. This model allows Cabot to value portfolios with a high degree of accuracy and quantify portfolio performance in order to maximize future collections. As a result, Cabot has been able to realize significant returns from the assets it has acquired. Cabot maintains strong relationships with many of the largest financial service providers in the United Kingdom.

While seasonality does not have a material impact on Cabot's collections, collections are generally strongest in its second and third calendar quarters and slower in the first and fourth quarters, largely driven by the impact of the December holiday season and the New Year holiday, and the related impact on its customers' ability to repay their balances. This drives a higher level of plan defaults over this period, which is typically repaired across the first quarter of the following year. The August vacation season in the United Kingdom also has an unfavorable effect on the level of collections, but this is traditionally compensated for by higher collections in July and September.

Tax Lien Business

Our tax lien business segment focuses on the property tax financing industry. Propel's principal activity is originating and servicing property tax lien transfers in the states of Texas and Nevada and investing in tax lien certificates in other states. For tax lien transfers, with the property owner's consent, we pay the property owner's delinquent property taxes directly to the taxing authority, which then transfers its tax lien to us. This lien takes priority over most other liens. By funding tax liens, we provide state and local taxing authorities and governments with much needed tax revenue. We then enter into a payment agreement with the property owner, creating an affordable payment plan designed to permit the property owner to keep his or her property. For tax lien certificates, we purchase the tax lien certificates directly from taxing authorities, securing rights to future property tax payments, interest and penalties. Tax lien certificates we invest in are collateralized by the underlying property, and in most cases, continue to be serviced by the taxing authority. When the taxing authority is paid, it repays us the outstanding balance of the lien plus interest, which is negotiated at the time of the purchase. Revenue from our tax lien business segment comprised 2% of total consolidated revenues for the three and nine months ended September 30, 2013. Operating income from our tax lien business segment comprised 3% and 2% of our total consolidated operating income for the three and nine months ended September 30, 2013, respectively.

Cabot Acquisition

On July 1, 2013, through our wholly owned subsidiary Encore Europe Holdings S.a.r.l., we completed the purchase (the "Cabot Acquisition") of 50.1% of the equity interest in Janus Holdings, the indirect holding company of Cabot, from an affiliate of J.C. Flowers & Co. LLC ("J.C. Flowers"). Our effective equity ownership of Cabot will amount to approximately 42.9%, after reflecting the ownership of the noncontrolling interests and the redemption or conversion of the E Bridge preferred equity certificates and the J Bridge preferred equity certificates by June 2014. Cabot is a market leader in debt management in the United Kingdom specializing in higher balance, "semi-performing" accounts. We expect that the Cabot Acquisition will provide Cabot with access to more capital, which will enable Cabot to purchase additional debt and expand into other asset categories. In addition, the Cabot Acquisition provides synergy opportunities through Cabot's ability to leverage our analytic capabilities and efficient operating platform. Our initial focus will be to help Cabot expand into the large secondary and tertiary markets by leveraging our analytical insights in these markets and utilizing our workforce in India, during the day, when this site would otherwise be dormant. The Cabot Acquisition also enables us to deploy capital globally in a market that we believe has strong growth potential. Cabot will continue to be a stand-alone entity. It will retain its current staff and brand and continue to be run as its own company. The condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2013 include the results of operations of Janus Holdings only since the closing date of the Cabot Acquisition.

AACC Merger

On June 13, 2013, we completed our merger with Asset Acceptance Capital Corp. ("AACC"), another leading provider of debt management and recovery solutions in the United States (the "AACC Merger"). We believe that our operating and cost advantages will improve the profitability of AACC's investments and that the AACC Merger will provide us with valuable operations capabilities and synergy opportunities. We expect our combined organization to operate at our lower cost-to-collect within three to four quarters.

However, the success of the merger will depend on our ability to successfully integrate AACC's business with our business in a cost-effective manner that does not disrupt the existing business relationships of either company. See "Item 1A – Risk Factors" in our Form 10-Q for the second quarter ended June 30, 2013 for more information. The condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2013 include the results of operations of AACC only since the closing date of the AACC Merger.

In January 2012, Asset Acceptance, LLC, a subsidiary of AACC, entered into a consent decree with the Federal Trade Commission ("FTC"). The consent decree ended an FTC investigation into Asset Acceptance, LLC's compliance with the Federal Trade Commission Act, Fair Debt Collection Practices Act and Fair Credit Reporting Act. As part of the consent decree, Asset Acceptance, LLC agreed to undertake certain consumer protection practices, including, among other things, furnishing additional disclosures when collecting debt past the statute of limitations, and paid a civil penalty of $2,500,000. These practices continue to apply to the portfolios we purchased as a result of the AACC Merger. We do not expect compliance with the consent decree to have a material effect on our business.

Variable Interest Entity

As discussed in Note 1, "Ownership, Description of Business and Summary of Significant Accounting Policies" in the notes to our condensed consolidated financial statements, we have determined that our less than wholly owned subsidiary, Janus Holdings is a Variable Interest Entity, or VIE, and that we are the primary beneficiary of the VIE. As a result, the financial results of Janus Holdings are consolidated under the VIE consolidation model. Consequently, all financial data included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" has been presented as though we own 100% of Janus Holdings.

Purchases and Collections

Portfolio Pricing, Supply and Demand

United States Markets

Prices for portfolios offered for sale directly from credit issuers continued to remain elevated during the third quarter of 2013, especially for fresh portfolios. Fresh portfolios are portfolios that are generally transacted within six months of the consumer's account being charged-off by the financial institution. We believe this price increase is due to a reduction in the supply of charged-off accounts and continued demand in the marketplace. We believe that the reduction in supply is partially due to shifts in underwriting standards by financial institutions, which have resulted in lower volumes of charged-off accounts. We believe that this reduction in supply is also the result of certain financial institutions temporarily halting their sales of charged-off accounts while they conduct audits of debt management and recovery companies, including Encore. We expect that pricing will remain at these elevated levels for some period of time. We believe that pricing will not decline until buyers who have paid prices that are too high recognize that they are unable to realize a profit or until the financial institutions complete their audits of debt management and recovery companies and resume selling their charged-off accounts in volumes greater than current levels. The AACC Merger accounted for a significant portion of our 2013 forecasted purchases and, as a result, we slowed our purchasing efforts in the third quarter of 2013 as compared to the third quarter of 2012.

We believe that smaller competitors are being driven out of the portfolio purchasing market because of the high cost to operate due to regulatory pressure and because the issuers are being more selective with buyers in the marketplace, resulting in consolidation within the portfolio purchasing and recovery industry. We believe this favors larger participants in this market, such as us, because the larger market participants are better able to adapt to these pressures. Furthermore, as smaller competitors decide to exit the market, it may provide additional opportunities for us to purchase portfolios from competitors or to acquire competitors directly.

United Kingdom Markets

While prices for portfolios offered for sale directly from credit issuers in the United Kingdom remain at levels higher than historical averages, as a result of a backlog caused by issuers reducing their sales volumes during the 2008-2010 time period, we believe that the supply of debt sold to debt purchasers has increased and is expected to increase further in the coming year. Additionally, over the last few years, portfolios are being sold earlier in the life cycle, and therefore, include a higher proportion of paying accounts. We expect that as a result of an increase in available funding to industry participants and lower return requirements for certain debt purchasers, pricing will remain elevated. However, we also believe that as Cabot's business increases in scale, and with anticipated improvements in the rate of collections and improved efficiencies in collections, Cabot's margins will remain competitive.

Purchases by Type

The following table summarizes the types of charged-off consumer receivable portfolios we purchased for the periods presented *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Credit card – United States[1]	$ 31,089	$ 28,547	$ 454,926	$ 338,776
Credit card – United Kingdom[2]	586,037	—	586,037	—
Consumer bankruptcy receivables – United States[1], [3]	—	—	39,897	—
Telecom	726	18,764	18,876	69,981
	$ 617,852	$ 47,311	$ 1,099,736	$ 408,757

(1) Purchases of consumer portfolio receivables in the United States for the nine month periods ended September 30, 2013 include $381.2 million acquired in connection with the AACC Merger ($345.5 million for credit card and $35.7 million for consumer bankruptcy receivables).

(2) Purchases of consumer portfolio receivables in the United Kingdom for the three and nine month periods ended September 30, 2013 include $559.0 million acquired in connection with the Cabot Acquisition.

(3) Represents portfolio receivables subject to Chapter 13 and Chapter 7 bankruptcy proceedings acquired from issuers and resellers.

During the three months ended September 30, 2013, we invested $617.9 million to acquire charged-off credit card and telecom portfolios, with face values aggregating $13.4 billion, for an average purchase price of 4.6% of face value. This is a $570.6 million increase in the amount invested, compared with the $47.3 million invested during the three months ended September 30, 2012, to acquire charged-off credit card and telecom portfolios with a face value aggregating $1.1 billion, for an average purchase price of 4.5% of face value. Purchases of charged-off credit card and telecom portfolios include $559.0 million of portfolio acquired in conjunction with the Cabot Acquisition. The period-over-period increase in purchases is related to the purchase of this portfolio.

During the nine months ended September 30, 2013, we invested $1.1 billion to acquire charged-off credit card, telecom and consumer bankruptcy portfolios, with face values aggregating $83.9 billion, for an average purchase price of 1.3% of face value. This is a $691.0 million increase, or 169.0%, in the amount invested, compared with the $408.8 million invested during the nine months ended September 30, 2012, to acquire charged-off portfolios with a face value aggregating $10.0 billion, for an average purchase price of 4.1% of face value. Purchases of charged-off credit card, telecom and consumer bankruptcy portfolios include $559.0 million of portfolio acquired in conjunction with the Cabot Acquisition and $381.2 million of portfolio acquired in conjunction with the AACC Merger. The increase in purchases and decrease in the percentage of face value are related to these purchases.

Average purchase price, as a percentage of face value, varies from period to period depending on, among other things, the quality of the accounts purchased and the length of time from charge off to the time we purchase the portfolios. The low purchase rate for the nine month period ending September 30, 2013 is related to the portfolio acquired in connection with the AACC Merger. This low rate is a result of us acquiring the entire portfolio of AACC, which included accounts to which we ascribed little or no value and which we have no intention to collect.

Collections by Channel

We currently utilize various business channels for the collection of our receivables. The following table summarizes the total collections by collection channel and geographic area *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
United States:				
Legal collections	$ 153,556	$ 111,334	$ 409,511	$ 335,782
Collection sites	119,080	116,928	362,495	338,439
Collection agencies[1]	39,607	17,715	88,795	43,344
Subtotal	312,243	245,977	860,801	717,565
United Kingdom:				
Collection sites	37,931	—	37,931	—
Collection agencies	29,496	—	29,496	—
Subtotal	67,427	—	67,427	—
Total collections	$ 379,670	$ 245,977	$ 928,228	$ 717,565

(1) Collections through our collection agency channel in the United States include accounts subject to bankruptcy filings collected by others. Additionally, collection agency collections often include accounts purchased from a competitor where we maintain the collection agency servicing until the accounts can be recalled and placed in our collection channels.

Gross collections increased $133.7 million, or 54.4%, to $379.7 million during the three months ended September 30, 2013, from $246.0 million during the three months ended September 30, 2012. Gross collections increased $210.6 million, or 29.4%, to $928.2 million during the nine months ended September 30, 2013, from $717.6 million during the nine months ended September 30, 2012.

Results of Operations

Results of operations in dollars and as a percentage of total revenue were as follows *(in thousands, except percentages)*:

	Three Months Ended September 30,			
	2013		2012	
Revenues				
Revenue from receivable portfolios, net	$ 225,387	95.7%	$ 140,682	96.9%
Other revenues	5,792	2.5%	426	0.3%
Net interest income — tax lien business	4,379	1.8%	4,110	2.8%
Total revenues	235,558	100.0%	145,218	100.0%
Operating expenses				
Salaries and employee benefits	52,253	22.2%	25,397	17.5%
Cost of legal collections	50,953	21.6%	43,544	30.0%
Other operating expenses	19,056	8.1%	14,829	10.2%
Collection agency commissions	14,158	6.0%	4,227	2.9%
General and administrative expenses	33,486	14.2%	14,091	9.7%
Depreciation and amortization	4,523	1.9%	1,533	1.1%
Total operating expenses	174,429	74.0%	103,621	71.4%
Income from operations	61,129	26.0%	41,597	28.6%
Other (expense) income				
Interest expense	(29,186)	(12.4)%	(7,012)	(4.8)%
Other (expense) income	(299)	(0.1)%	610	0.4%
Total other expense	(29,485)	(12.5)%	(6,402)	(4.4)%
Income from continuing operations before income taxes	31,644	13.5%	35,195	24.2%
Provision for income taxes	(10,272)	(4.4)%	(13,887)	(9.6)%
Income from continuing operations	21,372	9.1%	21,308	14.6%
Loss from discontinued operations, net of tax	(308)	(0.1)%	—	0.0%
Net income	$ 21,064	9.0%	$ 21,308	14.6%
Net loss attributable to noncontrolling interest	822	0.3%	—	0.0%
Net income attributable to Encore shareholders	$ 21,886	9.3%	$ 21,308	14.6%

	Nine Months Ended September 30,			
	2013		2012	
Revenues				
Revenue from receivable portfolios, net	$ 518,094	96.6%	$ 405,818	98.3%
Other revenues	6,473	1.2%	614	0.1%
Net interest income — tax lien business	11,698	2.2%	6,442	1.6%
Total revenues	536,265	100.0%	412,874	100.0%
Operating expenses				
Salaries and employee benefits	114,054	21.3%	72,891	17.7%
Cost of legal collections	137,694	25.7%	123,203	29.8%
Other operating expenses	46,118	8.6%	38,854	9.4%
Collection agency commissions	22,717	4.2%	12,352	3.0%
General and administrative expenses	77,429	14.4%	46,331	11.2%
Depreciation and amortization	8,527	1.6%	4,193	1.0%
Total operating expenses	406,539	75.8%	297,824	72.1%

	Nine Months Ended September 30,			
	2013		2012	
Income from operations	129,726	24.2%	115,050	27.9%
Other (expense) income				
Interest expense	(43,522)	(8.1)%	(19,024)	(4.6)%
Other (expense) income	(4,262)	(0.8)%	771	0.2%
Total other expense	(47,784)	(8.9)%	(18,253)	(4.4)%
Income from continuing operations before income taxes	81,942	15.3%	96,797	23.5%
Provision for income taxes	(30,110)	(5.6)%	(38,393)	(9.3)%
Income from continuing operations	51,832	9.7%	58,404	14.2%
Loss from discontinued operations, net of tax	(308)	(0.1)%	(9,094)	(2.2)%
Net income	$ 51,524	9.6%	$ 49,310	12.0%
Net loss attributable to noncontrolling interest	822	0.2%	—	0.0%
Net income attributable to Encore shareholders	$ 52,346	9.8%	$ 49,310	12.0%

Non-GAAP Disclosure

In addition to the financial information prepared in conformity with Generally Accepted Accounting Principles ("GAAP"), we provide certain historical non-GAAP financial information. Management believes that the presentation of such non-GAAP financial information is meaningful and useful in understanding the activities and business metrics of our operations. Management believes that these non-GAAP financial measures reflect an additional way of viewing aspects of our business that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business.

Management believes that the presentation of these measures provides investors with greater transparency and facilitates comparison of operating results across a broad spectrum of companies with varying capital structures, compensation strategies, derivative instruments, and amortization methods, which provide a more complete understanding of our financial performance, competitive position, and prospects for the future. Readers should consider the information in addition to, but not instead of, our financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of these measures for comparative purposes.

Adjusted Income from Continuing Operations Per Share. Management believes that investors regularly rely on non-GAAP adjusted income and adjusted income per share, to assess operating performance, in order to highlight trends in our business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. Adjusted income from continuing operations attributable to Encore excludes non-cash interest and issuance cost amortization relating to our convertible notes, one-time charges, acquisition and integration related expenses, all net of tax, and the effect of tax credits applicable to prior periods. The following table provides a reconciliation between income from continuing operations and diluted income from continuing operations per share attributable to Encore calculated in accordance with GAAP to adjusted income from continuing operations and adjusted income from continuing operations per share attributable to Encore, respectively. In addition, as described in Note 4, "Earnings Per Share" to the notes to our consolidated financial statements, GAAP diluted earnings per share includes the dilutive effect of approximately 805,000 and 298,000 common shares issuable upon the conversion of our convertible senior notes due 2017 for the three and nine months ended September 30, 2013, respectively, reflecting a conversion price of $31.56 for those notes. However, as described in Note 11, "Debt—Convertible Senior Notes—2017 Convertible Senior Notes" to the notes to our consolidated financial statements, the convertible note hedge transactions and warrant transactions entered into in connection with those notes have the effect of increasing the effective conversion price of those notes to $44.19. Accordingly, while these common shares are included in our diluted earnings per share, the convertible note hedge and warrant transactions will offset the impact of this dilution and no shares will not be issued unless our stock price exceeds $44.19 at the time of conversion, thereby creating a discrepancy between the accounting effect of those notes under GAAP and their economic impact. We have presented the following metrics both including and excluding the dilutive effect of the convertible notes due 2017 to better illustrate the economic impact of those notes to shareholders *(in thousands, except per share data):*

	Three Months Ended September 30,					
	2013			2012		
	$	Per Diluted Share - Accounting	Per Diluted Share - Economic	$	Per Diluted Share - Accounting	Per Diluted Share - Economic
GAAP net income from continuing operations attributable to Encore, as reported	$ 22,194	$ 0.82	$ 0.84	$ 21,308	$ 0.82	$ 0.82
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	1,103	0.04	0.05	—	—	—

	Three Months Ended September 30,					
	2013			2012		
	$	Per Diluted Share - Accounting	Per Diluted Share - Economic	$	Per Diluted Share - Accounting	Per Diluted Share - Economic
Acquisition related legal and advisory fees, net of tax	4,775	0.18	0.18	—	—	—
Effect of tax credits applicable to prior periods	(1,236)	(0.05)	(0.05)	—	—	—
Adjusted income from continuing operations attributable to Encore	$ 26,836	$ 0.99	$ 1.02	$ 21,308	$ 0.82	$ 0.82

	Nine Months Ended September 30,					
	2013			2012		
	$	Per Diluted Share - Accounting	Per Diluted Share - Economic	$	Per Diluted Share - Accounting	Per Diluted Share - Economic
GAAP net income from continuing operations attributable to Encore, as reported	$ 52,654	$ 2.06	$ 2.08	$ 58,404	$ 2.25	$ 2.25
Adjustments:						
Convertible notes non-cash interest and issuance cost amortization, net of tax	2,103	0.08	0.08	—	—	—
Acquisition related legal and advisory fees, net of tax	9,756	0.38	0.39	2,567	0.10	0.10
Acquisition related integration and severance costs, and consulting fees, net of tax	3,304	0.13	0.13	—	—	—
Acquisition related other expenses, net of tax	2,198	0.09	0.09	—	—	—
Effect of tax credits applicable to prior periods	(712)	(0.03)	(0.03)	—	—	—
Adjusted income from continuing operations attributable to Encore	$ 69,303	$ 2.71	$ 2.74	$ 60,971	$ 2.35	$ 2.35

Adjusted EBITDA. Management utilizes adjusted EBITDA (defined as net income before interest, taxes, depreciation and amortization, stock-based compensation expenses, portfolio amortization, one-time charges, and acquisition and integration related expenses), which is materially similar to a financial measure contained in covenants used in the Encore revolving credit and term loan facility, in the evaluation of our operations and believes that this measure is a useful indicator of our ability to generate cash collections in excess of operating expenses through the liquidation of our receivable portfolios *(in thousands):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
GAAP net income, as reported	$ 21,064	$ 21,308	$ 51,524	$ 49,310
Adjustments:				
Loss from discontinued operations, net of tax	308	—	308	9,094
Interest expense	29,186	7,012	43,522	19,024
Provision for income taxes	10,272	13,887	30,110	38,393
Depreciation and amortization	4,523	1,533	8,527	4,193
Amount applied to principal on receivable portfolios	157,262	105,283	417,793	311,699
Stock-based compensation expense	3,983	1,905	9,163	6,710
Acquisition related legal and advisory fees	7,752	—	15,976	4,263
Acquisition related integration and severance costs, and consulting fees	—	—	5,455	—
Acquisition related other expenses	—	—	3,630	—
Adjusted EBITDA	$ 234,350	$ 150,928	$ 586,008	$ 442,686

Adjusted Operating Expenses. We have included information concerning adjusted operating expenses, excluding stock-based compensation expense, operating expenses related to non-portfolio purchasing and recovery business, one-time charges, and acquisition

and integration related operating expenses, in order to facilitate a comparison of approximate cash costs to cash collections for the portfolio purchasing and recovery business in the periods presented *(in thousands):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
GAAP total operating expenses, as reported	$ 174,429	$ 103,621	$ 406,539	$ 297,824
Adjustments:				
Stock-based compensation expense	(3,983)	(1,905)	(9,163)	(6,710)
Operating expenses related to non-portfolio purchasing and recovery business	(8,008)	(2,055)	(14,534)	(3,568)
Acquisition related legal and advisory fees	(7,752)	—	(15,976)	(4,263)
Acquisition related integration and severance costs, and consulting fees	—	—	(5,455)	—
Adjusted operating expenses	$ 154,686	$ 99,661	$ 361,411	$ 283,283

Comparison of Results of Operations

Revenues

Our revenues consist primarily of portfolio revenue, contingent fee income and net interest income from our tax lien business.

Portfolio revenue consists of accretion revenue and zero basis revenue. Accretion revenue represents revenue derived from pools (quarterly groupings of purchased receivable portfolios) with a cost basis that has not been fully amortized. Revenue from pools with a remaining unamortized cost basis is accrued based on each pool's effective interest rate applied to each pool's remaining unamortized cost basis. The cost basis of each pool is increased by revenue earned and decreased by gross collections and portfolio allowances. The effective interest rate is the Internal Rate of Return ("IRR") derived from the timing and amounts of actual cash received and anticipated future cash flow projections for each pool. All collections realized after the net book value of a portfolio has been fully recovered, or Zero Basis Portfolios, are recorded as revenue, or Zero Basis Revenue. We account for our investment in receivable portfolios utilizing the interest method in accordance with the authoritative guidance for loans and debt securities acquired with deteriorated credit quality. Interest income, net of related interest expense represents net interest income on receivables secured by property tax liens.

The following tables summarize collections, revenue, end of period receivable balance and other related supplemental data, by year of purchase from our portfolio purchasing and recovery segment (*in thousands, except percentages*):

	Three Months Ended September 30, 2013					As of September 30, 2013	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
United States:							
ZBA[4]	$ 7,205	$ 4,227	58.7%	$ 2,978	1.9%	$ —	—
2006	2,112	665	31.5%	—	0.3%	3,420	5.1%
2007	3,002	1,102	36.7%	—	0.5%	5,433	5.5%
2008	9,581	5,445	56.8%	—	2.4%	20,428	7.7%
2009	18,828	13,104	69.6%	—	5.9%	24,920	15.1%
2010	36,888	24,895	67.5%	—	11.2%	59,430	12.3%
2011	52,408	32,613	62.2%	—	14.7%	118,627	8.2%
2012	82,056	39,458	48.1%	—	17.7%	314,483	3.8%
2013	100,163	59,708	59.6%	—	26.9%	452,741	4.3%
Subtotal	312,243	181,217	58.0%	2,978	81.5%	999,482	5.4%
United Kingdom:							
2013	67,427	41,192	61.1%	—	18.5%	596,160	2.4%
Total	$ 379,670	$ 222,409	58.6%	$ 2,978	100.0%	$1,595,642	4.3%

	Three Months Ended September 30, 2012					As of September 30, 2012	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
United States:							
ZBA[4]	$ 6,388	$ 5,469	85.6%	$ 919	3.9%	$ —	—
2005	2,767	760	27.5%	135	0.5%	3,127	5.8%
2006	2,884	1,811	62.8%	(998)	1.3%	10,798	5.1%
2007	3,873	2,045	52.8%	(247)	1.5%	11,974	5.1%
2008	13,881	7,478	53.9%	908	5.3%	36,946	6.1%
2009	25,881	16,506	63.8%	—	11.8%	54,724	9.0%
2010	52,328	32,612	62.3%	—	23.3%	120,327	8.1%
2011	71,657	40,800	56.9%	—	29.2%	221,790	5.6%
2012	66,306	32,484	49.0%	—	23.2%	351,934	3.1%
Total	$ 245,965	$ 139,965	56.9%	$ 717	100.0%	$ 811,620	5.1%

	Nine Months Ended September 30, 2013					As of September 30, 2013	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
United States:							
ZBA[4]	$ 20,654	$ 13,632	66.0%	$ 7,022	2.7%	$ —	—
2005	2,364	239	10.1%	10	0.0%	—	—
2006	7,133	2,707	38.0%	(402)	0.5%	3,420	5.1%
2007	9,650	4,056	42.0%	580	0.8%	5,433	5.5%
2008	33,220	18,891	56.9%	448	3.7%	20,428	7.7%
2009	63,758	41,483	65.1%	—	8.1%	24,920	15.1%
2010	124,486	79,492	63.9%	—	15.6%	59,430	12.3%
2011	180,155	103,496	57.4%	—	20.3%	118,627	8.2%
2012	279,321	124,895	44.7%	—	24.5%	314,483	3.8%
2013	140,060	80,353	57.4%	—	15.7%	452,741	4.3%
Subtotal	860,801	469,244	54.5%	7,658	91.9%	999,482	5.4%
United Kingdom:							
2013	67,427	41,192	61.1%	—	8.1%	596,160	2.4%
Total	$ 928,228	$ 510,436	55.0%	$ 7,658	100.0%	$1,595,642	4.3%

	Nine Months Ended September 30, 2012					As of September 30, 2012	
	Collections[1]	Gross Revenue[2]	Revenue Recognition Rate[3]	Net Reversal (Portfolio Allowance)	Revenue % of Total Revenue	Unamortized Balances	Monthly IRR
United States:							
ZBA[4]	$ 20,560	$ 17,627	85.7%	$ 2,933	4.4%	$ —	—
2005	9,403	3,116	33.1%	1,110	0.7%	3,127	5.8%
2006	10,059	6,457	64.2%	(2,993)	1.6%	10,798	5.1%
2007	13,498	7,143	52.9%	(123)	1.7%	11,974	5.1%
2008	46,761	24,955	53.4%	579	6.2%	36,946	6.1%
2009	88,278	54,592	61.8%	—	13.5%	54,724	9.0%
2010	175,093	104,705	59.8%	—	25.9%	120,327	8.1%
2011	237,268	125,248	52.8%	—	31.0%	221,790	5.6%
2012	116,597	60,469	51.9%	—	15.0%	351,934	3.1%
Total	$ 717,517	$ 404,312	56.3%	$ 1,506	100.0%	$ 811,620	5.1%

(1) Does not include amounts collected on behalf of others.
(2) Gross revenue excludes the effects of net portfolio allowances or net portfolio allowance reversals.
(3) Revenue recognition rate excludes the effects of net portfolio allowances or net portfolio allowance reversals.
(4) ZBA revenue typically has a 100% revenue recognition rate. However, collections on ZBA pool groups where a valuation allowance remains must first be recorded as an allowance reversal until the allowance for that pool group is zero. Once the entire valuation allowance is reversed, the revenue recognition rate will become 100%.

Total revenues were $235.6 million during the three months ended September 30, 2013, an increase of $90.3 million, or 62.2%, compared to total revenues of $145.2 million during the three months ended September 30, 2012. Total revenues were $536.3 million during the nine months ended September 30, 2013, an increase of $123.4 million, or 29.9%, compared to total revenues of $412.9 million during the nine months ended September 30, 2012.

Accretion revenue from our portfolio purchasing and recovery segment was $225.4 million during the three months ended September 30, 2013, an increase of $84.7 million, or 60.2%, compared to revenue of $140.7 million during the three months ended September 30, 2012. Portfolio revenue was $518.1 million during the nine months ended September 30, 2013, an increase of $112.3 million, or 27.7%, compared to portfolio revenue of $405.8 million during the nine months ended September 30, 2012. The increase in portfolio revenue during the three and nine months ended September 30, 2013, compared to the same periods of the prior year, was due to additional accretion revenue associated with a higher portfolio balance, primarily associated with the Cabot Acquisition and the AACC Merger and increases in yields on certain pool groups due to over-performance. During the three months ended September 30, 2013, we recorded a portfolio allowance reversal of $3.0 million, compared to a net portfolio allowance reversal of $0.7 million during the three months ended September 30, 2012. During the nine months ended September 30, 2013, we recorded a net portfolio allowance reversal of $7.7 million, compared to a net portfolio allowance reversal of $1.5 million during the nine months ended September 30, 2012.

Other revenues primarily represent contingent fee income at our Cabot subsidiary earned on accounts collected on behalf of others, primarily debt issuers. The contingent fee based income was $5.2 million for the three and nine months ended September 30, 2013.

Net interest income from our tax lien business segment was $4.4 million and $11.7 million for the three and nine months ended September 30, 2013. Net interest income from our tax lien business segment was $4.1 million for the three months ended September 30, 2012 and $6.4 million for the period from acquisition (May 8, 2012) through September 30, 2012.

Operating Expenses

Total operating expenses were $174.4 million during the three months ended September 30, 2013, an increase of $70.8 million, or 68.3%, compared to total operating expenses of $103.6 million during the three months ended September 30, 2012.

Total operating expenses were $406.5 million during the nine months ended September 30, 2013, an increase of $108.7 million, or 36.5%, compared to total operating expenses of $297.8 million during the nine months ended September 30, 2012.

Operating expenses are explained in more detail as follows:

Salaries and Employee Benefits

Salaries and employee benefits increased $26.9 million, or 105.7%, to $52.3 million during the three months ended September 30, 2013, from $25.4 million during the three months ended September 30, 2012. The increase was primarily the result of increases in headcount as a result of the Cabot Acquisition, the AACC Merger, and increases in headcount and related compensation expense to support our growth. Salaries and employee benefits related to our internal legal channel in the United States were approximately $5.7 million and $1.8 million for the three months ended September 30, 2013 and 2012, respectively.

Salaries and employee benefits increased $41.2 million, or 56.5%, to $114.1 million during the nine months ended September 30, 2013, from $72.9 million during the nine months ended September 30, 2012. The increase was primarily the result of increases in headcount as a result of the Cabot Acquisition, the AACC Merger and the acquisition of Propel, and increases in headcount and related compensation expense to support our growth. Salaries and employee benefits related to our internal legal channel in the United States were approximately $11.7 million and $4.7 million for the nine months ended September 30, 2013 and 2012, respectively.

Salaries and employee benefits broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Salaries and employee benefits:				
Portfolio purchasing and recovery	$ 50,774	$ 24,304	$ 109,721	$ 71,110
Tax lien business	1,479	1,093	4,333	1,781
	$ 52,253	$ 25,397	$ 114,054	$ 72,891

Cost of Legal Collections – Portfolio Purchasing and Recovery

The cost of legal collections increased $7.5 million, or 17.0%, to $51.0 million during the three months ended September 30, 2013, compared to $43.5 million during the three months ended September 30, 2012. These costs represent contingent fees paid to our nationwide network of attorneys and costs of litigation in the United States. The increase in the cost of legal collections was primarily the result of an

increase of $42.3 million, or 38.0%, in gross collections through our legal channels. Gross legal collections were $153.6 million during the three months ended September 30, 2013, up from $111.3 million collected during the three months ended September 30, 2012. The cost of legal collections decreased as a percentage of gross collections through this channel to 33.2% during the three months ended September 30, 2013 from 39.1% during the same period in the prior year. This decrease was primarily due to increased collections in our internal legal channel for which we do not pay a commission.

The cost of legal collections increased $14.5 million, or 11.8%, to $137.7 million during the nine months ended September 30, 2013, compared to $123.2 million during the nine months ended September 30, 2012. The increase in the cost of legal collections was primarily the result of an increase of $73.7 million, or 22.0%, in gross collections through our legal channels. Gross legal collections were $409.5 million during the nine months ended September 30, 2013, up from $335.8 million collected during the nine months ended September 30, 2012. The cost of legal collections decreased as a percentage of gross collections through this channel to 33.6% during the nine months ended September 30, 2013 from 36.7% during the same period in the prior year. This decrease was primarily due to increased collections in our internal legal channel for which we do not pay a commission.

The following table summarizes our legal collection channel performance and related direct costs *(in thousands, except percentages*):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2013		2012		2013		2012	
Collections:								
Collections – legal outsourcing	$120,800	78.7%	$106,254	95.4%	$350,379	85.6%	$323,508	96.3%
Collections – internal legal	32,756	21.3%	5,080	4.6%	59,132	14.4%	12,274	3.7%
Total collections – legal networks	$153,556	100.0%	$111,334	100.0%	$409,511	100.0%	$335,782	100.0%
Costs:								
Commissions – legal outsourcing	32,789	27.1%	27,215	25.6%	91,938	26.2%	83,055	25.7%
Court cost expense – legal outsourcing[1]	8,916		13,928		28,275		33,869	
Court cost expense – internal legal[1]	7,675		1,715		14,105		4,422	
Other[2]	1,573		686		3,376		1,857	
Total direct costs – legal networks[3]	$ 50,953	33.2%	$ 43,544	39.1%	$137,694	33.6%	$123,203	36.7%

(1) We advance certain out-of-pocket court costs and capitalize these costs in our consolidated financial statements and provide a reserve and corresponding court cost expense for the costs that we believe will be ultimately uncollectible. This amount includes changes in our anticipated recovery rate of court costs expensed.

(2) Other costs consist of costs related to counter claims and legal network subscription fees.

(3) Total direct costs – legal networks do not include internal legal channel employee salaries and benefits, and other related direct operating expenses. These expenses were $9.8 million and $2.7 million for the three months ended September 30, 2013 and 2012, respectively, and $18.8 million and $6.8 million for the nine months ended September 30, 2013 and 2012, respectively.

Other Operating Expenses

Other operating expenses increased $4.3 million, or 28.5%, to $19.1 million during the three months ended September 30, 2013, from $14.8 million during the three months ended September 30, 2012. The increase was primarily the result of the Cabot Acquisition and the AACC Merger. The increase was partially offset by a reduction in mailing costs and various other operating expenses.

Other operating expenses increased $7.2 million, or 18.7%, to $46.1 million during the nine months ended September 30, 2013, from $38.9 million during the nine months ended September 30, 2012. The increase was primarily the result of the Cabot Acquisition and the AACC Merger and an increase in Propel other operating expenses due to the inclusion of a full nine months of their expenses compared to a partial period in 2012 (from the acquisition date of May 8, 2012 through September 30, 2012) . The increase was partially offset by a reduction in mailing costs and various other operating expenses.

Other operating expenses broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Other operating expenses:				
Portfolio purchasing and recovery	$ 18,233	$ 14,339	$ 43,224	$ 37,794
Tax lien business	823	490	2,894	1,060
	$ 19,056	$ 14,829	$ 46,118	$ 38,854

Collection Agency Commissions – Portfolio Purchasing and Recovery

During the three months ended September 30, 2013, we incurred $14.2 million in commissions to third party collection agencies, or 20.5% of the related gross collections of $69.1 million. During the period, the commission rate as a percentage of related gross collections was 22.6% and 17.6% for our collection outsourcing channels in the United States and in the United Kingdom, respectively. During the three months ended September 30, 2012, we incurred $4.2 million in commissions, or 23.9%, of the related gross collections of $17.7 million. The lower commission rate during the three months ended September 30, 2013 was primarily driven by lower commission rates for collection agency outsourcing in the United Kingdom as compared to the commission rates in the United States.

During the nine months ended September 30, 2013, we incurred $22.7 million in commissions to third party collection agencies, or 19.2% of the related gross collections of $118.3 million. During the same period, the commission rate as a percentage of related gross collections was 19.7% and 17.6% for our collection outsourcing channel in the United States and in the United Kingdom, respectively. During the nine months ended September 30, 2012, we incurred 12.4 million in commissions, or 28.5%, of the related gross collections of $43.3 million. The decrease in the net commission rate as a percentage of the related gross collections was primarily due to the lower commission rates on purchased bankruptcy receivable portfolios in the United States as a result of our increased purchase of bankruptcy receivable portfolios in recent periods and, as discussed above, the lower commission rates for collection agencies in the United Kingdom as compared to the rates in the United States.

General and Administrative Expenses

General and administrative expenses increased $19.4 million, or 137.6%, to $33.5 million during the three months ended September 30, 2013, from $14.1 million during the three months ended September 30, 2012. The increase was primarily the result of the Cabot Acquisition, the AACC Merger, and general increases in expenses in order to support our growth, including acquisition and integration related costs of $7.8 million, an increase in IT consulting and other IT expenses of $3.0 million, an increase in legal costs of $2.0 million, and an increase in building rent of $1.6 million.

General and administrative expenses increased $31.1 million, or 67.1%, to $ 77.4 million during the nine months ended September 30, 2013, from $46.3 million during the nine months ended September 30, 2012. The increase was primarily the result of the Cabot Acquisition, the AACC Merger, the acquisition of Propel and general increases in expense in order to support our growth including acquisition and integration related costs of $18.2 million, an increase in IT consulting and other IT expenses of $5.9 million, and an increase in building rent of $2.4 million.

General and administrative expenses broken down between the reportable segments are as follows *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
General and administrative expenses:				
Portfolio purchasing and recovery	$ 32,949	$ 13,619	$ 75,505	$ 45,604
Tax lien business	537	472	1,924	727
	$ 33,486	$ 14,091	$ 77,429	$ 46,331

Depreciation and Amortization

Depreciation and amortization expense increased $3.0 million, or 195.0%, to $4.5 million during the three months ended September 30, 2013, from $1.5 million during the three months ended September 30, 2012. Depreciation and amortization expense increased $4.3 million, or 103.4%, to $8.5 million during the nine months ended September 30, 2013, from $4.2 million during the nine months ended September 30, 2012. The increases during the three and nine months ended September 30, 2013 were primarily related to increased depreciation expenses resulting from our Cabot Acquisition and AACC Merger.

Cost per Dollar Collected – Portfolio Purchasing and Recovery

The following tables summarize our cost per dollar collected *(in thousands, except percentages)*:

	Three Months Ended September 30,							
	2013				2012			
	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected
United States:								
Collection sites[1]	$119,080	$ 10,056	8.4%	3.2%	$116,928	$ 6,944	5.9%	2.8%
Legal outsourcing	120,800	44,379	36.7%	14.2%	106,254	41,829	39.4%	17.0%
Internal legal[2]	32,756	16,395	50.1%	5.3%	5,080	4,421	87.0%	1.8%
Collection agency outsourcing	39,607	8,956	22.6%	2.9%	17,715	4,227	23.9%	1.7%
Other indirect costs[3]	—	56,540	—	18.1%	—	42,240	—	17.2%
Subtotal	312,243	$136,326		43.7%	$245,977	$99,661		40.5%
United Kingdom:								
Collection sites[1]	37,931	2,174	5.7%	3.2%	—	—	—	—
Collection agency outsourcing	29,496	5,202	17.6%	7.7%	—	—	—	—
Other indirect costs[3]	—	10,984	—	16.3%	—	—	—	—
Subtotal	67,427	18,360		27.2%	—	—	—	—
Total	$379,670	$154,686[4]		40.7%	$245,977	$99,661[4]		40.5%

	Nine Months Ended September 30,							
	2013				2012			
	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected	Collections	Cost	Cost Per Channel Dollar Collected	Cost Per Total Dollar Collected
United States:								
Collection sites[1]	$362,495	$ 24,472	6.8%	2.8%	$338,439	$ 20,096	5.9%	2.8%
Legal outsourcing	350,379	124,431	35.5%	14.5%	323,508	118,781	36.7%	16.6%
Internal legal[2]	59,132	32,093	54.3%	3.7%	12,274	11,196	91.2%	1.6%
Collection agency outsourcing	88,795	17,515	19.7%	2.0%	43,344	12,352	28.5%	1.7%
Other indirect costs[3]	—	144,540	—	16.8%	—	120,858	—	16.8%
Subtotal	860,801	343,051		39.9%	717,565	283,283		39.5%
United Kingdom:								
Collection sites[1]	37,971	2,174	5.7%	3.2%	—	—	—	—
Collection agency outsourcing	29,496	5,202	17.6%	7.7%	—	—	—	—
Other indirect costs[3]	—	10,984	—	16.3%	—	—	—	—
Subtotal	67,427	18,360		27.2%	—	—	—	—
Total	$928,228	$361,411[4]		38.9%	$717,565	$283,283[4]		39.5%

(1) Cost in collection sites represents only account managers and their supervisors' salaries, variable compensation, and employee benefits.

(2) Cost in internal legal channel represents court costs expensed, internal legal channel employee salaries and benefits, and other related direct operating expenses.

(3) Other indirect costs represent non-collection site salaries and employee benefits, general and administrative expenses, other operating expenses and depreciation and amortization.

(4) Represents all operating expenses, excluding stock-based compensation expense, operating expenses related to non-portfolio purchasing and recovery business, one-time charges, and acquisition and integration related operating expenses. We include this information in order to facilitate a comparison of approximate cash costs to cash collections for the debt purchasing business in the periods presented. Refer to the "Non-GAAP Disclosure" section for further details.

During the three months ended September 30, 2013, overall cost per dollar collected increased slightly by 20 basis points to 40.7% of gross collections from 40.5% of gross collections during the three months ended September 30, 2012. During the same periods, total cost to collect in the United States increased to 43.7% from 40.5%. The increase was partially offset by a lower cost to collect in our

Cabot subsidiary in the United Kingdom. Over time, we expect our cost to collect to improve, but also expect that it will fluctuate from quarter to quarter based on seasonality, the cost of investments in new operating initiatives, and the ongoing management of the changing regulatory and legislative environment.

The increase of total cost to collect in the United States was due to several factors, including:

- The cost from our collection sites, which includes account manager salaries, variable compensation, and employee benefits, as a percentage of total collections in the United States, increased to 3.2% during the three months ended September 30, 2013, from 2.8% during the three months ended September 30, 2012 and, as a percentage of our site collections, increased to 8.4% during the three months ended September 30, 2013, from 5.9% during the three months ended September 30, 2012. The increase in cost as a percentage of total collections, through our collection sites in the United States, was primarily due to the higher cost to collect attributable to AACC. We expect our combined organization to be operated at our lower cost-to-collect within the next two to three quarters.
- The cost of legal collections through our internal legal channel, as a percentage of total collections in the United States, increased to 5.3% during the three months ended September 30, 2013, from 1.8% during the three months ended September 30, 2012 and, as a percentage of channel collections, decreased to 50.1% during the three months ended September 30, 2013, from 87.0% during the three months ended September 30, 2012. The increase in cost as a percentage of total collections through our internal legal channel was primarily due to increased collections as a result of our continued expansion of this channel. The decrease in cost as a percentage of channel collections was primarily due to increased productivity in our internal legal platform, which we expect to continue over time.
- Collection agency commissions, as a percentage of total collections in the United States, increased to 2.9% during the three months ended September 30, 2013, from 1.7% during the same period in the prior year. Our collection agency commission rate decreased to 22.6% during the three months ended September 30, 2013, from 23.9% during the same period in the prior year. The increase in commission as a percentage of total collections was primarily due to increased collections from this channel as a percentage of total collections. The decrease in commission rate during the quarter ended September 30, 2013 when compared to the period ended September 30, 2012, was due to an increase in bankruptcy receivable portfolio collections through this channel, which have a lower commission rate than non-bankruptcy accounts.
- Other costs not directly attributable to specific channel collections (other indirect costs), as a percentage of total collections in the United States, increased 90 basis points, to 18.1% for the three months ended September 30, 2013, from 17.2% for the three months ended September 30, 2012. These costs include non-collection site salaries and employee benefits, general and administrative expenses, other operating expenses, and depreciation and amortization. The dollar increase and the increase in cost per dollar collected were due to several factors, including increases in corporate legal expenses, increases in headcount and increases in other general and administrative expenses, to support our growth.

The increase in cost per dollar collected in the United States was partially offset by:

- The cost of legal collections through our legal outsourcing channel, as a percentage of total collections in the United States, decreased to 14.2% during the three months ended September 30, 2013, from 17.0% during the three months ended September 30, 2012 and, as a percentage of channel collections, decreased to 36.7% from 39.4% compared to the same period of 2012. These decreases were primarily related to improvements in our ability to more accurately and consistently identify those consumers with the financial means to repay their obligations. These improvements resulted in an increase in our court cost recovery rate and an offsetting decrease in court cost expense.

As discussed above, the increase in total cost to collect in the United States was partially offset by a lower overall cost to collect in our Cabot subsidiary in the United Kingdom. During the three months ended September 30, 2013, the total cost to collect in the United Kingdom was 27.2%.

During the nine months ended September 30, 2013, overall cost per dollar collected decreased by 60 basis points to 38.9% of gross collections from 39.5% of gross collections during the nine months ended September 30, 2012. During the same periods, total cost to collect in the United States increased to 39.9% from 39.5%. The decrease in overall cost per dollar collected was attributable to lower cost to collect in our Cabot subsidiary in the United Kingdom.

The increase of total cost to collect in the United States was due to several factors, including:

- The cost from our collection sites, which includes account manager salaries, variable compensation, and employee benefits, as a percentage of total collections in the United States, remained consistent at 2.8% during

the nine months ended September 30, 2013 and 2012, but as a percentage of our site collections, increased to 6.8% during the nine months ended September 30, 2013, from 5.9% during the nine months ended September 30, 2012. The increase in cost as a percentage of site collections, through our collection sites in the United States, was primarily due to the higher cost to collect attributable to AACC. We expect that our combined organization to be operated at our lower cost-to-collect within the next two to three quarters.

- The cost of legal collections through our internal legal channel, as a percentage of total collections in the United States, increased to 3.7% during the nine months ended September 30, 2013, from 1.6% during the nine months ended September 30, 2012 and, as a percentage of channel collections, decreased to 54.3% during the nine months ended September 30, 2013, from 91.2% during the nine months ended September 30, 2012. The increase in cost as a percentage of total collections through our internal legal channel was primarily due to increased collections as a result of our continued expansion of this channel. The decrease in cost as a percentage of channel collections was primarily due to increased productivity in our internal legal platform, which we expect to continue over time.
- Collection agency commissions, as a percentage of total collections in the United States, increased to 2.0% during the nine months ended September 30, 2013, from 1.7% during the same period in the prior year. Our collection agency commission rate decreased to 19.7% during the nine months ended September 30, 2013, from 28.5% during the same period in the prior year. The increase in commissions as a percentage of total collections was primarily due to increased collections from this channel as a percentage of total collections. The decrease in commission rate as a percentage of the related gross collections was primarily due to lower commission rates on purchased bankruptcy receivable portfolios as a result of our increased purchase of bankruptcy receivable portfolios in recent periods.

The increase in cost per dollar collected in the United States was partially offset by:

- The cost of legal collections through our legal outsourcing channel, as a percentage of total collections in the United States, decreased to 14.5% during the nine months ended September 30, 2013, from 16.6% during the nine months ended September 30, 2012 and, as a percentage of channel collections, decreased to 35.5% from 36.7% compared to the same period of 2012. These decreases were primarily related to improvements in our ability to more accurately and consistently identify those consumers with the financial means to repay their obligations. These improvements resulted in an increase in our court cost recovery rate and an offsetting decrease in court cost expense.

Interest Expense – Portfolio Purchasing and Recovery

Interest expense increased $22.2 million to $29.2 million during the three months ended September 30, 2013, from $7.0 million during the three months ended September 30, 2012. Interest expense increased $24.5 million, to $43.5 million during the nine months ended September 30, 2013, from $19.0 million during the nine months ended September 30, 2012.

The following table summarizes our interest expense (*in thousands, except percentages*):

	Three Months Ended September 30,			
	2013	2012	$ Change	% Change
Stated interest on debt obligations	$ 21,893	$ 6,397	$ 15,496	242.2%
Interest expense on preferred equity certificates	5,877	—	5,877	—
Amortization of loan fees and other loan costs	1,249	615	634	103.1%
Amortization of debt discount, net of appreciation of debt premium	167	—	167	—
Total interest expense	$ 29,186	$ 7,012	$ 22,174	316.2%

	Nine Months Ended September 30,			
	2013	2012	$ Change	% Change
Stated interest on debt obligations	$ 33,130	$ 17,379	$ 15,751	90.6%
Interest expense on preferred equity certificates	5,877	—	5,877	—
Amortization of loan fees and other loan costs	3,031	1,645	1,386	84.3%
Amortization of debt discount, net of appreciation of debt premium	1,484	—	1,484	—
Total interest expense	$ 43,522	$ 19,024	$ 24,498	128.8%

The interest expense on the preferred equity certificates is payable in kind, not in cash. The ultimate payment of the accumulated interest would be satisfied only in connection with the disposition of the noncontrolling interests of J.C. Flowers and management.

The increase in interest expense during the three and nine months ended September 30, 2013 was primarily attributable to interest expense of $18.2 million incurred at Cabot. The increase was also a result of increased interest expense related to additional borrowings resulting from our Cabot Acquisition and AACC Merger.

Provision for Income Taxes

During the three months ended September 30, 2013 and 2012, we recorded an income tax provision of $10.3 million and $13.9 million, respectively. During the nine months ended September 30, 2013 and 2012, we recorded an income tax provision of $30.1 million and $38.4 million, respectively.

The effective tax rates for the respective periods are shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Federal provision	35.0%	35.0%	35.0%	35.0%
State provision	5.2%	6.5%	5.2%	6.5%
State benefit	(1.8%)	(2.3%)	(1.8%)	(2.3%)
Changes in state apportionment[1]	(4.0%)	(0.5%)	(1.7%)	0.7%
Tax reserves[2]	1.8%	0.0%	0.7%	0.0%
International provision[3]	(4.8%)	(0.5%)	(2.0%)	(0.6%)
Permanent items[4]	1.1%	1.3%	1.3%	0.4%
Effective rate	32.5%	39.5%	36.7%	39.7%

(1) Represents changes in state apportionment methodologies.
(2) Represents reserves taken for certain tax position adopted by Encore.
(3) Relates primarily to the lower tax rate on the income attributable to Cabot.
(4) Represents a provision for nondeductible items.

Our subsidiary in Costa Rica is operating under a 100% tax holiday through December 31, 2018 and a 50% tax holiday for the subsequent four years. The impact of the tax holiday in Costa Rica for the three and nine months ended September 30, 2013 and 2012 was immaterial.

As of September 30, 2013, we had a gross unrecognized tax benefit of $17.6 million that, if recognized, would result in a net tax benefit of approximately $15.3 million and would have a positive effect on our effective tax rate. During the three and nine months ended September 30, 2013, there was an increase in the gross unrecognized tax benefit of $2.2 million primarily as a result of the Cabot Acquisition.

During the three and nine months ended September 30, 2013, we did not provide for United States income taxes or foreign withholding taxes on the quarterly undistributed earnings from continuing operations of our subsidiaries operating outside of the United States. Undistributed earnings of these subsidiaries during the three and nine months ended September 30, 2013, were approximately $1.5 million and $4.7 million, respectively. Such undistributed earnings are considered permanently reinvested.

Supplemental Performance Data – Portfolio purchasing and recovery

Cumulative Collections to Purchase Price Multiple

The following table summarizes our purchases and related gross collections by year of purchase (in thousands, except multiples):

Year of Purchase	Purchase Price[1]	Cumulative Collections through September 30, 2013												
		<2004	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total[2]	CCM[3]
Charged-off consumer receivables:														
United States:														
<1999	$ 41,117	$ 133,727	$ 4,202	$ 2,042	$ 1,513	$ 989	$ 501	$ 406	$ 296	$ 207	$ 128	$ 80	$ 144,091	3.5
1999	48,712	76,104	8,654	5,157	3,513	1,954	1,149	885	590	487	345	198	99,036	2.0
2000	6,153	21,580	2,293	1,323	1,007	566	324	239	181	115	103	80	27,811	4.5
2001	38,185	108,453	28,551	20,622	14,521	5,644	2,984	2,005	1,411	1,139	991	588	186,909	4.9
2002	61,490	118,549	62,282	45,699	33,694	14,902	7,922	4,778	3,575	2,795	1,983	1,340	297,519	4.8
2003	88,496	59,038	86,958	69,932	55,131	26,653	13,897	8,032	5,871	4,577	3,582	2,274	335,945	3.8
2004	101,316	—	39,400	79,845	54,832	34,625	19,116	11,363	8,062	5,860	4,329	2,718	260,150	2.6
2005	192,585	—	—	66,491	129,809	109,078	67,346	42,387	27,210	18,651	12,669	7,467	481,108	2.5
2006	141,026	—	—	—	42,354	92,265	70,743	44,553	26,201	18,306	12,825	7,396	314,643	2.2
2007	204,065	—	—	—	—	68,048	145,272	111,117	70,572	44,035	29,619	16,527	485,190	2.4
2008	227,780	—	—	—	—	—	69,049	165,164	127,799	87,850	59,507	33,425	542,794	2.4
2009	253,295	—	—	—	—	—	—	96,529	206,773	164,605	111,569	63,859	643,335	2.5
2010	346,073	—	—	—	—	—	—	—	125,465	284,541	215,088	119,774	744,868	2.2
2011	382,801	—	—	—	—	—	—	—	—	122,224	300,536	180,088	602,848	1.6
2012	476,350	—	—	—	—	—	—	—	—	—	186,472	255,340	441,812	0.9
2013	473,274	—	—	—	—	—	—	—	—	—	—	133,163	133,163	0.3
Subtotal	$ 3,082,718	$ 517,451	$ 232,340	$ 291,111	$ 336,374	$ 354,724	$ 398,303	$ 487,458	$ 604,006	$ 755,392	$ 939,746	$ 824,317	$ 5,741,222	1.9
United Kingdom:														
2013	$ 585,930	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 67,427	$ 67,427	0.1
Purchased bankruptcy receivables:														
2010	$ 11,975	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 388	$ 4,247	$ 5,598	$ 4,736	$ 14,969	1.3
2011	1,642	—	—	—	—	—	—	—	—	1,372	1,413	857	3,642	2.2
2012	83,445	—	—	—	—	—	—	—	—	—	1,249	23,981	25,230	0.3
2013	39,978	—	—	—	—	—	—	—	—	—	—	6,910	6,910	0.2
Subtotal	$ 137,040	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 388	$ 5,619	$ 8,260	$ 36,484	$ 50,751	0.4
Total	$ 3,805,688	$ 517,451	$ 232,340	$ 291,111	$ 336,374	$ 354,724	$ 398,303	$ 487,458	$ 604,394	$ 761,011	$ 948,006	$ 928,228	$ 5,859,400	1.5

(1) Adjusted for put-backs and account recalls. Put-backs represent accounts that are returned to the seller in accordance with the respective purchase agreement ("Put-Backs"). Recalls represent accounts that are recalled by the seller in accordance with the respective purchase agreement ("Recalls").

(2) Cumulative collections from inception through September 30, 2013, excluding collections on behalf of others.

(3) Cumulative Collections Multiple ("CCM") through September 30, 2013 refers to collections as a multiple of purchase price.

Total Estimated Collections to Purchase Price Multiple

The following table summarizes our purchases, resulting historical gross collections, and estimated remaining gross collections by year of purchase *(in thousands, except multiples)*:

	Purchase Price[1]	Historical Collections[2]	Estimated Remaining Collections[3],[4]	Total Estimated Gross Collections	Total Estimated Gross Collections to Purchase Price
Charged-off consumer receivables:					
United States:					
<2006	$ 578,054	$ 1,832,569	$ 5,902	$ 1,838,471	3.2
2006	141,026	314,643	7,786	322,429	2.3
2007	204,065	485,190	19,630	504,820	2.5
2008	227,780	542,794	50,917	593,711	2.6
2009	253,295	643,335	105,954	749,289	3.0
2010	346,073	744,868	223,325	968,193	2.8
2011	382,801	602,848	355,212	958,060	2.5
2012	476,350	441,812	545,961	987,773	2.1
2013	473,274	133,163	1,074,624	1,207,787	2.6
Subtotal	$ 3,082,718	$ 5,741,222	$ 2,389,311	$ 8,130,533	2.6
United Kingdom:					
2013	$ 585,930	$ 67,427	$ 1,503,459	$ 1,570,886	2.7
Purchased bankruptcy receivables:					
2010	$ 11,975	$ 14,969	$ 7,591	$ 22,560	1.9
2011	1,642	3,642	509	4,151	2.5
2012	83,445	25,230	72,470	97,700	1.2
2013	39,978	6,910	48,657	55,567	1.4
Subtotal	$ 137,040	$ 50,751	$ 129,227	$ 179,978	1.3
Total	$ 3,805,688	$ 5,859,400	$ 4,021,997	$ 9,881,397	2.6

(1) Adjusted for Put-Backs and Recalls.
(2) Cumulative collections from inception through September 30, 2013, excluding collections on behalf of others.
(3) Estimated remaining collections for charged off consumer receivables includes $102.0 million related to accounts that converted to bankruptcy after purchase.
(4) The collection forecast of each pool is generally estimated to be between 84 to 96 months based on the expected collection period of each pool in the United States and up to 120 months in the United Kingdom.

Estimated Remaining Gross Collections by Year of Purchase

The following table summarizes our estimated remaining gross collections by year of purchase *(in thousands)*:

	Estimated Remaining Gross Collections by Year of Purchase[1], [2],[3]										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	>2022	Total
Charged-off consumer receivables:											
United States:											
<2006	$ 1,257	$ 3,517	$ 1,123	$ 5	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,902
2006	1,691	3,892	1,578	625	—	—	—	—	—	—	7,786
2007	3,862	8,784	3,913	2,088	983	—	—	—	—	—	19,630
2008	7,972	19,928	12,357	6,097	3,236	1,327	—	—	—	—	50,917
2009	13,194	41,989	22,768	13,828	7,641	4,698	1,836	—	—	—	105,954
2010	25,371	81,479	50,289	30,061	18,268	8,541	6,565	2,751	—	—	223,325
2011	38,404	128,377	79,191	48,591	27,842	15,490	8,791	6,012	2,514	—	355,212
2012	56,081	188,608	122,455	74,039	43,988	25,250	15,930	10,067	7,209	2,334	545,961
2013	68,393	300,379	248,140	160,999	108,473	73,006	51,363	32,297	17,790	13,784	1,074,624
Subtotal	$ 216,225	$ 776,953	$ 541,814	$ 336,333	$ 210,431	$ 128,312	$ 84,485	$ 51,127	$ 27,513	$ 16,118	$ 2,389,311
United Kingdom:											
2013	$ 53,279	$ 209,101	$ 221,069	$ 191,412	$ 165,107	$ 146,554	$ 133,372	$ 121,427	$ 112,084	$ 150,054	$ 1,503,459
Purchased bankruptcy receivables:											
2010	$ 1,233	$ 3,548	$ 2,192	$ 618	$ —	$ —	$ —	$ —	$ —	$ —	$ 7,591
2011	181	229	59	37	3	—	—	—	—	—	509
2012	6,563	24,244	19,748	12,855	6,885	2,175	—	—	—	—	72,470
2013	4,171	17,851	15,116	8,755	2,652	112	—	—	—	—	48,657
Subtotal	$ 12,148	$ 45,872	$ 37,115	$ 22,265	$ 9,540	$ 2,287	$ —	$ —	$ —	$ —	$ 129,227
Total	$ 281,652	$ 1,031,926	$ 799,998	$ 550,010	$ 385,078	$ 277,153	$ 217,857	$ 172,554	$ 139,597	$ 166,172	$ 4,021,997

(1) Estimated remaining collections for Zero Basis Portfolios can extend beyond our collection forecasts.
(2) Estimated remaining collections for charged off consumer receivables includes $102.0 million related to accounts that converted to bankruptcy after purchase.
(3) The collection forecast of each pool is generally estimated to be between 84 to 96 months based on the expected collection period of each pool in the United States and up to 120 months in the United Kingdom.

Unamortized Balances of Portfolios

The following table summarizes the remaining unamortized balances of our purchased receivable portfolios by year of purchase *(in thousands, except percentages)*:

	Unamortized Balance as of September 30, 2013	Purchase Price[1]	Unamortized Balance as a Percentage of Purchase Price	Unamortized Balance as a Percentage of Total
Charged-off consumer receivables:				
United States:				
2006	$ 3,420	$ 141,026	2.4%	0.4%
2007	5,433	204,065	2.7%	0.6%
2008	20,428	227,780	9.0%	2.3%
2009	24,920	253,295	9.8%	2.8%
2010	54,816	346,073	15.8%	6.1%
2011	118,520	382,801	31.0%	13.2%
2012	251,296	476,350	52.8%	28.1%
2013	416,984	473,274	88.1%	46.5%
Subtotal	$ 895,817	$ 2,504,664	35.8%	100.0%
United Kingdom:				
2013	$ 596,160	$ 585,930	101.7%	100.0%
Purchased bankruptcy receivables:				
2010	$ 4,614	$ 11,975	38.5%	4.5%
2011	107	1,642	6.5%	0.1%
2012	63,187	83,445	75.7%	61.0%
2013	35,757	39,978	89.4%	34.4%
Subtotal	$ 103,665	$ 137,040	75.6%	100.0%
Total	$ 1,595,642	$ 3,227,634	49.4%	100.0%

(1) Purchase price refers to the cash paid to a seller to acquire a portfolio less Put-Backs, plus an allocation of our forward flow asset (if applicable), and less the purchase price for accounts that were sold at the time of purchase to another debt purchaser.

Changes in the Investment in Receivable Portfolios

Revenue related to our investment in receivable portfolios comprises two groups. First, revenue from those portfolios that have a remaining book value and are accounted for on the accrual basis ("Accrual Basis Portfolios"), and second, revenue from those portfolios that have fully recovered their book value ("Zero Basis Portfolios") and, therefore, every dollar of gross collections is recorded entirely as Zero Basis Revenue. If the amount and timing of future cash collections on a pool of receivables are not reasonably estimable, we account for such portfolios on the cost recovery method ("Cost Recovery Portfolios"). No revenue is recognized on Cost Recovery Portfolios until the cost basis has been fully recovered, at which time they become Zero Basis Portfolios.

The following tables summarize the changes in the balance of the investment in receivable portfolios and the proportion of revenue recognized as a percentage of collections *(in thousands, except percentages):*

	Three Months Ended September 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 1,090,922	$ 5,776	$ —	$ 1,096,698
Purchases of receivable portfolios[1]	616,779	1,073	—	617,852
Gross collections[2]	(371,482)	(983)	(7,205)	(379,670)
Put-backs and recalls	(755)	(242)	—	(997)
Foreign currency adjustments	36,372	—	—	36,372
Revenue recognized	218,182	—	4,227	222,409
Portfolio allowances reversals, net	—	—	2,978	2,978
Balance, end of period	$ 1,590,018	$ 5,624	$ —	$ 1,595,642
Revenue as a percentage of collections[3]	58.7%	0.0%	58.7%	58.6%

	Three Months Ended September 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 869,859	$ —	$ —	$ 869,859
Purchases of receivable portfolios	47,311	—	—	47,311
Gross collections[2]	(239,577)	—	(6,388)	(245,965)
Put-backs and recalls	(267)	—	—	(267)
Revenue recognized	134,496	—	5,469	139,965
(Portfolio allowances) portfolio allowance reversals, net	(202)	—	919	717
Balance, end of period	$ 811,620	$ —	$ —	$ 811,620
Revenue as a percentage of collections[3]	56.1%	0.0%	85.6%	56.9%

	Nine Months Ended September 30, 2013			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 873,119	$ —	$ —	$ 873,119
Purchases of receivable portfolios[1]	1,098,663	1,073	—	1,099,736
Transfer of portfolios	(6,649)	6,649	—	—
Gross collections[2]	(905,751)	(1,825)	(20,652)	(928,228)
Put-backs and recalls	(2,512)	(273)	(2)	(2,787)
Foreign currency adjustments	35,708	—	—	35,708
Revenue recognized	496,804	—	13,632	510,436
Portfolio allowances reversals, net	636	—	7,022	7,658
Balance, end of period	$ 1,590,018	$ 5,624	$ —	$ 1,595,642
Revenue as a percentage of collections[3]	54.8%	0.0%	66.0%	55.0%

	Nine Months Ended September 30, 2012			
	Accrual Basis Portfolios	Cost Recovery Portfolios	Zero Basis Portfolios	Total
Balance, beginning of period	$ 716,454	$ —	$ —	$ 716,454
Purchases of receivable portfolios	408,757	—	—	408,757
Gross collections[2]	(696,957)	—	(20,560)	(717,517)
Put-backs and recalls	(1,892)	—	—	(1,892)
Revenue recognized	386,685	—	17,627	404,312
(Portfolio allowances) portfolio allowance reversals, net	(1,427)	—	2,933	1,506
Balance, end of period	$ 811,620	$ —	$ —	$ 811,620
Revenue as a percentage of collections[3]	55.5%	0.0%	85.7%	56.3%

(1) Purchases of portfolio receivables include $381.2 million acquired in connection with the AACC Merger in June 2013 and $559.0 million acquired in connection with the Cabot Acquisition in July 2013 discussed in Note 3, "Business Combinations" to the notes to our consolidated financial statements.

(2) Does not include amounts collected on behalf of others.

(3) Revenue as a percentage of collections excludes the effects of net portfolio allowances or net portfolio allowance reversals.

As of September 30, 2013, we had $1.6 billion in investment in receivable portfolios. This balance will be amortized based upon current projections of cash collections in excess of revenue applied to the principal balance. The estimated amortization of the investment in receivable portfolios balance is as follows *(in thousands):*

Year Ending December 31,	Charged-off Consumer Receivables United States	Charged-off Consumer Receivables United Kingdom	Purchased Bankruptcy Receivables	Total Amortization
2013[1]	$ 58,391	$ 10,224	$ 8,238	$ 76,853
2014	269,460	43,512	34,076	347,048
2015	218,926	73,425	30,556	322,907
2016	137,954	63,911	19,690	221,555
2017	96,435	54,812	8,863	160,110
2018	60,426	51,640	2,240	114,306
2019	39,741	53,671	—	93,412
2020	14,486	57,787	—	72,273
2021	—	66,263	—	66,263
2022	—	76,470	—	76,470
2023	—	44,445	—	44,445
Total	$ 895,819	$ 596,160	$ 103,663	$ 1,595,642

(1) 2013 amount consists of three months data from October 1, 2013 to December 31, 2013.

Headcount by Function by Geographical Location

The following table summarizes our headcount by function by geographical location:

	Headcount as of September 30,			
	2013		2012	
	Domestic	International	Domestic	International
General & Administrative	1,035	1,008	529	518
Internal Legal Account Manager	73	32	20	10
Account Manager	370	1,743	201	1,410
Bankruptcy Specialist	—	—	—	72
	1,478	2,783	750	2,010

Gross Collections by Account Manager

The following table summarizes our collection performance by account manager *(in thousands, except headcount)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
United States[1]:				
Gross collections—collection sites	$ 119,080	$ 116,928	$ 362,495	$ 338,439
Average active Account Manager	1,705	1,599	1,634	1,422
Collections per average active Account Manager[2]	$ 69.8	$ 73.1	$ 221.8	$ 238.0
United Kingdom:				
Gross collections—collection sites	$ 37,931	$ —	$ 37,931	$ —
Average active Account Manager	384	—	384	—
Collections per average active Account Manager	$ 98.8	$ —	$ 98.8	$ —
Overall:				
Collections per average active Account Manager	$ 75.2	$ 73.1	$ 198.4	$ 238.0

(1) United States represents account manager statistics for United States portfolios and includes collection statistics for our India and Costa Rica call centers.

(2) The decrease in collections per average active account manager is primarily driven by short-term ramp up in headcount as part of our long-term strategy in developing lower cost-to-collect international call centers, including our near-shore call center in Costa Rica. As we ramped up headcount in our international call centers, our overall collector productivity, as expected, has declined. Once we are fully ramped up and the new account managers become experienced, we expect productivity to move back towards previous levels. Additionally, the decrease in collections per headcount is attributable to a lower productivity in our AACC subsidiary, we expect our combined organization will be operating at our historical productivity levels within the next two to three quarters.

Gross Collections per Hour Paid

The following table summarizes our gross collections per hour paid to account managers *(in thousands, except gross collections per hour paid)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
United States[1]:				
Gross collections—collection sites	$ 119,080	$ 116,928	$ 362,495	$ 338,439
Total hours paid	769	730	2,216	1,873
Collections per hour paid[2]	$ 154.9	$ 160.2	$ 163.6	$ 180.7
United Kingdom:				
Gross collections—collection sites	$ 37,931	$ —	$ 37,931	$ —
Total hours paid	103	—	103	—
Collections per hour paid	$ 368.3	$ —	$ 368.3	$ —
Overall:				
Collections per hour paid	$ 180.1	$ 160.2	$ 172.7	$ 180.7

(1) United States represents account manager statistics for United States portfolios and includes collection statistics for our India and Costa Rica call centers.

(2) The decrease in gross collections per hour paid is primarily driven by short-term ramp up in headcount as part of our long-term strategy in developing lower cost-to-collect international call centers, including our near-shore call center in Costa Rica. As we ramped up headcount in our international call centers, our overall collector productivity, as expected, has declined. Once we are fully ramped up and the new account managers become experienced, we expect productivity to move back towards previous levels. Additionally, the decrease in gross collections per hour paid is attributable to a lower productivity in our AACC subsidiary, we expect our combined organization will be operating at our historical productivity levels within the next two to three quarters.

Collection Sites Direct Cost per Dollar Collected

The following table summarizes our gross collections in collection sites and the related direct cost *(in thousands, except percentages)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
United States[1]:				
Gross collections—collection sites	$ 119,080	$ 116,928	$ 362,495	$ 338,439
Direct cost[2]	$ 10,056	$ 6,944	$ 24,472	$ 20,096
Cost per dollar collected[3]	8.4%	5.9%	6.8%	5.9%
United Kingdom:				
Gross collections—collection sites	$ 37,931	$ —	$ 37,931	$ —
Direct cost[2]	$ 2,174	$ —	$ 2,174	$ —
Cost per dollar collected	5.7%	—	5.7%	—
Overall:				
Cost per dollar collected	7.8%	5.9%	6.7%	5.9%

(1) United States statistics include gross collections and direct costs for our India and Costa Rica call centers.

(2) Represent account managers and their supervisors' salaries, variable compensation, and employee benefits.

(3) The increase in cost as a percentage of total collections, through our collection sites in the United States, was primarily due to the higher cost to collect attributable to our AACC subsidiary. We expect that our combined organization will be operating at our lower historical cost-to-collect within the next two to three quarters.

Salaries and Employee Benefits by Function

The following table summarizes our salaries and employee benefits by function (excluding stock-based compensation) *(in thousands)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Portfolio purchasing and recovery activities				
Collection site salaries and employee benefits[1]	$ 10,056	$ 6,944	$ 24,472	$ 20,096
Non-collection site salaries and employee benefits[2]	36,735	15,455	76,086	44,304
Subtotal	46,791	22,399	100,558	64,400
Tax lien business	1,479	1,093	4,333	1,781
	$ 48,270	$ 23,492	$ 104,891	$ 66,181

(1) Represent account managers and their supervisors' salaries, variable compensation, and employee benefits.

(2) Includes internal legal channel salaries and employee benefits of $5.7 million and $1.8 million for the three months ended September 30, 2013 and 2012, respectively, and internal legal channel salaries and employee benefits of $11.7 million and $4.7 million for the nine months ended September 30, 2013 and 2012, respectively.

Purchases by Quarter

The following table summarizes the purchases we made by quarter, and the respective purchase prices (in thousands):

Quarter	# of Accounts	Face Value	Purchase Price
Q1 2011	1,243	2,895,805	90,675
Q2 2011	1,477	2,998,564	93,701
Q3 2011	1,633	2,025,024	65,731
Q4 2011	2,776	3,782,595	136,743
Q1 2012	2,132	2,902,409	130,463
Q2 2012	3,679	6,034,499	230,983
Q3 2012	1,037	1,052,191	47,311
Q4 2012	3,125	8,467,400	153,578
Q1 2013	1,678	1,615,214	58,771
Q2 2013[1]	23,887	68,906,743	423,113
Q3 2013[2]	4,232	13,437,807	617,852

(1) Includes $381.2 million of portfolios acquired with a face value of approximately $68.2 billion in connection with the AACC Merger.

(2) Includes $559.0 million of portfolios acquired with a face value of approximately $12.8 billion in connection with the Cabot Acquisition.

Liquidity and Capital Resources

Historically, we have met our cash requirements by utilizing our cash flows from operations, bank borrowings, convertible debt offerings, and equity offerings. Our primary cash requirements have included the purchase of receivable portfolios, operating expenses, and the payment of interest and principal on bank borrowings and tax payments.

The following table summarizes our cash flows by category for the periods presented *(in thousands)*:

	Nine Months Ended September 30,	
	2013	2012
Net cash provided by operating activities	$ 39,866	$ 66,153
Net cash used in investing activities	(214,394)	(282,001)
Net cash provided by financing activities	264,660	227,064

As of September 30, 2013, under the Encore Amended and Restated Credit Agreement (the "Restated Credit Agreement") we have a credit facility (the "Credit Facility") consisting of a term loan facility tranche of $150.0 million, six month term loan facility tranche of $48.6 million, a revolving credit facility tranche of $613.9 million and an accordion feature that allows us to increase the revolving credit facility by an additional $162.5 million. Including the accordion feature, the maximum amount that can be borrowed under the Restated Credit Agreement is $975.0 million. The term loan facility and the revolving credit facility have five-year maturities expiring in November 2017, except with respect to a $50.0 million subtranche of the term loan facility, which has a three-year maturity, expiring in November 2015. The $48.6 million six month term loan facility tranche has a six-month maturity, expiring November 2013. As of September 30, 2013, we had $509.8 million outstanding and $104.1 million of availability under the Encore revolving credit facility.

On June 24, 2013, Encore sold $150.0 million in aggregate principal amount of 3.0% convertible senior notes due July 1, 2020 in a private placement transaction. On July 18, 2013, the initial purchasers exercised, in full, their option to purchase an additional $22.5 million of the convertible senior notes, which resulted in an aggregate principal amount of $172.5 million of the convertible senior notes outstanding (collectively, the "2020 Convertible Notes"). The net proceeds from the sale of the 2020 Convertible Notes were approximately $167.4 million, after deducting the initial purchasers' discounts and commissions and the estimated offering expenses paid by us. We used approximately $18.1 million of the net proceeds from this offering to pay the cost of the capped call transactions entered into in connection with the 2020 Convertible Notes and used the remainder of the net proceeds to pay a portion of the purchase price for the Cabot Acquisition and for general corporate purposes.

Through Cabot Financial (UK) Limited ("Cabot Financial UK"), an indirect subsidiary, we have a revolving credit facility of £85.0 million (the "Cabot Credit Facility"). As of September 30, 2013, there were no amounts outstanding and we had £85.0 million available for borrowing under the Cabot Credit Facility.

On August 2, 2013, Cabot Financial UK issued £100 million in aggregate principal amount of 8.375% Senior Secured Notes due 2020 (the "Cabot 2020 Notes"). Of the proceeds from the issuance of the Cabot 2020 Notes, approximately £75 million was used to repay all amounts then outstanding under the senior credit facilities of Cabot Financial UK and £25 million was used to partially repay a portion of the J Bridge preferred equity certificates to J.C. Flowers.

We, through Propel, have a $160.0 million syndicated loan facility (the "Propel TLT Facility"). The Propel TLT Facility is used to fund growth in the tax lien transfer business at Propel. As of September 30, 2013, we had $131.3 million outstanding and $28.7 million of availability under our Propel TLT Facility.

We, through subsidiaries of Propel, have a $100.0 million revolving credit facility (the "Propel TLC Facility"). The Propel TLC Facility is used to purchase tax lien certificates from taxing authorities. As of September 30, 2013, we had $27.0 million outstanding and $73.0 million of availability under our Propel TLC Facility.

Currently, all of our portfolio purchases are funded with cash from operations and borrowings under our Restated Credit Agreement and our Cabot Credit Facility. All of our tax lien transfers are funded with cash from Propel operations and borrowings under the Propel TLT Facility. All of our tax lien certificate purchases are funded with cash from Propel operations and borrowings under the Propel TLC Facility.

See Note 11, "Debt" to our unaudited condensed consolidated financial statements for a further discussion of our debt.

Operating Cash Flows

Net cash provided by operating activities was $39.9 million and $66.2 million during the nine months ended September 30, 2013 and 2012, respectively.

Cash provided by operating activities during the nine months ended September 30, 2013 was primarily related to net income of $51.5 million and various non-cash add backs in operating activities and changes in operating assets and liabilities, net of an income tax payment of $54.5 million. Cash provided by operating activities during the nine months ended September 30, 2012, was primarily related to net income of $49.3 million and a $10.4 million non-cash add back related to impairment charges for goodwill and identifiable intangible assets related to Ascension Capital Group, Inc., which is included in our discontinued operations.

Investing Cash Flows

Net cash used in investing activities was $214.4 million and $282.0 million during the nine months ended September 30, 2013 and 2012, respectively.

Cash flows used in investing activities during the nine months ended September 30, 2013 were primarily related to cash paid for the AACC Merger and the Cabot Acquisition, net of cash acquired of $413.1 million, receivable portfolio purchases (excluding the portfolios acquired from the AACC Merger of $381.2 million and from the Cabot Acquisition of $559.0 million) of $156.4 million, and originations of receivables secured by tax liens of $100.3 million, offset by gross collection proceeds applied to the principal of our receivable portfolios in the amount of $418.0 million and collections applied to our receivables secured by tax liens of $51.1 million. The cash flows used in investing activities during the nine months ended September 30, 2012, were primarily related to receivable portfolio purchases of $406.9 million, cash paid for the Propel acquisition, net of cash acquired, of $186.7 million, offset by gross collection proceeds applied to the principal of our receivable portfolios in the amount of $313.2 million.

Capital expenditures for fixed assets acquired with internal cash flow were $8.2 million and $3.7 million for nine months ended September 30, 2013 and 2012, respectively.

Financing Cash Flows

Net cash provided by financing activities was $264.7 million and $227.1 million during the nine months ended September 30, 2013 and 2012, respectively.

The cash provided by financing activities during the nine months ended September 30, 2013, reflects $522.1 million in borrowings under our Credit Facility, the Propel TLT and TLC Facilities, the $151.7 million issuance of senior secured notes at our Cabot subsidiary, and the $172.5 million issuance of our 2020 Convertible Senior Notes, offset by $491.5 million in repayments of amounts outstanding under our Credit Facility and the Propel TLT and TLC Facilities. The cash provided by financing activities during the nine months ended September 30, 2012, reflects $390.4 million in borrowings under our Credit Facility and the Propel TLT Facility, including approximately $187.2 million borrowed for our acquisition of the Propel entities, offset by $163.0 million in repayments of amounts outstanding under our Credit Facility.

We are in compliance with all covenants under our financing arrangements. We believe that we have sufficient liquidity to fund our operations for at least the next twelve months, given our expectation of continued positive cash flows from operations, our cash and cash equivalents of $110.2 million as of September 30, 2013 (approximately $54.6 million of the cash and cash equivalents were held at our Cabot subsidiary), our access to capital markets, and availability under our credit facilities.

Our future cash needs will depend on our acquisitions of portfolios and businesses. We used cash and borrowings under our Restated Credit Agreement and our 2020 Convertible Notes to fund the Cabot Acquisition on July 1, 2013.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency. At September 30, 2013, there had not been a material change in any of the foreign currency risk information disclosed in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Interest Rate. At September 30, 2013, there had not been a material change in the interest rate risk information disclosed in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC") and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and accordingly, management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on their most recent evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act are effective.

Changes in Internal Control over Financial Reporting

Except as disclosed in the following paragraph, there was no change in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

As set forth above, we completed the Cabot Acquisition during the third quarter of 2013. Cabot will continue to be operated independently and we will not be integrating Cabot's systems with our systems, including our financial reporting systems. We will monitor and test Cabot's systems as part of management's annual evaluation of internal control over financial reporting beginning in 2014.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

We are involved in disputes and legal actions from time to time in the ordinary course of business. We, along with others in our industry, are routinely subject to legal actions in the United States based on the FDCPA, comparable state statutes, the TCPA, state and federal unfair competition statutes, and common law causes of action. The violations of law alleged in these actions often include claims that we lack specified licenses to conduct our business, attempt to collect debts on which the statute of limitations has run, have made inaccurate assertions of fact in support of our collection actions and/or have acted improperly in connection with our efforts to contact consumers. These cases are frequently styled as supposed class actions.

On March 8, 2013, March 19, 2013 and March 20, 2013, three actions entitled *Shell v. Asset Acceptance Capital Corp., et. al.*, *Neumann v. Asset Acceptance Capital Corp., et. al.*, and *Jaluka v. Asset Acceptance Capital Corp. et. al.*, respectively, were filed in the Macomb County Circuit Court of the State of Michigan. On April 19, 2013, a fourth action entitled *Dix v. Asset Acceptance Capital Corp. et al* was filed in the Court of Chancery of the State of Delaware. These actions were brought by purported stockholders of Asset Acceptance Capital Corporation ("AACC") against us, AACC, and certain other named entities and individuals, and allege, among other things, that we have aided and abetted AACC's directors in breaching their fiduciary duties of care, loyalty and candor or disclosure owed to AACC stockholders. Plaintiffs in the actions sought, among other things, injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. The plaintiffs did not specify the dollar amount of damages sought in each action. On June 2, 2013, AACC entered into a Memorandum of Understanding (the "MOU") with the plaintiffs in the Michigan actions and Delaware action that sets forth the parties' agreement in principle for settlement. As explained in the MOU, without admitting any wrongdoing, AACC agreed to make certain additional disclosures related to the proposed merger, and to enter into a stipulation of settlement providing for the certification of a class, for settlement purposes only, that includes certain persons or entities who held shares of AACC common stock and the release of all asserted claims. On September 16, 2013, AACC entered into a stipulation of settlement which sets forth the terms of the MOU. On October 7, 2013, the Michigan court preliminarily approved the stipulation of settlement. Upon final approval by the Michigan court, which has yet to and may not occur, the attorneys for the class members intend to seek an award of attorneys' fees and costs incurred in a total amount not to exceed $550,000, which the defendants have agreed to not oppose.

Except as set forth above and as disclosed in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, there has been no material development in any of the legal proceedings disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012.

In certain legal proceedings, we may have recourse to insurance or third party contractual indemnities to cover all or portions of our litigation expenses, judgments, or settlements. In accordance with authoritative guidance, we record loss contingencies in our financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, we record the minimum estimated liability. We continuously assess the potential liability related to our pending litigation and revise our estimates when additional information becomes available. As of September 30, 2013, we have no material reserves for litigation. Additionally, based on the current status of litigation matters, either the estimate of exposure is immaterial to our financial statements or an estimate cannot yet be determined. Our legal costs are recorded to expense as incurred.

Item 1A – Risk Factors

There is no material change in the information reported under "Part I—Item 1A—Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and "Part II, Item 1A—Risk Factors" in our subsequent quarterly reports on Form 10-Q with the exception of the following:

If our goodwill or amortizable intangible assets become impaired we may be required to record a significant charge to earnings.

We carry approximately $489.5 million in goodwill and approximately $10.5 million in amortizable intangible assets as of September 30, 2013. Under authoritative guidance, we review our goodwill for potential impairment at least annually, and review our amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that may indicate that the carrying value of our goodwill or amortizable intangible assets may not be recoverable include adverse changes in estimated future cash flows, growth rates and discount rates. We may be required to record a significant

charge in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets is determined, which could negatively affect our results of operations.

Item 6 – Exhibits

4.1	Indenture, dated September 20, 2012, between Cabot Financial (Luxembourg) S.A., Cabot Credit Management Limited, Cabot Financial Limited and all material subsidiaries of Cabot Financial Limited, as guarantors, J.P. Morgan Europe Limited, as security agent, and Citibank, N.A., London Branch as trustee (filed herewith)
4.2	First Supplemental Indenture, dated June 13, 2013, between Cabot Financial (Luxembourg) S.A. and Citibank, N.A., London Branch as trustee (filed herewith)
10.1	Amended and Restated Senior Facilities Agreement, dated June 28, 2013, by and among Cabot Financial Limited, the several guarantors, banks and other financial institutions and lenders from time to time party thereto and J.P. Morgan Europe Limited as Agent and Security Agent (filed herewith)
10.2	Second Amendment to Securities Purchase Agreement, dated September 25, 2013, by and between Encore Europe Holdings S.À R.L. and JCF III Europe S.À R.L. (filed herewith)
31.1	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	The following financial information from the Encore Capital Group, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 formatted in eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Statements of Financial Condition; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Statements of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) the Notes to Condensed Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

By: /s/ Paul Grinberg
Paul Grinberg
Executive Vice President,
Chief Financial Officer and Treasurer

Date: November 7, 2013

Exhibit 4.1

CABOT FINANCIAL (LUXEMBOURG) S.A.,
as Issuer

CABOT CREDIT MANAGEMENT LIMITED,
as CCM and as a Guarantor

CABOT FINANCIAL LIMITED,
as the Company and as a Guarantor

THE SUBSIDIARY GUARANTORS PARTIES HERETO,

£265,000,000 of 10.375% Senior Secured Notes due 2019

INDENTURE
September 20, 2012

CITIBANK, N.A., LONDON BRANCH,
as Trustee

CITIBANK, N.A., LONDON BRANCH,
as Principal Paying Agent and Transfer Agent

CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG,
as Registrar

J.P. MORGAN EUROPE LIMITED,
as Security Agent

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Exhibit E AGREED SECURITY PRINCIPLES

INDENTURE dated as of September 20, 2012 among CABOT FINANCIAL (LUXEMBOURG) S.A., a *société anonyme* incorporated under Luxembourg law with registered office at L-5365 Munsbach, 6, rue Gabriel Lippmann, registered with the register of commerce and companies of Luxembourg under the number B 171.125 (the "Issuer"), CABOT CREDIT MANAGEMENT LIMITED, a limited liability company organized under the laws of England and Wales (together with its successors and assigns, "CCM"), CABOT FINANCIAL LIMITED, a limited liability company organized under the laws of England and Wales (together with its successors and assigns, the "Company"), certain subsidiaries of the Company from time to time parties hereto, CITIBANK, N.A., LONDON BRANCH, as trustee (the "Trustee"), CITIBANK, N.A., LONDON BRANCH, as principal paying agent and transfer agent (the "Principal Paying Agent" and the "Transfer Agent", respectively), Citigroup Global Markets Deutschland AG, as registrar (the "Registrar") and J.P. Morgan Europe Limited, as security agent (the "Security Agent").

Each party agrees as follows for the benefit of each other and for the other parties and for the equal and ratable benefit of the Holders (as defined herein) of the 10.375% Senior Secured Notes due 2019 (the "Notes").

ARTICLE I

Definitions and Incorporation by Reference

SECTION 1.01. Definitions.

"144A Global Note" means a Global Note substantially in the form of Exhibit A hereto bearing the applicable Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the respective Depositary therefor or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"Acquired Indebtedness" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"Additional Assets" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary engaged in a Similar Business.

"Additional Notes" means additional notes (other than the Initial Notes) having identical terms and conditions to the Notes (except for payment of interest accruing prior to the issue date of such Additional Notes or for the first payment of interest following the issue date of such Additional Notes) that may be issued from time to time under this Indenture in accordance with the terms hereof, including Sections 2.02 and 4.09 hereof. Any Additional Notes shall be treated with the Notes as a single class and shall vote on all matters with the Notes.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent" means any Authentication Agent, Registrar, co-registrar, Transfer Agent, Principal Paying Agent or additional paying agent.

"Agreed Security Principles" means the agreed security principles as set out in Exhibit E as in effect on the Issue Date, as applied reasonably and in good faith by the Company.

"AnaCap" means AnaCap Financial Partners L.L.P.

"Applicable Premium" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; or

(2) the excess of:

(i) the present value at such redemption date of (x) the redemption price of such Note at October 1, 2015 (such redemption price being set forth in Section 3.07(a)), plus (y) all required interest payments due on such Note through October 1, 2015 (excluding accrued but unpaid interest), computed using a discount rate equal to the Gilt Rate as of such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of such Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; provided, however, that such calculation shall not be a duty or obligation of the Trustee or any Agent.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary with respect thereto that apply to such transfer or exchange.

"Asset Disposition" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction; provided that the sale, conveyance or other disposition of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Section 4.15 or Article V and not by Section 4.10. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof or inventory or other assets, in each case, in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment, or equipment or other property that is no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under Section 5.01(a) or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than the greater of (i) £4.5 million and (ii) 1.4 % of Total Assets;

(8) any Restricted Payment that is permitted to be made, and is made, under Section 4.07 and the making of any Permitted Payment or Permitted Investment or, solely for purposes of Section 4.10(a)(3), asset sales, in respect of which (and only to the extent that) the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of Receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(14) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and

(15) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, finance leases, asset securitizations and other similar financings permitted by this Indenture (where the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (15), does not exceed the greater of (i) £5.0 million and (ii) 1.5% of Total Assets).

"Associate" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary.

"Authorized Person" means any person who is designated in writing by the Issuer from time to time to give instructions to the Trustee or an Agent under this Indenture.

"Bankruptcy Law" means (a) the U.K. Insolvency Act 1986 or any other bankruptcy, insolvency, liquidation or similar laws of general application, (b) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors and (c) in relation to the Issuer, any law relating to bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*), arrangement with creditors (*concordat préventif de la faillite*) and judicial liquidation (*liquidation judiciaire*) proceedings or for the appointment of a commissaire, juge-commissaire, liquidateur, curateur or similar officer.

"Board of Directors" means (1) with respect to the Company, the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of this Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, New York, New York, United States or Luxembourg are authorized or required by law to close; provided, however, that for any payments to be made under this Indenture, such day shall also be a day on which the second generation Trans-European Automated Real-time Gross Settlement Express Transfer ("TARGET2") payment system is open for the settlement of payments.

"Cabot UK Financial" means Cabot Financial (UK) Limited, a limited liability company organized under the laws of England and Wales, and its successors and assigns.

"Capital Stock" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligation" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Cash Equivalents" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union (other than Greece and Portugal), Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances (in each case, including any such deposits made pursuant to any sinking fund established by the Company or any Restricted Subsidiary) having maturities of not more than one year from the date of acquisition thereof issued by any lender party to a Credit

Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of £500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union (other than Greece and Portugal), Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or Preferred Stock issued by Persons with a rating of "BBB–" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union (other than Greece and Portugal), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"CCM Guarantee" means the guarantee of the Notes by CCM.

"Change of Control" means:

(1) the Company becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) that any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or

becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, any holding company whose only asset is the Capital Stock of the Company will not itself be considered a "person" or "group";

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders,

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"Clearstream" means Clearstream Banking, société anonyme, or any successor securities clearing agency.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral" means all property and assets, whether now owned or hereafter
acquired, in which Liens are, from time to time, purported to be granted to secure the Notes and the Note Guarantees pursuant to the Security Documents.

"Common Depositary" means Citibank Europe plc, as common depositary for Euroclear and Clearstream as depositary for the Global Notes, together with its successors in such capacity.

"Commodity Hedging Agreements" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Company" has the meaning assigned to it in the preamble to this Indenture, together with its successors and assigns.

"Company Guarantee" means the guarantee of the Notes by the Company.

"Consolidated EBITDA" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges plus, to the extent not already included or added back, any costs associated with Hedging Obligations or derivatives;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization expense, including any amortization of portfolio assets;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Indenture (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting, employment and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by Section 4.11; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"Consolidated Income Taxes" means Taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding Taxes) and

Corporation Tax and franchise Taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, (1) interest payable (whether in cash or capitalized) on Financial Indebtedness of such Person and its Restricted Subsidiaries for such period, plus (i) any amortization of debt discount with respect to such Indebtedness and (ii) any commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing or bank guarantees, but, in each case, excluding any expense associated with Subordinated Shareholder Funding less (2) interest income for such period.

"Consolidated Leverage" means the sum of the aggregate outstanding Financial Indebtedness of the Company and its Restricted Subsidiaries as of the relevant date of calculation on a consolidated basis in accordance with GAAP.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available; provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such Sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company

or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income and Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Company (including in respect of synergies and cost savings) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"Consolidated Net Income" means, for any period, the profit (loss) on ordinary activities after taxation of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; provided, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents (x) actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or Restricted Subsidiary or (y) but only for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(C)(i) that could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under Section 4.07(a)(C)(i), any profit (loss) on ordinary activities after taxation of any Restricted Subsidiary (other than any Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to or permitted under the Senior Facilities Agreement, the Notes or this Indenture, and (c) restrictions specified in Section 4.08(b)(11)(i)), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any

sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (as determined in good faith by the Company), or any charges or reserves in respect of any restructuring, redundancy or severance expense;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off; and

(13) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Facility" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended from time to time (whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Senior Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"Currency Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"Custodian" means, in the case of any Global Note held through Euroclear or Clearstream, the Common Depositary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A

hereto, except that such Note shall not bear the Global Note Legend or the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to any Global Note, the Person specified in Section 2.03 hereof as the Depositary with respect to such Global Note or any successor thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Non-Cash Consideration" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 4.10.

"Designated Preference Shares" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in Section 4.07(a)(C)(ii).

"Disinterested Director" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest solely by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness

at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; provided, however, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with Section 4.07.

"Equity Investors" means AnaCap, funds managed by AnaCap or any of its Affiliates, or any co-investment vehicle managed by AnaCap or any of its Affiliates.

"Equity Offering" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares and other than an Excluded Contribution) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities of the Parent, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or any of its Restricted Subsidiaries.

"ERC" means, for any date of calculation, the aggregate amount of estimated remaining collections projected to be received by the Company and its Restricted Subsidiaries from all Right to Collect Accounts and all sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof owned by the Company and its Restricted Subsidiaries during the period of 84 months, as calculated by the Portfolio ERC Model, as at the last day of the month most recently ended prior to the date of calculation.

"Escrowed Proceeds" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"Euroclear" means Euroclear Bank S.A./N.V. or any successor securities clearing agency.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Excluded Contribution" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its

employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"fair market value" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"Financial Indebtedness" means any Indebtedness described under clauses (1), (2), (4), (5), (6) and (7) of the definition of "Indebtedness."

"Fixed Charge Coverage Ratio" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recently completed four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to the Fixed Charges of such Person and its Restricted Subsidiaries for such four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than, in the case of redemption, defeasance, retirement or extinguishment, Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; provided, however, that the pro forma calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Fixed Charge Coverage Ratio Calculation Date pursuant to the provisions described in Section 4.09(b) or (ii) the discharge on the Fixed Charge Coverage Ratio Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in Section 4.09(b).

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations that have been made by the Company or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued any operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage

Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including synergies and cost savings). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;

(3) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period; and

(4) any interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such guarantee or Lien is called upon;

determined on a consolidated basis in accordance with GAAP.

"GAAP" means generally accepted accounting principles in the United Kingdom as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in this Indenture, all ratios and calculations based on GAAP contained in this Indenture shall be computed in accordance with GAAP. At any time after the Issue Date, the Company may elect to establish that GAAP shall mean UK GAAP as in effect on or prior to the date of such election; provided that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Company may elect to apply IFRS accounting principles in lieu of UK GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture), including as to the ability of the Company to make an election pursuant to the previous sentence; provided that any such election,

once made, shall be irrevocable; provided, further, that any calculation or determination in this Indenture that requires the application of UK GAAP for periods that include fiscal quarters ended prior to the Company's election to apply IFRS shall remain as previously calculated or determined in accordance with UK GAAP; provided, further, however, that the Company may only make such election if it also elects to prepare any subsequent financial reports required to be made by the Company, including pursuant to Section 4.03, in IFRS. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders.

"Gilt Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United Kingdom government securities with a fixed maturity (as compiled by the Debt Management Office statistics that have become publicly available at least two Business Days in London prior to such redemption date (or, if such statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to October 1, 2015; provided, however, that if the period from such redemption date to October 1, 2015 is less than one year, the weekly average yield on actually traded United Kingdom government securities denominated in sterling adjusted to a fixed maturity of one year shall be used.

"Global Notes" means, individually and collectively, the Global Notes, substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchange of Interests in the Global Note" attached thereto) issued in accordance with Section 2.01 or 2.06 hereof.

"Global Note Legend" means the legend set forth in Section 2.06(g), which is required to be placed on all Global Notes issued under this Indenture.

"Governmental Authority" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means the Company, CCM (and any successor obligor under the CCM Guarantee) and any Restricted Subsidiary that Guarantees the Notes.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "Hedging Agreement").

"Holder" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the nominee of a common depositary for Euroclear and Clearstream.

"Holdings" means Cabot Financial Holdings Group Limited, a limited liability company organized under the laws of England and Wales, and its successors and assigns.

"Holdings Guarantee" means the guarantee of the Notes by Holdings.

"IFRS" means the International Financial Reporting Standards (formerly, International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; provided that at any date after the Issue Date the Company may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Company shall give notice of any such election to the Trustee.

"Immaterial Subsidiary" means any Restricted Subsidiary that (i) has not guaranteed, or is not a co-obligor under, any other Indebtedness of the Issuer or any Guarantor and (ii) (A) has Total Assets (as determined in accordance with GAAP) of less than 5% of the Company's consolidated Total Assets and (B) has Consolidated EBITDA of less than 5% of the Company's Consolidated EBITDA (in each case, measured (i) for the four quarters ended most recently for which internal financial statements are available, (ii) on a pro forma basis giving effect to any acquisitions or depositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable and (iii) on the basis of management accounts and excluding intercompany balances, investments in subsidiaries and joint ventures and intangible assets).

"Incur" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) Capitalized Lease Obligations of such Person;

(5) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary (other than the Issuer), any Preferred Stock (but excluding, in each case, any accrued dividends);

(6) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(7) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(8) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, any asset retirement obligations, prepayments or deposits received from clients or customers, in each case, in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (5), (6) or (8) above) shall be (a) in the case of any Indebtedness issued with original issue discount, the amount in respect thereof that would appear on the balance sheet of such Person in accordance with GAAP and (b) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Independent Financial Advisor" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Company.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Notes" means the £265,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"Initial Purchasers" means the initial purchasers listed on schedule 1 to the purchase agreement entered into in connection with the offer and sale of the Notes on September 13, 2012 and any similar purchase agreement in connection with any Additional Notes.

"Initial Public Offering" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Instructions" means any written notices, written directions or written instructions received by the Trustee or any of the Agents in accordance with the provisions of this Indenture from an Authorized Person or from a person reasonably believed by the Trustee or any of the Agents to be an Authorized Person.

"Intercreditor Agreement" means the intercreditor agreement to be dated on the Issue Date made between the Issuer, the Guarantors, the Security Agent, the agent for the Senior Facilities Agreement, the Trustee and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"Interest Rate Agreement" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in Section 4.07(c).

For purposes of Section 4.07:

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"Investment Grade Securities" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union (other than Greece and Portugal), or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A–" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Investment Grade Status" shall occur when the Notes receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such ratings by either such rating organizations or, if no rating of Moody's or S&P then exists, the equivalent of such applicable rating by any other Nationally Recognized Statistical Ratings Organization.

"IPO Entity" has the meaning given to it in the definition of "Initial Public Offering."

"IPO Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interest are sold in such Initial Public Offering.

"Issue Date" means September 20, 2012.

"Issuer" has the meaning assigned to it in the preamble to this Indenture.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"LTV Ratio" means, in respect of any date of calculation, the aggregate Secured Indebtedness of the Company and its Restricted Subsidiaries less cash and Cash Equivalents (other than cash or Cash Equivalents in an amount equal to amounts collected by the Company and its Restricted Subsidiaries on behalf of third-party clients and held by the Company and its Restricted Subsidiaries as of such date) as of such date, divided by ERC; provided that ERC shall be adjusted to give effect to purchases or disposals of sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts) made since the last measurement date and prior to such date of calculation, on the basis of estimates made on a pro forma basis by management acting in good faith. In determining the LTV Ratio in connection with the Incurrence of Indebtedness and the granting of a Lien, the LTV Ratio shall be determined on a pro forma basis for the relevant transaction and the use of proceeds of such Indebtedness; provided that no cash or Cash Equivalents shall be included in the calculation of the pro forma LTV Ratio that are, or are derived from, the proceeds of Indebtedness in respect of which the pro forma calculation is to be made, except, for the avoidance of doubt, to the extent cash or Cash Equivalents will be expended in a transaction to which pro forma effect is given; provided further that any cash and Cash Equivalents received by the Company or any of its Restricted Subsidiaries from the issuance or sale of its Capital Stock, Subordinated Shareholder Funding or other capital contributions subsequent to the Issue Date shall (to the extent they are taken into account in determining the amount available for Restricted Payments under such clauses) be excluded for purposes of making Restricted Payments and Permitted Payments, as applicable, under Sections 4.07(a)(C)(ii), 4.07(a)(C)(iii), 4.07(b)(1) and 4.07(b)(13) to the extent such Cash and Cash Equivalents are included in the calculation of the LTV Ratio.

"Losses" means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained or incurred by either party.

"Management Advances" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding £0.5 million in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"Moody's" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Nationally Recognized Statistical Rating Organization" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"Net Available Cash" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which are required by applicable law to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions).

"Note Documents" means the Notes (including Additional Notes), this Indenture, the Intercreditor Agreement, the Proceeds Loan Agreement and the Security Documents.

"Note Guarantees" means the CCM Guarantee, the Company Guarantee, the Holdings Guarantee, together with the Subsidiary Note Guarantees and, for the avoidance of doubt, includes any Additional Note Guarantee.

"Notes" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and any Additional Notes shall be treated as a single class for all purposes under this Indenture, and, unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"Offering Memorandum" means the offering memorandum dated September 13, 2012 relating to the offering of the Initial Notes.

"Officer" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of this Indenture by the Board of Directors of such Person.

"Officer's Certificate" means, with respect to any Person, a certificate signed by one Officer of such Person.

"Opinion of Counsel" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"Parent" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date (including CCM) and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"Parent Expenses" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) (a) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or any Equity Investor or any of its Affiliates related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries (including, without limitation, accounting, legal, corporate reporting, and administrative expenses as well as payments made pursuant to secondment, employment or similar agreements entered into between the Company and/or any of its Restricted Subsidiaries and/or any Parent and any Equity Investor or any of its Affiliates or any employee thereof) or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, of the Issuer by any Parent;

(5) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed £1.5 million in any fiscal year; and

(6) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Senior Facilities Agreement and Priority Hedging Obligations) or any Guarantor if such Guarantee ranks equally in right of payment to the Note Guarantees which, in each case, is secured by Liens on the Collateral.

"Participant" means, with respect to any Depositary, a Person who is a participant of or has an account with such Depositary.

"Paying Agent" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with Section 4.10.

"Permitted Collateral Liens" means (A) Liens on the Collateral described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), (14), (18), (19), (20), (21), (22), (23) and (25) of the definition of "Permitted Liens", (B) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under Section 4.09(b)(1), 4.09(b)(2) (in the case of 4.09(b)(2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of "Permitted Collateral Liens"), 4.09(b)(4)(a) and (c) (if the original Indebtedness was so secured), 4.09 (b)(6) or 4.09(b)(11); provided, however, that such Lien ranks equal to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under Section 4.09(b)(1) and a Lien in favor of Priority Hedging Obligations may have super priority not materially less favorable to the Holders than that accorded to the Senior Facilities Agreement on the Issue Date as provided in the Intercreditor Agreement as in effect on the Issue Date), (C) Liens on the Collateral securing Indebtedness incurred under Section 4.09(a); provided that, in the case of this clause (C), after giving effect to such incurrence on that date, the LTV Ratio is less than 0.625, or (D) Liens on Collateral securing Refinancing Indebtedness in respect of any Indebtedness secured pursuant to the foregoing clauses (A), (B) and (C). To the extent that a Lien on the Collateral consists of a mortgage over any real estate located in the United Kingdom, it shall constitute a Permitted Collateral Lien only to the extent that a mortgage ranking at least pari passu is granted in favor of the Security Agent for the benefit of the Trustee and the Holders.

"Permitted Holders" means, collectively, (1) the Equity Investors and any Affiliate or Related Person of any of them, (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture, (3) other than for purposes of Section 4.11(b)(12) in connection with the initial investment of any such Person in the Company and its Restricted Subsidiaries, any one or more Persons whose beneficial ownership would have constituted or resulted in a Change of Control but for the fact that such Change of Control is also a Specified Change of Control Event, (4) Senior Management and (5) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity. Any person or group that includes a Permitted Holder shall also be deemed to be a Permitted Holder, provided that Permitted Holders as defined in clauses (1), (2), and (4) above retain exclusive beneficial ownership and control of at least 50.1% of the total voting power of the Voting Stock of the Company beneficially owned by any group that becomes a Permitted Holder at any time as a result of the application of this sentence (without giving effect to the existence of such group or any other group).

"Permitted Investment" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or

otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in Receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with Section 4.10;

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 4.09;

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of 4.5% of Total Assets and £15.0 million; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.07, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 4.12;

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with Section 4.11(b) (except those described in Sections 4.11(b)(1), 4.11(b)(3), 4.11(b)(6), 4.11(b)(8), 4.11(b)(9) and 4.11(b)(12));

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with this Indenture;

(16) Guarantees not prohibited by Section 4.09 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(17) Investments in Associates or Unrestricted Subsidiaries in an aggregate amount when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed the greater of 3.0% of Total Assets and £10.0 million; and

(18) Investments in the Notes and any Additional Notes and Investments pursuant to the Proceeds Loan.

"Permitted Liens" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed

money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under this Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property; provided that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens do not extend to or cover any property or assets of the Company and its Restricted Subsidiaries other than (A) the property or assets acquired or (B) the property or assets of the person acquired, merged with or into or consolidated or combined with the Company or a Restricted Subsidiary;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Indenture; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set

aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(22) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(23) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens which do not exceed £5.0 million at any one time outstanding;

(25) Liens on Capital Stock of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(26) Liens securing Permitted Purchase Obligations, provided that any such Lien is only over the assets and Capital Stock of the relevant Permitted Purchase Obligations SPV.

"Permitted Purchase Obligations" means any Indebtedness Incurred by a Permitted Purchase Obligations SPV to finance or refinance the acquisition of sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts) purchased by such Permitted Purchase Obligations SPV in an aggregate principal amount not exceeding at the time of the incurrence of such Permitted Purchase Obligations, together with any other Indebtedness incurred pursuant to Section 4.09(b)(12) and then outstanding, 15.0% of the ERC of the Company and its Restricted Subsidiaries, calculated in good faith on a pro forma basis by management as of the date of purchase of such sub-performing or charged-off consumer accounts, installment loans or other similar accounts or such portfolios (including through the use of Right to Collect Accounts), provided that:

(1) except for the granting of a Lien described in clause (26) of the definition of "Permitted Liens," no portion of any Permitted Purchase Obligations or any other obligations (contingent or otherwise) of the applicable Permitted Purchase Obligations SPV (i) is guaranteed by the Company or any other Restricted Subsidiary, (ii) is recourse to or obligates the Company or any other Restricted Subsidiary in any way, or (iii) subjects any property or asset of the Company or any other Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof,

(2) neither the Company nor any other Restricted Subsidiary has any obligation to maintain or preserve the applicable Permitted Purchase Obligations SPV's financial condition or cause such entity to achieve certain levels of operating results, and

(3) such Permitted Purchase Obligation is secured (if at all) only over the assets of, and Capital Stock of, the relevant Permitted Purchase Obligations SPV.

"Permitted Purchase Obligations SPV" means a Wholly Owned Restricted Subsidiary (i) which engages in no activities other than the acquisition of sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts), the Incurrence of Permitted Purchase Obligations to finance such acquisition and any business or activities incidental or related to such business and is set up in connection with the Incurrence of Permitted Purchase Obligations, (ii) to which the Company or any Restricted Subsidiary contributes, loans or otherwise transfers no amounts in excess of amounts required, after giving effect to the Incurrence of Permitted Purchase Obligations, to consummate the relevant purchase of assets and amounts required for incidental expenses, costs and fees for the set-up and continuing operations of such Permitted Purchase Obligations SPV, and (iii) all the Capital Stock of which is held by a Wholly Owned Restricted Subsidiary which holds no other material assets.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"Portfolio ERC Model" means the models and methodologies that the Company uses to calculate the value of its loan portfolios and those of its Subsidiaries, consistently with its audited financial statements as of the Issue Date.

"Preferred Stock," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Priority Hedging Obligations" means designated Hedging Obligations in an aggregate amount outstanding at any time of up to £10 million.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(1) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"Proceeds Loan" means the loan of the proceeds of the Notes pursuant to the Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"Proceeds Loan Agreement" means that certain loan agreement made as of the Issue Date by and between Cabot UK Financial, as borrower, and the Issuer, as lender.

"Public Debt" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Company, in accordance with Section 4(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"Public Market" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of £50 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"Public Offering" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"Purchase Money Obligations" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Receivable" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of GAAP.

"refinance" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in this Indenture shall have a correlative meaning.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided, however, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments

governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced, provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred within 120 days after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a Global Note bearing the applicable Global Note Legend and the Private Placement Legend and deposited with or on behalf of the respective Depositary (or the common depositary) therefor and registered in the name of the respective Depositary (or the common depositary) therefor or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

"Related Person" with respect to any Equity Investor, means:

(1) any controlling equity holder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individuals and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Equity Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"Related Taxes" means:

(1) any Taxes (other than (x) Taxes measured by gross or net income, receipts or profits and (y) withholding Taxes), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding; or

(c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any consolidated or combined Taxes measured by income for which such Parent is liable up to an amount not to exceed the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries; provided that distributions shall be permitted in respect of the income of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to the Company or its Restricted Subsidiaries.

"Relevant Net Debt" means (x) the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries as of the relevant date of determination on a consolidated basis in accordance with GAAP less (y) cash and Cash Equivalents of the Company and its Restricted Subsidiaries as of such date (other than cash or Cash Equivalents in an amount equal to amounts collected by the Company and its Restricted Subsidiaries on behalf of third-party clients and held by the Company and its Restricted Subsidiaries as of such date). In determining Relevant Net Debt in connection with a Change of Control, Relevant Net Debt shall be determined on a pro forma basis for the relevant transaction and the incurrence of any Indebtedness and the use of any proceeds of such Indebtedness, in each case related thereto; provided that no cash or Cash Equivalents shall be included in the calculation of Relevant Net Debt that are, or are derived from, the proceeds of Indebtedness which is outstanding as of the calculation date; provided further that any cash and Cash Equivalents received by the Company or any of its Restricted Subsidiaries from the issuance or sale of its Capital Stock, Subordinated Shareholder Funding or other capital contributions subsequent to the Issue Date shall (to the extent they are taken into account in determining the amount available for Restricted Payments under such clauses) be excluded for purposes of making Restricted Payments and Permitted Payments, as applicable, under Sections 4.07(a)(C)(ii) and 4.07 (a)(C)(iii), 4.07(b)(1) and 4.07(b)(13) to the extent such cash and Cash Equivalents are included in the calculation of Relevant Net Debt.

"Responsible Officer" means any officer within the corporate trust and agency department of the Trustee, including any vice president, assistant vice president, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by such officers, or to whom any corporate trust matter is referred because of such individual's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Reversion Date" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"Right to Collect Account" means a sub-performing or charged-off consumer account, installment loan or other similar account that is owned by a person that is not the Company or one of its Restricted Subsidiaries (a "Third Party") and in respect of which (a) such Third Party is unable or unwilling to dispose of the relevant account, debt or loan to the Company or a Restricted Subsidiary; and (b) the Company or a Restricted Subsidiary is entitled to collect and retain substantially all of the amounts due under such account, debt or loan or to receive amounts equivalent thereto.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 902" means Rule 902 promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated under the Securities Act.

"SEC" means the U.S. Securities and Exchange Commission.

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Security Agent" means J.P. Morgan Europe Limited, as security agent under the Security Documents, and shall include its successor and assigns.

"Security Documents" means the Intercreditor Agreement, the debenture, the security over shares agreement and each other document under which collateral is pledged to secure the Notes.

"Senior Facilities Agreement" means the senior secured revolving credit facility agreement dated on or around the Issue Date among the Company, the Security Agent, J.P.

Morgan Europe Limited as Agent and the other parties named therein, as amended, supplemented, refinanced, replaced or otherwise modified from time to time.

"Senior Finance Documents" means the Senior Facilities Agreement and such other documents identified as "Senior Finance Documents" pursuant to the Senior Facilities Agreement.

"Senior Management" means any previous or current officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent.

"Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the Total Assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"Similar Business" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Specified Change of Control Event" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; provided that any such event occurs prior to the 18-month anniversary of the Issue Date and immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto, the Relevant Net Debt of the Company and its Restricted Subsidiaries does not exceed an amount equal to 50% of ERC as of such date; provided that ERC shall be adjusted to give effect to purchases or disposals of sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts) made since the last measurement date and prior to such date of calculation, on the basis of estimates made on a pro forma basis by management acting in good faith. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under this Indenture after the Issue Date.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Sterling Equivalent" means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by the Company or the Trustee, the amount of sterling obtained by converting such currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination.

"Subordinated Indebtedness" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"Subordinated Shareholder Funding" means any funds provided to the Company by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; provided, however, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding, provided, further, however, that upon

the occurrence of any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Funding, such Indebtedness shall constitute an incurrence of such Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

"Subsidiary" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Subsidiary Guarantor" means a Restricted Subsidiary of the Company (other than Holdings) that guarantees the Notes.

"Subsidiary Note Guarantee" means the guarantee of the Notes by a Subsidiary Guarantor.

"Taxes" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"Temporary Cash Investments" means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state (other than Greece and Portugal), (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a

Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Senior Facilities Agreement,

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in clause (1) (a) above, or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of £250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state (other than Greece and Portugal) or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union (other than Greece and Portugal), Switzerland, Norway or Japan eligible for

rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of £250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"Total Assets" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person.

"Transactions" means the issuance of the Notes and the use of proceeds thereof to pay transaction fees and expenses, to repay the existing senior facilities agreement and to make distributions to repay existing shareholder loans, each as described in the "Use of proceeds" section of the Offering Memorandum, and the entry into the Senior Facilities Agreement.

"Transfer Agent" has the meaning assigned to it in the preamble to this Indenture.

"Trust Officer" means, when used with respect to the Trustee, any director,
managing director, corporate trust officer, assistant corporate trust officer, secretary, assistant secretary, associate, vice president, assistant vice president, treasurer, assistant treasurer or other officer or assistant officer in the Trust and Securities Services Department of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above-designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject, and, in each case, who shall have direct responsibility for the administration of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"UK Government Obligations" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit.

"Uniform Commercial Code" means the New York Uniform Commercial Code.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a Global Note substantially in the form of Exhibit A attached hereto that bears the applicable Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary therefor or its nominee, representing a series of Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Company (other than the Issuer and Holdings) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), other than the Issuer and Holdings, to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with Section 4.07.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2) (x) the Company could Incur at least £1.00 of additional Indebtedness under Section 4.09(a) or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be worse than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Person" means a U.S. Person as defined in Rule 902.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary of the Company, all the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Restricted Subsidiary) is owned by the Company or another Wholly Owned Restricted Subsidiary.

"Working Capital Intercompany Loan" means any loan to or by the Company or any of its Restricted Subsidiaries to or from the Company or any of its Restricted Subsidiaries from time to time (i) for purposes of consolidated cash and tax management and working capital management and (ii) for a duration of less than one year.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Additional Amounts"	2.13
"Additional Intercreditor Agreement"	12.05
"Additional Note Guarantee"	4.16
"Affiliate Transaction"	4.11
"Asset Disposition Offer"	4.10
"Asset Disposition Offer Amount"	4.10
"Asset Disposition Offer Period"	4.10
"Asset Disposition Purchase Date"	4.10
"Authentication Order"	2.02
"Authentication Agent"	2.02
"Change in Tax Law"	3.10
"Change of Control Offer"	4.15
"Change of Control Payment"	4.15
"Change of Control Payment Date"	4.15
"Covenant Defeasance"	8.03
"Duplicate Register"	2.02
"Event of Default"	6.01
"Excess Proceeds"	4.10
"Guaranteed Obligations"	11.01
"Initial Agreement"	4.08
"Initial Lien"	4.12
"Legal Defeasance"	8.02
"Paying Agent"	2.03
"Payor"	2.13
"Register"	2.03
"Registrar"	2.03
"Relevant Taxing Jurisdiction"	2.13

"Restricted Payment"	4.07
"Successor Company"	5.01
"Suspension Event"	4.18
"Tax Redemption Date"	3.10

SECTION 1.03. Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) words in the singular include the plural, and in the plural include the singular;

(f) "will" shall be interpreted to express a command;

(g) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time; and

(h) references to any person "acting reasonably" and correlative expressions shall be construed to mean "acting reasonably in the interests of the Holders and having regard to the duties of the Trustee to the Holders."

ARTICLE II

The Notes

SECTION 2.01. Form and Dating. (a) General. The Notes shall be sterling-denominated 10.375% Senior Secured Notes due 2019. The Notes and the Trustee's or Authentication Agent's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. The Initial Notes will initially be represented by the Global Notes, as defined below. Each Note will be dated the date of its authentication. The Notes shall be in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions

of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form will be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent outstanding Notes of each such series as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian therefor, at the direction of the Trustee, in accordance with Section 2.06 hereof.

(c) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Global Notes that are held by Participants through Euroclear or Clearstream.

SECTION 2.02. Execution and Authentication. An Officer must sign the Notes for the Issuer by manual or facsimile signature.

If the Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual or facsimile signature of the Trustee or Authentication Agent. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

On the Issue Date, the Trustee (or the Authentication Agent (as defined herein below)) shall, upon receipt of a written order of the Issuer signed by an Officer (an "Authentication Order"), authenticate the Initial Notes for original issue up to (i) £265,000,000 in aggregate principal amount of Notes and, upon delivery of any Authentication Order at any time and from time to time thereafter, the Trustee (or the Authentication Agent) shall authenticate Additional Notes for original issue, or Definitive Notes issued pursuant to Section 2.06 hereof, in an aggregate principal amount specified in such Authentication Order. Such Authentication Order shall specify the aggregate principal amount of Notes to be authenticated, the series and type of Notes, the date on which the Notes are to be authenticated, and the date from which interest on such Notes shall accrue, whether the Notes are to be issued as definitive Notes or Global Notes and whether or not the Notes shall bear any legend, or such other information as the Trustee may reasonably request. In addition, such Authentication Order shall include (a) a statement that the Persons signing the Authentication Order have (i) read and

understood the provisions of this Indenture relevant to the statements in the Authentication Order and (ii) made such examination or investigation as is necessary to enable them to make such statements and (b) a brief statement as to the nature and scope of the examination or investigation on which the statements set forth in the Authentication Order are based.

The Trustee may appoint an authenticating agent (the "Authentication Agent") acceptable to the Issuer to authenticate Notes. Such an agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. Any authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer. Any such appointment shall be evidenced by an instrument signed by a Responsible Officer, a copy of which shall be furnished to the Issuer. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. The Trustee appoints Citigroup Global Markets Deutschland AG as the Authentication Agent and Citigroup Global Markets Deutschland AG hereby accepts such appointment. The Issuer confirms this appointment as acceptable to it. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

SECTION 2.03. Registrar and Paying Agent. The Issuer shall maintain offices or agencies where Notes may be presented for registration of transfer or for exchange (each, a "Registrar") and offices or agencies where Notes may be presented for payment (each, a "Paying Agent"). Offices or agencies of the Paying Agent for the Notes shall be maintained in London, England. The Issuer shall also maintain a Registrar with its offices in Frankfurt, Germany and a transfer agent in London, England. The Registrar, acting as agent of the Issuer solely for this purpose, shall keep a register of the Notes and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent, Registrar or transfer agent without prior notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Paying Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee, acting as agent of the Issuer solely for this purpose, shall act as such. The Issuer or any of its Subsidiaries, acting as agent of the Issuer solely for this purpose, may act as Paying Agent, Transfer Agent or Registrar.

The Issuer initially appoints Euroclear and Clearstream to act as a Depositary with respect to the Global Notes. Citibank Europe plc will act as Common Depositary for the Global Notes on behalf of Euroclear and Clearstream.

The Issuer initially appoints Citibank N.A., London Branch to act as the Principal Paying Agent and transfer agent and Citibank Europe plc to act as Custodian with respect to the

Global Notes, and initially appoints Citigroup Global Markets Deutschland AG to act as the Registrar. Each hereby accepts such appointments.

Subject to any applicable laws and regulations, the Issuer shall cause the Registrar to keep a register (the "Register") at its office in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of ownership, exchange and transfer of the Notes. Such registration in the Register shall be conclusive evidence of the ownership of Notes. Included in the books and records for the Notes shall be notations as to whether such Notes have been paid, exchanged or transferred, cancelled, lost, stolen, mutilated or destroyed and whether such Notes have been replaced. In the case of the replacement of any of the Notes, the Registrar shall keep a record of the Note so replaced and the Note issued in replacement thereof. In the case of the cancellation of any of the Notes, the Registrar shall keep a record of the Note so cancelled and the date on which such Note was cancelled. Each time the register is amended or updated, the Registrar shall send a copy of the relevant register to the Issuer who will keep an updated copy of the register at its registered office (the "Duplicate Register"). In the event of an inconsistency between the register and the Duplicate Register, for the purposes of Luxembourg law only, the Duplicate Register shall prevail.

The Issuer shall enter into an appropriate agency agreement with any Paying Agent or co-Registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of any such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee may appoint a suitably qualified and reputable party to act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07.

Upon notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent; provided, however, that in no event may the Issuer appoint a Paying Agent in any member state of the European Union where the Paying Agent would be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive. For so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a daily newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange in accordance with Section 13.02 and, in the case of Definitive Notes, in addition to such publication and posting, mail such notice by first-class mail to each Holder's registered address, as it appears on the Register, with a copy to the Trustee.

Payment of principal shall be made upon the surrender of Definitive Notes at the office of any Paying Agent. In the case of a transfer of a Definitive Note in part, upon surrender of the Definitive Note to be transferred, a Definitive Note shall be issued to the transferee in respect of the principal amount transferred and a Definitive Note shall be issued to the transferor

in respect of the balance of the principal amount of the transferred Definitive Note at the office of any Transfer Agent.

The obligations of the Agents are several and not joint.

SECTION 2.04. Paying Agent To Hold Money. The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and will notify the Trustee of any default by the Issuer in making any such payment. Money held by a Paying Agent need not be segregated, except as required by law, and in no event shall any Paying Agent be liable for interest on any money received by it hereunder. For the avoidance of doubt, any funds held by the Paying Agent as banker are not subject to UK FSA Client Money Rules. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon payment over to the Trustee, the Paying Agent will have no further liability for the money. Upon any bankruptcy or reorganization proceedings relating to the Issuer, Citibank N.A., London Branch will serve as Paying Agent for the Notes.

SECTION 2.05. Holder Lists. If the Trustee is the Registrar, the Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders.

Neither the Trustee nor any of its Agents will have any responsibility or be liable for any aspect of the records in relation to, or payments made on account of, beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

SECTION 2.06. Transfer and Exchange. (a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the nominee of an applicable Depositary to another nominee of the applicable Depositary, or by the applicable Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes of a series will be exchanged by the Issuer for Definitive Notes if:

(1) in the case of any Global Note, the Issuer delivers to the Trustee notice from Euroclear and Clearstream that they are unwilling or unable to continue to act as clearing

agencies and a successor Depositary is not appointed by the Issuer within 120 days after the date of such notice from the Depositary; or

(2) in the case of any Global Note, there has occurred and is continuing an Event of Default with respect to such Global Note and the Participant who owns a book entry interest in such Global Note so requests in writing.

Upon the occurrence of any of the events listed in the preceding clause (1) of this Section 2.06(a), the Issuer shall execute, and the Trustee or the Authentication Agent shall, upon receipt of an Authentication Order, authenticate and deliver Definitive Notes of the series and in an aggregate principal amount equal to the principal amount of the applicable Global Note tendered in exchange therefor. The Issuer shall, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Notes to be executed and delivered to the Trustee or the Authentication Agent for authentication and the Registrar for registration of the exchange and dispatch to the relevant Holders within 30 days of the relevant event. The Trustee or the Registrar shall, at the cost of the Issuer, deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Definitive Notes issued in exchange for beneficial interests in Global Notes pursuant to this Section 2.06(a) shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its Participants or Indirect Participants or otherwise, shall instruct the Trustee. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); provided, however, notable, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c), (d) or (e) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes will be effected through the applicable Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that transfers of beneficial interests in a Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person prior to the expiration of the 40 day "Distribution Compliance Period" under Regulation S, unless such person is a "Distributor" as defined in Rule 902. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar both (i) a written order from a Participant or an Indirect Participant given to the applicable Depositary in accordance with the Applicable Procedures directing the applicable Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged, and (ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase.

Upon satisfaction of all the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(3) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in a 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the appropriate certifications in item (3) thereof;

and, in each such case, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee (or the Authentication Agent) shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes. If any one of the events listed in clause (1) or (2) of Section 2.06(a) has occurred or the Issuer has elected pursuant to Section 2.06(a) to cause the issuance of Definitive Notes, transfers or exchanges of beneficial interests in a Global Note for a Definitive Note shall be effected, subject to the satisfaction of the conditions set forth in the applicable subclauses of this Section 2.06(c).

(1) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (4) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute

and, upon receipt of an Authentication Order, the Trustee (or the Authentication Agent) shall authenticate and deliver to the Person designated in the instructions a Restricted Definitive Note in the appropriate principal amount. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Restricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only:

(A) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

(B) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof; or

(C) if the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the appropriate certifications in item (3) thereof,

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and, upon receipt of an Authentication Order, the Trustee (or the Authentication Agent) shall authenticate and deliver to the Person designated in the instructions an Unrestricted Definitive Note in the appropriate principal amount. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the applicable Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Unrestricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests. (1) Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Definitive Note proposes to exchange such Restricted Definitive Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred to the Issuer or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (4) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global

Note, in the case of clause (B) above, the appropriate 144A Global Note, and in the case of clause (C) or (D) above, the appropriate Regulation S Global Note.

(2) Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Definitive Note may exchange such Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only:

(A) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof;

(B) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof; or

(C) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Note proposes to exchange such Restricted Definitive Note for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Restricted Definitive Note proposes to transfer such Restricted Definitive Note to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the appropriate certifications in item (3) thereof,

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(2), the Trustee shall cancel the Definitive Note and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Definitive Note may exchange such Unrestricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Unrestricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request

for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of the relevant Unrestricted Global Note.

If any such exchange or transfer from an Unrestricted Definitive Note to a beneficial interest is effected pursuant to this subparagraph (3) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order, the Trustee or Authentication Agent shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Unrestricted Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar and duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of a Person who takes delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (3) thereof.

(2) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Note proposes to exchange such Restricted Definitive Note for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Note proposes to transfer such Restricted Definitive Note to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the appropriate certifications in item (3) thereof,

and, in each such case, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(1) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Unrestricted Definitive Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) [Intentionally Omitted].

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend. (A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS A NON-U.S. PERSON ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION

DATE, WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE DATE WHEN THE SECURITIES WERE FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS IN RELIANCE ON REGULATION S AND THE DATE OF THE COMPLETION OF THE DISTRIBUTION] ONLY (A) TO THE ISSUER OR THE GUARANTORS, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (b)(4), (c)(2), (c)(3), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) Global Note Legend. Each Global Note will bear a legend in substantially the following form:

THIS GLOBAL NOTE IS HELD BY THE COMMON DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE COMMON DEPOSITARY TO A NOMINEE OF THE COMMON DEPOSITARY OR BY A NOMINEE OF THE COMMON DEPOSITARY TO THE COMMON DEPOSITARY OR ANOTHER NOMINEE OF THE COMMON DEPOSITARY OR BY THE COMMON DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR COMMON DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR COMMON DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (WHICH SHALL INITIALLY BE BT GLOBENET NOMINEES LIMITED) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN.

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a

Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges. (1) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee (or the Authentication Agent) shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order or at the Registrar's request.

(2) No service charge will be made to a Holder of a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment by any such Holder of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.09, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) The Issuer shall not be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(7) The Trustee (or the Authentication Agent) shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

SECTION 2.07. Replacement Notes. If any mutilated Note is surrendered to the Trustee or the Issuer or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer shall issue and the Trustee (or the Authentication Agent), upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer may charge for its expenses in replacing a Note.

If, after the delivery of such replacement Note, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment or registration such original Note, the Trustee shall be entitled to recover such replacement Note from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer, the Trustee, any Agent and any authenticating agent in connection therewith.

Subject to the provisions of the final sentence of the preceding paragraph of this Section 2.07, every replacement Note is an obligation of the Issuer and shall be entitled to all the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.08. Outstanding Notes. The Notes outstanding at any time are all the Notes authenticated by the Trustee or the Authentication Agent except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note; provided, however, that Notes held by the Issuer or a Subsidiary of the Issuer shall not be deemed to be outstanding for purposes of Section 3.07 hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser in whose hands such Note is a legal, valid and binding obligation of the Issuer.

If the entire principal amount and premium, if any, of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, and is not prohibited from paying such money to the Holders pursuant to the terms of this Indenture, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an Agent duly appointed in writing or may be embodied in or evidenced by an electronic transmission which identifies the documents containing the proposal on which such consent is requested and certifies such Holders' consent thereto and agreement to be bound thereby; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and where it is hereby expressly required, to the Issuer.

SECTION 2.09. Treasury Notes. In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer will be treated as though they are not outstanding.

SECTION 2.10. Temporary Notes. Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate, temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare and the Trustee (or the Authentication Agent) shall authenticate Definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all the benefits of this Indenture.

SECTION 2.11. Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such canceled Notes in its customary manner unless the Issuer directs the Trustee to deliver canceled Notes to the Issuer. The Issuer may not issue new Notes to replace Notes that it has redeemed or paid or that have been delivered to the Trustee for cancellation.

SECTION 2.12. Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, in accordance with the terms hereof, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuer shall fix or cause to be fixed each such special record date and payment date in a manner satisfactory to the Trustee; provided that no such special record date may be less than 10 days prior to the related payment date for such defaulted interest. At least 10 days before the special record date, the Issuer shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13. Additional Amounts. (a) All payments made by the Issuer, a Successor Company or Guarantor (a "Payor") on the Notes or the Note Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the Grand Duchy of Luxembourg, the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is incorporated or organized, engaged in business for tax purposes or otherwise considered to be a resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor shall pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but not limited to, being a citizen or resident or national or domiciliary of, or the existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or enforcement of rights hereunder or under a Note Guarantee or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owners or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, in each case that is required by applicable law, regulation, treaty or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax; provided that in each case the Holder or beneficial owner is legally eligible to do so;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such directive;

(6) any Taxes imposed in connection with a Note presented for payment (where presentation is required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(7) any Taxes imposed on or with respect to a payment to a Holder that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Note; or

(8) any combination of the above.

(b) Additional Amounts will also not be payable (x) to the extent the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is required for payment) within 30 days after the relevant payment was first made available for payment to the Holder, except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30 day period or (y) where, had the beneficial owner of the Note been the Holder, except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30-day period, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (8) inclusive above, but only if there is no material cost or legal restriction associated with transferring the Note to such beneficial owner.

(c) The Payor shall (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor shall use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company, and shall provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and shall be made available at the offices of the Paying Agent. The Payor shall attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per £1,000 principal amount of the Notes.

(d) If any Payor becomes aware that it shall be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Note Guarantee, at least 30 days prior to the date of such payment, the Payor shall deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises, or Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely on such Officer's Certificate without further inquiry, as conclusive proof that such payments are necessary.

(e) Wherever in this Indenture or the Note Guarantees there are mentioned, in any context:

(1) the payment of principal;

(2) purchase or redemption prices in connection with a purchase or redemption of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts pursuant to this Section 2.13 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(f) The Payor shall pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, this Indenture, the Proceeds Loan Agreement, the Intercreditor Agreement, the Security Documents or any other document or instrument in relation thereto (other than a transfer or exchange of the Notes) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction.

(g) The foregoing obligations of this Section 2.13 will survive any termination, defeasance or discharge of this Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to the Issuer or any Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

SECTION 2.14. Currency Indemnity. (a) Pounds sterling is the sole currency of account and payment for all sums payable by the Issuer and any Guarantor under or in connection with the Notes or any Note Guarantee, as applicable, including damages. Any amount received or recovered in a currency other than pounds sterling, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or any Guarantor will only constitute a discharge to the Issuer or such Guarantor to the extent of the pounds sterling amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

(b) If that pounds sterling amount is less than the pounds sterling amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors shall indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors shall indemnify the recipient or the Trustee against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder or the Trustee to certify in a manner satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and

effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

SECTION 2.15. Deposit of Moneys. No later than 10:00 a.m. London Time one Business Day prior to each due date of the principal of, interest and premium (if any) on any Note and the Stated Maturity date of the Notes, the Issuer shall deposit with the Principal Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such day or date, as the case may be, in a timely manner which permits the Trustee or relevant Paying Agent to remit payment to the Holders on such day or date, as the case may be. Subject to actual receipt of such funds as provided by this Section 2.15 by the designated Paying Agent, such Paying Agent shall make payments on the Notes in accordance with the provisions of this Indenture. The Issuer shall promptly notify the Trustee and the Paying Agents of its failure to so act.

ARTICLE III

Redemption and Prepayment

SECTION 3.01. Notices to Trustee. If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, at least 10 days but not more than 60 days (or such shorter period as may be agreed by the Trustee) before notice of redemption is given to Holders, an Officer's Certificate setting forth:

(a) the clause of this Indenture pursuant to which the redemption shall occur;

(b) the record date for the redemption and the redemption date;

(c) the principal amount, including make-whole premium, if any, of Notes to be redeemed; and

(d) the redemption price.

SECTION 3.02. Selection of Notes To Be Redeemed or Purchased. If less than all the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee or the Registrar will select Notes for redemption or purchase as follows:

(a) if the applicable Notes are listed on any national securities exchange (including the Luxembourg Stock Exchange), in compliance with the requirements of the principal national securities exchange on which they are listed, as certified to the Trustee by the Issuer and in compliance with the requirements of Euroclear and/or Clearstream; or

(b) if the applicable Notes are not listed on any national securities exchange or the relevant national securities exchange does not have any applicable requirements and the Notes are not held through Euroclear and/or Clearstream or Euroclear and/or Clearstream prescribes no method of selection, on a pro rata basis.

In the event of partial redemption or purchase, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 10 nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

The Trustee shall promptly notify the Issuer and the Registrar (if not the Issuer) in writing of the Notes selected for redemption or purchase and, in the case of any Notes selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in minimum amounts of £100,000 and integral multiples of £1,000 in excess thereof, except that if all the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of £1,000 (in excess of £100,000), shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Neither the Trustee nor the Registrar shall be liable for selections made by it under this Section.

SECTION 3.03. Notice of Redemption. Not less than 10 days but not more than 60 days before a redemption date, the Issuer shall mail or cause to be mailed, by first class mail, postage pre paid, a notice of redemption to each Holder whose Notes are to be redeemed at their respective addresses as they appear on the registration books of the Registrar, except that redemption notices may be mailed more than 15 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes pursuant to Article VIII hereof or a satisfaction and discharge of this Indenture pursuant to Article X hereof. So long as any series of the Notes is listed on the Luxembourg Stock Exchange and if required by the rules of the Luxembourg Stock Exchange, notice shall be published in Luxembourg in a daily leading newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The notice shall identify the Notes to be redeemed and shall state:

(a) the record date for the redemption and the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such

Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuer defaults in making such redemption payment or the relevant Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes called for redemption ceases to accrue on and after the redemption date, unless the redemption price is not paid on the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the ISIN or Common Code number, if any, listed in such notice or printed on the Notes.

At the Issuer's direction, the Trustee shall give the notice of redemption in the Issuer's name and at its expense; provided, however, that the Issuer has delivered to the Trustee, at least 45 days prior to the redemption date (unless a shorter period shall be acceptable to the Trustee in its sole discretion), an Officer's Certificate directing the Trustee to give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

SECTION 3.04. Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 3.03 hereof, subject to Section 3.07(e), Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption or Purchase Price. No later than 10:00 a.m. London Time one Business Day prior to the redemption or purchase price date, the Issuer shall deposit with the Principal Paying Agent money sufficient to pay the redemption or purchase price of and accrued and unpaid interest, if any, and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date other than Notes or portions of Notes called for redemption that have been delivered by the Issuer to the Trustee for cancellation. The Principal Paying Agent shall promptly return to the Issuer any money deposited with the Principal Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption or purchase price of, and accrued and unpaid interest, if any, and Additional Amounts, if any, on, all Notes to be redeemed or purchased. Neither the Trustee nor any Agent shall be required to pay out any money without first having been placed in funds.

If the Issuer complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase unless the relevant Paying Agent is prohibited from making such redemption payment pursuant to the terms of this Indenture. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

SECTION 3.06. Notes Redeemed or Purchased in Part. Upon surrender of a Note that is redeemed or purchased in part, the Issuer shall issue and, upon receipt of an Authentication Order, the Trustee (or the Authentication Agent) shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

SECTION 3.07. Optional Redemption. (a) At any time and from time to time on or after October 1, 2015, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Period commencing	Redemption Price
October 1, 2015	107.781%
October 1, 2016	105.188%
October 1, 2017	102.594%
October 1, 2018 and thereafter	100.000%

(b) At any time and from time to time prior to October 1, 2015, the Issuer may redeem Notes with the Net Cash Proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 110.375% plus accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes); provided that:

(1) in each case the redemption takes place not later than 120 days after the closing of the related Equity Offering, and

(2) not less than 65% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes) remains outstanding immediately thereafter.

(c) At any time prior to October 1, 2015, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(d) Notice of redemption shall be provided as set forth in Section 3.03. If the Issuer effects an optional redemption of Notes, it will, for so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes of that series that will remain outstanding immediately after such redemption.

(e) Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

(f) If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

SECTION 3.08. Mandatory Redemption. The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

SECTION 3.09. Asset Disposition Offer. In the event that, pursuant to Section 4.10 hereof, the Issuer is required to commence an Asset Disposition Offer, it shall follow the procedures specified below.

Upon the commencement of an Asset Disposition Offer, the Issuer shall send or cause to be sent, by first class mail, to the Trustee and each of the Holders at the address appearing in the security register, a notice stating:

(a) that the Asset Disposition Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Disposition Offer will remain open;

(b) the Asset Disposition Offer Amount, the purchase price and the Asset Disposition Purchase Date;

(c) that any Note not tendered or accepted for payment will continue to accrue interest;

(d) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Asset Disposition Offer will cease to accrue interest after the Asset Disposition Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Disposition Offer may elect to have Notes purchased only in minimum denominations of £100,000 and in integral multiples of £1,000, in excess thereof, except that a Holder may elect to have all the Notes held by such Holder purchased even if not an integral multiple of £1,000 (in excess of £100,000);

(f) that Holders electing to have a Note purchased pursuant to any Asset Disposition Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Note completed, or transfer by book-entry transfer, to the Issuer, a Depositary, if appointed by the Issuer, or a Paying Agent at the address specified in the notice at least three days before the Asset Disposition Purchase Date;

(g) the procedure for withdrawing an election to tender;

(h) that if the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness;

(i) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer); and

(j) on or before the Asset Disposition Purchase Date, the Issuer shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof. The Company shall deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company or an agent designated by the Company, as the case may be, shall promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such

Holder, and accepted by the Company for purchase, and the Company shall promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, shall (via the Authentication Agent) authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; provided that each such new Note will be in a principal amount with a minimum denomination of £100,000 or in integral multiples of £1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

SECTION 3.10. Redemption for Taxation Reasons. The Issuer or Successor Company may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, the application, administration or interpretation of such laws, regulations or rulings (including pursuant to a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "Change in Tax Law");

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable and, in the case of a payment by a Guarantor, having the Issuer or another Guarantor make the payment, but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction. Notice of redemption for taxation reasons shall be published in accordance with Section 3.03. Notwithstanding the foregoing, no such

notice of redemption shall be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer or Successor Company shall deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or shall become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee shall accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

ARTICLE IV

Covenants

SECTION 4.01. Payment of Notes. The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent holds, as of 10:00 a.m. London Time one Business Day prior to such date (or such other time as the Issuer and the Paying Agent may mutually agree from time to time, but always subject to actual receipt), money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium and Additional Amounts, if any, and interest then due and is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture. The Issuer shall promptly notify the Trustee and the applicable Paying Agent of its failure to so deposit. Subject to actual receipt of such funds as provided by this Section 4.01 by the designated Paying Agent, such Paying Agent shall make payments on the Notes in accordance with this Indenture. In any event, the Issuer shall, prior to 10:00 a.m. London, England time on the second Business Day prior to the date on which the Principal Paying Agent receives payment, procure that the bank effecting payment for it confirms by SWIFT message to the Principal Paying Agent that an irrevocable payment instruction has been given. A Paying Agent shall (or the Trustee, if applicable) only be obliged to make a payment under this Indenture if it has actually received cleared, immediately available funds from the Issuer as required under this Section 4.01. Subject to Section 2.13, the Paying Agent or the Trustee, as the case may be, shall be entitled to make payments net of taxes or other amounts required by any applicable law to be withheld or deducted.

The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Notes. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) at the same rate.

If a Paying Agent pays out funds on or after the due date therefor, or pays out funds (although it is not obligated to do so) on the assumption that the corresponding payment by the Issuer has been or shall be made and such payment has in fact not been so made by the Issuer, then the Issuer shall on demand reimburse the Paying Agent for the relevant amount, and pay interest to the Paying Agent on such amount from the date on which it is paid out to the date of reimbursement at a rate per annum equal to the cost to the Paying Agent of funding the amount paid out, as certified by the Paying Agent and expressed as a rate per annum.

SECTION 4.02. Maintenance of Office or Agency. The Issuer shall maintain an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee, Registrar or co-registrar) for the Notes in London, England where (1) Notes may be surrendered for registration of transfer or for exchange and (2) notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission will in any manner relieve the Issuer of its obligation to maintain an office or agency in London, England for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 4.03. Reports. (a) For so long as any Notes are outstanding, the Company shall provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years (which, in the case of the financial period ended December 31, 2011, refers to the fourteen month period then ended) and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the three most recent fiscal years (which, in the case of the financial period ended December 31, 2011, refers to the fourteen month period then ended), including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or

balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, EBITDA, ERC and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, which is similar in scope to the information provided in the Offering Memorandum; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days (or in the case of the quarter ended September 30, 2012, 90 days) following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ended September 30, 2012, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recently completed quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods (which, in the case of the financial statements for the quarter ended September 30, 2012, may be the eleven month period ended September 30, 2011), together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA, ERC and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(3) promptly after the occurrence of any material acquisition, disposition, restructuring, merger or similar transaction, or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

(b) All financial statements and pro forma financial information shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; provided, however, that the reports set forth in Sections 4.03(a)(1), 4.03(a)(2) and 4.03(a)(3) may in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods. Except as provided for below, no report needs to include separate financial statements for any Subsidiaries of the Company. At its election , the Company may also

include financial statements of CCM in lieu of those for the Company; provided that if the financial statements of CCM are included in such report, a reasonably detailed description of material differences between the financial statements of CCM and the Company shall be included for any period after the Issue Date.

(c) At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by Sections 4.03(a)(1) and 4.03(a)(2) shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, ERC, net income, cash, total assets, total debt, shareholders equity and interest expense.

(d) Substantially concurrently with the issuance to the Trustee of the reports specified in Sections 4.03(a)(1), 4.03(a)(2) and 4.03(a)(3), the Company shall also (A) use its commercially reasonable efforts (i) to post copies of such reports on such password protected website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Company in good faith) or (B) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (A) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

(e) The Issuer shall also make available copies of all reports required by Sections 4.03(a)(1), 4.03(a)(2) and 4.03(a)(3) at the offices of the Paying Agent or post such reports on the official website of the Luxembourg Stock Exchange.

(f) In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SECTION 4.04. Compliance Certificates and Notices. The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year (and within 14 days upon a request at any time after such 120 days), an Officer's Certificate stating that it has complied with its obligations under the Indenture and in the course of the performance by the signer thereof of his or her duties as an Officer of the Issuer he or she would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period (and, if a

Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto).

SECTION 4.05. Taxes. The Company shall pay, and the Company shall cause each Restricted Subsidiary to pay, prior to delinquency, all Taxes except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

SECTION 4.06. Issuer and Company activities. (a) The Issuer shall not engage in any business activity or undertake any other activity, other than any activity: (i) subject to compliance with the terms of this Indenture, related to the offering, sale, issuance, servicing, purchase, redemption, amendment, exchange, refinancing or retirement of or investment in the Notes or any Public Debt; (ii) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes, this Indenture and any other document relating to the Notes (including the Proceeds Loan), the Security Documents, the Intercreditor Agreement and the Senior Facilities Agreement or any document relating to any Public Debt; (iii) related to the establishment and maintenance of the Issuer's corporate existence; (iv) related to using amounts received by the Issuer to make investments in cash or Cash Equivalents in a manner not otherwise prohibited by this Indenture; or (v) reasonably related to the foregoing. The Issuer shall not (i) incur any indebtedness (except to the Company or a Wholly Owned Restricted Subsidiary) other than, subject to compliance with the terms of this Indenture, the Notes or any Public Debt, (ii) issue any Capital Stock (other than to the Company or a Wholly Owned Restricted Subsidiary) or (iii) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder. The Issuer shall not, and the Company shall not permit the Issuer to, use the proceeds from the issuance of the Notes other than (A) to pay fees and expenses related to the offering of the Notes and (B) to subscribe for the Proceeds Loan issued to Cabot UK Financial promptly upon the receipt of proceeds from the issuance of the Notes.

(b) The Company will not engage in any business or undertake any other activity, own any assets or incur any liabilities other than: (i) the ownership of the Capital Stock of Holdings, debit and credit balances with its Restricted Subsidiaries and other minimal credit and cash balances in bank accounts and related Investments in Cash Equivalents, Temporary Cash Investments or Investment Grade Securities; (ii) the provision of administration services (including the on-lending of monies to Restricted Subsidiaries in the manner described in (i) above) and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the ownership of assets necessary to provide such services; (iii) the entry into and performance of its obligations (and incurrence of liabilities) under the Notes,

this Indenture, the Senior Facilities Agreement, any Hedging Obligations, any Public Debt, other Indebtedness (including any Additional Notes) or any other obligations, in each case permitted by this Indenture, any Security Document to which it is a party, the Intercreditor Agreement or any proceeds loans relating to the foregoing; (iv) the making of any payments or other distributions of the types specified in Section 4.07(a)(1), Section 4.07(a)(2) and Section 4.07(a)(3) in compliance with Section 4.07 and the making of any Permitted Investments of the types specified under clauses (6) and (16) of the definition thereof; (e) reorganizations for bona fide corporate purposes in compliance with Section 5.01; provided that any successor entity resulting from any such reorganization is subject to the covenant described in this Section 4.06; (f) the granting of Security Interests in accordance with the terms of the Notes, this Indenture, the Senior Facilities Agreement, any Hedging Obligations, any Public Debt, other Indebtedness or any other obligations, in each case permitted by this Indenture, any Security Document to which it is a party, the Intercreditor Agreement and any proceeds loans relating to the foregoing; (g) professional fees and administration costs in the ordinary course of business as a holding company; (h) related or reasonably incidental to the establishment or maintenance of its or its Subsidiaries' corporate existence; (i) any liabilities under any purchase agreement or any other document entered into in connection with the issuance of the Notes or any other Indebtedness permitted under this Indenture (including any Additional Notes); and (j) any other activities which are not specifically listed above and (i) which are ancillary to or related to those listed above or (ii) which are de minimis in nature.

SECTION 4.07. Restricted Payments. (a) The Company shall not, and shall not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or other distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

(a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

(b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a pro rata basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any payment on or in respect of, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any (x) Subordinated Indebtedness (other than, in each case, any capitalization of Subordinated Indebtedness or (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement (b) a payment of interest at the applicable interest payment date and (c) any Indebtedness Incurred pursuant to Section 4.09(b)(3)) or (y) any Subordinated Shareholder Funding, other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding; or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(A) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(B) the Company is not able to Incur an additional £1.00 of Indebtedness pursuant to Section 4.09(a) after giving effect, on a pro forma basis, to such Restricted Payment; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by Sections 4.07(b)(5)(a) (without duplication of amounts paid pursuant to any other clause of the second succeeding paragraph), 4.07(b)(6), 4.07(b)(10), 4.07(b)(11) and 4.07(b)(12), but excluding all other Restricted Payments permitted by Section 4.07(b)) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock

or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on Section 4.07(b)(6) and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last paragraph of this Section 4.07(a)) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on Section 4.07(b)(6) and (y) Excluded Contributions);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (C); provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) any dividend or distribution made by an Unrestricted Subsidiary to the Company or a Restricted Subsidiary,

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); provided further, however, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (C).

The fair market value of property or assets other than cash covered by Section 4.07(a)(C) shall be the fair market value thereof as determined in good faith by the Board of Directors.

(b) The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or

out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from Section 4.07(a)(C)(ii);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to Section 4.09;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 4.09, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) from Net Available Cash to the extent permitted under Section 4.10, but only if (i) the Company shall have first complied with the terms described under Section 4.10 and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall be required to make a Change of Control Offer under SECTION 4.15. and shall have complied with Section 4.15 and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(5) (a) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this Section 4.07, and (b) payments associated with the Transactions;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; provided that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (A) £2.0 million plus (B) £1.0 million multiplied by the number of calendar years that have commenced since the Issue Date plus (C) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (C), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under Section 4.07(a)(C)(ii);

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with Section 4.09;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments to the extent specified in Sections 4.11(b)(2), 4.11(b)(3), 4.11(b)(5), 4.11(b)(7), 4.11(b)(11) and 4.11(b)(12);

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of

Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or contributed as Subordinated Shareholder Funding to the Company, in each case from the Net Cash Proceeds of a Public Offering and (b) following the Initial Public Offering, an amount equal to the greater of (i) 6% of the Market Capitalization and (ii) 6% of the IPO Market Capitalization; provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio for the Company and its Restricted Subsidiaries shall be equal to or less than 2.5 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed £15.0 million;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this Section 4.07 or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under Section 4.07(b)(13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; provided, however, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this Section 4.07(b)(14) shall not exceed the Net Cash Proceeds received by the Company or, in the case of Designated Preference Shares issued by any Parent or any Affiliate thereof, the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares; and

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries.

(c) The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall

be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

SECTION 4.08. Limitation on Restrictions on Distributions from Restricted Subsidiaries. (a) The Company shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;

(B) make any loans or advances to the Company or any Restricted Subsidiary; or

(C) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of Section 4.08(a) shall not prohibit:

(1) any encumbrance or restriction pursuant to (a) the Senior Facilities Agreement or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this Section 4.08(b)(2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in Section 4.08(b)(1) or Section 4.08(b)(2) or this Section 4.08(b)(3); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges, charges or other security agreements permitted under this Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under this Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements, and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.09 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement, together with the security documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) and where, in the case of this clause (ii), the Company determines at the time such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or the ability of Cabot UK Financial to make principal or interest payments on the Proceeds Loan;

(12) restrictions relating to Permitted Purchase Obligations SPVs effected in connection with the incurrence of Permitted Purchase Obligations that, in the good faith determination of the Board of Directors of the Company, are necessary or advisable; or

(13) any encumbrance or restriction existing by reason of any lien permitted under Section 4.12.

SECTION 4.09. Limitation on Indebtedness. (a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that the Issuer or a Guarantor may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.75 to 1.0.

(b) Section 4.09(a) shall not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of (x) £60.0 million and (y) 10.0% of ERC, plus (ii) in the case of any refinancing of any Indebtedness permitted under this Section 4.09(b)(1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary in each case so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of this

Indenture; provided, that if the Indebtedness being guaranteed is subordinated to the Notes or Notes Guarantee, then the guarantee must be subordinated to the Notes or Notes Guarantee to the same extent as the Indebtedness guaranteed; or

(b) without limiting Section 4.12, Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; provided, however, that:

(a) if the Issuer or any Guarantor is the obligor on any such Indebtedness and the obligee is not a Guarantor or the Issuer, it is either a Working Capital Intercompany Loan or unsecured and expressly subordinated in right of payment to prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or Note Guarantee, as applicable; and

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary, and any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this Section 4.09(b)(3) by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in Section 4.09(b)(1), 4.09(b)(3) or 4.09(b)(7)) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this Section 4.09(b)(4) or Section 4.09(b)(5) or Incurred pursuant to Section 4.09(a), (d) Management Advances and (e) the Proceeds Loan;

(5) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition) provided, however, with respect to this Section 4.09(b)(5), that at the time of such acquisition or other transaction (x) the Company would have been able to Incur £1.00 of additional Indebtedness pursuant to Section 4.09(a) after giving pro forma effect to the relevant acquisition and Incurrence of such Indebtedness pursuant to this

Section 4.09(b)(5) or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, in each case, incurred for the purpose of financing all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of property, plant or equipment or other assets (including Capital Stock) used in the business of the Company or any of its Restricted Subsidiaries, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(7) and then outstanding, will not exceed at any time outstanding the greater of (i) £10.0 million and (ii) 3.0% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees Incurred in the ordinary course of business or for governmental or regulatory requirements, in each case not in connection with the borrowing of money, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business, provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); provided that, in the case of a disposition, the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence;

(B) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business; and

(C) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of Receivables for credit management purposes, in each case, not in connection with the borrowing of money and Incurred or undertaken in the ordinary course of business on arm's length commercial terms;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(11) and then outstanding, will not exceed the greater of (i) £20.0 million and (ii) 6.0% of Total Assets;

(12) Indebtedness represented by Permitted Purchase Obligations; and

(13) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.09(b)(13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under Section 4.07(a) and Sections 4.07(b)(1), 4.07(b)(6), 4.07(b)(10) and 4.07(b)(14) to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this Section 4.09(b)(13) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under Section 4.07(a) and/or Sections 4.07(b)(1), 4.07(b)(6), 4.07(b)(10) or 4.07(b)(14) in reliance thereon.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.09:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section 4.09, the Company, in its sole discretion, will

classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of Section 4.09(b) or Section 4.09(a); provided that Indebtedness incurred pursuant to Section 4.09(b)(1) may not be reclassified, and Indebtedness under the Senior Facilities Agreement incurred or outstanding on the Issue Date will be deemed to have been incurred on such date in reliance or the exception provided in Section 4.09(b)(1);

(2) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to Section 4.09(b)(1), 4.09(b)(7) or 4.09(b)(11) or Section 4.09(a) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) for the purposes of determining "ERC" under Section 4.09(b)(1)(i)(y), (i) pro forma effect shall be given to ERC on the same basis as for calculating the LTV Ratio for the Company and its Restricted Subsidiaries and (ii) ERC shall be measured on or about the date on which the Company obtains new commitments (in the case of revolving facilities) or incurs new Indebtedness (in the case of term facilities);

(6) Indebtedness permitted by this Section 4.09 need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 4.09 permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

(d) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, including a change from UK GAAP to IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.09. The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of "Indebtedness."

(e) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 4.09, the Company shall be in default of this Section 4.09).

(f) For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; provided that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Sterling Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. For purposes of calculating compliance with Section 4.09(b)(1) or for calculating the amount of Indebtedness outstanding under the Senior Facilities Agreement, to the extent a Credit Facility is utilized for the purpose of guaranteeing or cash collateralizing any letter of credit or guarantee, such guarantee or collateralization and issuance of such letter of credit or guarantee shall be deemed to be a utilization of such Credit Facility permitted under Section 4.09(b)(1) without double counting.

(g) Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

SECTION 4.10. Limitation on Sales of Assets and Subsidiary Stock. (a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

(A) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary or Indebtedness of the Issuer) or Indebtedness under the Senior Facilities Agreement (or any Refinancing Indebtedness in respect thereof) within 365 days from the later of (x) the date of such Asset Disposition and (y) the receipt of such Net Available Cash; provided, however, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause ((A)), the Company or such Restricted Subsidiary shall retire such Indebtedness and shall cause the related commitment (if any) (except in the case of the Senior Facilities Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; provided that the Company shall redeem, repay or repurchase Pari Passu Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this Section 4.10) an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total

aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

(B) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; provided, however, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day; provided further, that if the assets (including Capital Stock) sold constitute Collateral, subject to the Agreed Security Principles, the Company shall pledge or shall cause the applicable Restricted Subsidiary to pledge any acquired Additional Assets (to the extent such assets (including Capital Stock) were of a category of assets included in the Collateral as of the Issue Date) in favor of the Notes on a first-ranking basis (subject to pre-existing Liens and Permitted Collateral Liens);

provided that, pending the final application of any such Net Available Cash in accordance with clause (A) or clause (B) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture.

(b) Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the preceding paragraph, or offered to be applied in accordance with Section 4.10(a)(3)(A)(ii) above, will be deemed to constitute "Excess Proceeds." On the 366th day after an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds exceeds £10.0 million (or equivalent thereof), the Issuer shall be required to make an offer ("Asset Disposition Offer") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with Section 3.09 or the agreements governing the Pari Passu Indebtedness, as applicable, and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof.

(c) To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in this Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of

Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in sterling, such Indebtedness shall be calculated by converting any such principal amount into its Sterling Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

(d) To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than pound sterling, the amount thereof payable in respect of the Notes shall not exceed the net amount of funds in pound sterling that is actually received by the Issuer upon converting such portion into pound sterling.

(e) The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Issuer shall purchase the principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this Section 4.10 (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

(f) For the purposes of Section 4.10(a)(2) the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company or the Issuer (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to

this Section 4.10 that is at that time outstanding, not to exceed the greater of £10.0 million and 3.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

(g) The Issuer shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Section 4.10, the Company shall comply with the applicable securities laws and regulations (or exchange rules) and shall not be deemed to have breached its obligations under this Indenture by virtue of any such conflict.

SECTION 4.11. Transactions with Affiliates. (a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate of the Company (such transaction or series of transactions being, an "Affiliate Transaction") involving aggregate value in excess of £1.0 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction, individually or together with other related Affiliate Transactions, involves an aggregate value in excess of £5.0 million, the terms of such transaction have been approved by a resolution of the majority of the members of the Board of Directors of the Company resolving that such transaction complies with Section 4.11(a)(1); and

(3) in the event such Affiliate Transaction, individually or together with other related Affiliate Transactions, involves an aggregate value in excess of £20.0 million, the Company has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

(b) Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in Section 4.11(a)(2) if such Affiliate Transaction is approved by a resolution of a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 4.11 if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter

from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

The provisions of Section 4.11(a) will not apply to:

(1) any Restricted Payment permitted to be made pursuant to Section 4.07, any Permitted Payments (other than pursuant to Section 4.07(b)(9)(b) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11), (15) and (17) of the definition thereof);

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this Section 4.11 or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Company or the relevant Restricted Subsidiary or on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; provided that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of this Indenture;

(11) without duplication in respect of payments made pursuant to Section 4.11(b)(12), (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £1.75 million per fiscal year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this Section 4.11(b)(11)(b) are approved by a majority of the Board of Directors of the Company in good faith; and

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Restricted Subsidiaries.

SECTION 4.12. Liens. The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits

therefrom, which Lien is securing any Indebtedness (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if, contemporaneously with the Incurrence of such Initial Lien, the Notes and this Indenture (or a Note Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

SECTION 4.13. Amendments to the Proceeds Loan. For so long as any Notes are outstanding, the Issuer shall not, except as expressly permitted by this Indenture, (i) change the Stated Maturity of the principal of, or any installment of interest on the Proceeds Loan; (ii) reduce the rate of interest on the Proceeds Loan; (iii) change the currency for payment of any amount under the Proceeds Loan; (iv) prepay or otherwise reduce or permit the prepayment or reduction of the Proceeds Loan (except to facilitate a payment of principal on the Notes); (v) assign or novate the Proceeds Loan or any rights or obligations under the Proceeds Loan Agreement (other than to secure the Notes and the Note Guarantees or to grant any Permitted Collateral Lien or in connection with a transaction that is subject to Section 5.01(b) and is completed in compliance therewith); or (vi) amend, modify or alter the Proceeds Loan or the Proceeds Loan Agreement and the terms of the Intercreditor Agreement related to the Proceeds Loan in any manner adverse to the rights of the Holders in any material respect. Notwithstanding the foregoing, (i) the Proceeds Loan may be prepaid or reduced to facilitate or otherwise accommodate or reflect a repayment, redemption or repurchase of outstanding Notes and (ii) to the extent not having a materially adverse effect to Holders the Proceeds Loan may be novated and/or assigned to any Guarantor.

SECTION 4.14. Corporate Existence. Subject to Article V hereof, the Company, the Issuer and each Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of the Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company, each Guarantor and the Restricted Subsidiaries;

provided, however, that the Company and each Guarantor shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of the

Restricted Subsidiaries (other than the Issuer), if the Board of Directors or an Officer of the Company shall determine that the preservation thereof is no longer necessary or desirable in the conduct of the business of the Company, each Guarantor and the Restricted Subsidiaries, taken as a whole.

The foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary (other than the Issuer) or any of its assets in compliance with the terms of this Indenture.

SECTION 4.15. Offer To Repurchase upon Change of Control. (a) If a Change of Control occurs, subject to the terms hereof, each Holder shall have the right to require the Issuer to repurchase all or part (equal to £100,000 or an integral multiple of £1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that the Issuer shall not be obliged to repurchase Notes pursuant to this Section 4.15 in the event and to the extent that it has unconditionally exercised its right to redeem all the Notes pursuant to Section 3.07 or all conditions to such redemption have been satisfied or waived.

(b) Unless the Issuer has unconditionally exercised its right to redeem all the Notes pursuant to Section 3.07 or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer shall mail a notice (the "Change of Control Offer") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date") and record date;

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Note or part thereof not tendered will continue to accrue interest;

(5) stating that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the repurchase date;

(6) stating that Holders shall be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the repurchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased;

(7) stating that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to, £100,000 in principal amount or an integral multiple of £1,000 in excess thereof; and

(8) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer shall, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with an agent to be determined by the Issuer an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

(c) If any Definitive Registered Notes have been issued, the Paying Agent shall promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee or the Authentication Agent appointed by the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in principal amount to the unpurchased portion of

the Notes surrendered, if any; provided that each such new Note will be in a principal amount that is at least £100,000 or an integral multiple of £1,000 in excess thereof.

(d) Notwithstanding anything to the contrary in this Section 4.15, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control; provided that the purchase date will be no earlier than 30 days from the date a notice of such Change of Control Offer is mailed.

(e) The Issuer shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(f) The Issuer shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this Section 4.15. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations (or exchange rules) and shall not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of the conflict.

(g) For so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall publish a public announcement with respect to the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

SECTION 4.16. Additional Note Guarantees. (a) The Company shall cause each Restricted Subsidiary (other than the Issuer) that, after the Issue Date, guarantees any Indebtedness of the Company or any Guarantor, or assumes or in any other manner becomes liable with respect to any Indebtedness under the Senior Facilities Agreement or any refinancing Indebtedness in respect thereof, to simultaneously or prior thereto execute and deliver a supplemental Indenture substantially in the form of Exhibit D or other appropriate agreement providing for such Restricted Subsidiary's Note Guarantee on the same terms and conditions as those set forth in this Indenture. In addition, the Company shall cause each Restricted Subsidiary (other than the Issuer, an Immaterial Subsidiary or a Permitted Purchase Obligations SPV) to execute and deliver a supplemental Indenture substantially in the form of Exhibit D or other appropriate agreement providing for such Restricted Subsidiary's guarantee of the Notes on the same terms and conditions as those set forth in this Indenture, within 30 days of delivery of the Company's or CCM's audited consolidated annual reports to the Trustee pursuant to Section 4.03 that show that such Restricted Subsidiary is not an Immaterial Subsidiary

or a Permitted Purchase Obligations SPV (each such additional guarantee of the Notes, an "Additional Note Guarantee").

(b) Notwithstanding the foregoing, the Company shall not be obligated to cause any such Restricted Subsidiary to guarantee the Notes to the extent that the grant of such Note Guarantee would be inconsistent with the Agreed Security Principles.

SECTION 4.17. Maintenance of Listing. The Company shall use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Euro MTF Market of the Luxembourg Stock Exchange for so long as such Notes are outstanding; provided that if the Company is unable to obtain admission to such listing or if at any time the Company determines that it shall not maintain such listing, it shall obtain (where the Notes are initially so listed, prior to the delisting of the Notes from the Euro MTF Market), and thereafter use its best efforts to maintain, a listing of such Notes on another "recognized stock exchange" as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

SECTION 4.18. Suspension of Covenants on Achievement of Investment Grade Status. If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, the Issuer shall notify the Trustee of this fact and beginning on that day and continuing until the Reversion Date, the following Sections of this Indenture will not apply to such Notes: Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11 and Section 5.01(a)(3) and, in each case, any related default provision of this Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such Sections and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such Sections will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and Section 4.07 will be interpreted as if it has been in effect since the date of this Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while Section 4.07 was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to Section 4.09(a) or one of the clauses set forth in Section 4.09(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under Section 4.09(a) or Section 4.09(b), such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under Section 4.09(b)(4)(b) (without giving effect to the parenthetical contained therein).

SECTION 4.19. Further Instruments and Acts. Upon request of the Trustee, but without an affirmative duty on the Trustee to do so, the Company and the Guarantors shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture and the Intercreditor Agreement. Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Security Documents and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries shall execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request. Subject to the Agreed Security Principles, if any Restricted Subsidiary becomes a Guarantor pursuant to Section 4.16 hereof, the Company shall cause such Guarantor to provide security over substantially all of its assets in favor of the Security Agent for the benefit of the Trustee acting for and on behalf of the Holders and consistently with the Intercreditor Agreement; provided that so long as the Senior Facilities Agreement entered into on the Issue Date is in place, no security need be granted over assets which are not also made subject to security in favor of the Senior Facilities Agreement. For the avoidance of doubt, the assets and shares of any Permitted Purchase Obligations SPV shall be excluded from the Collateral.

ARTICLE V

Successors

SECTION 5.01. Merger and Consolidation. (a) None of the Company, Holdings or the Issuer shall consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of any member state of the European Union on January 1, 2004 (other than Greece), or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company, Holdings or the Issuer, as applicable) shall expressly assume, (x) by supplemental Indenture, executed

and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company, Holdings or the Issuer, as applicable, under the Notes and this Indenture and (y) all obligations of the Company, Holdings or the Issuer, as applicable, under the Intercreditor Agreement and the Security Documents;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (A) the Successor Company would be able to Incur at least an additional £1.00 of Indebtedness pursuant to Section 4.09(a) or (B) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental Indenture (if any) comply with this Indenture, and that all conditions precedent therein provided for relating to such transaction have been complied with and an Opinion of Counsel to the effect that such supplemental Indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company and the Notes constitute legal, valid and binding obligations of the Successor Company, enforceable in accordance with their terms (in each case, in form and substance reasonably satisfactory to the Trustee); provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this Section 5.01, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 4.09.

For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all the properties and assets of one or more Subsidiaries of the Company or Holdings, which properties and assets, if held by the Company or Holdings, as applicable, instead of such Subsidiaries, would constitute all or substantially all the properties and assets of the Company or Holdings, as applicable, on a consolidated basis, shall be deemed to be the transfer of all or substantially all the properties and assets of the Company or Holdings, as applicable.

The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Company, Holdings or the Issuer under this Indenture and

the Notes but in the case of a lease of all or substantially all its assets, the predecessor company shall not be released from its obligations under such Indenture or the Notes.

Notwithstanding Section 5.01(a)(2) and Section 5.01(a)(3) (which do not apply to transactions referred to in this sentence) and, other than with respect to Section 5.01(a)(4) of this Section 5.01(a), any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding Section 5.01(a)(2) and Section 5.01(a)(3) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

(b) No Subsidiary Guarantor may:

(1) consolidate with or merge with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into a Subsidiary Guarantor, unless:

(A) the other Person is a Subsidiary Guarantor or becomes a Subsidiary Guarantor concurrently with the transaction; or

(B) (1) either (x) a Subsidiary Guarantor is the continuing Person or
(y) the resulting, surviving or transferee Person expressly assumes all the obligations of the Subsidiary Guarantor under its Note Guarantee and the obligations under the Intercreditor Agreement and the Security Documents and, if applicable, the Proceeds Loan Agreement; and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by this Indenture.

ARTICLE VI

Defaults and Remedies

SECTION 6.01. Events of Default. (a) Each of the following is an "Event of Default":

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under this Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 25% in principal amount of the outstanding Notes with the Issuer's obligations under Section 4.15 or the Guarantors' or the Restricted Subsidiaries' or the Issuer's obligations under Section 4.03, Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.11, Section 4.12, Section 4.16, Section 4.17, Section 5.01 or Section 12.03 (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2));

(4) failure to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 25% in principal amount of the outstanding Notes with the Guarantors' or Issuer's other agreements contained in this Indenture;

(5) default under any mortgage, Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £10.0 million or more;

(6) (A) a proceeding is commenced seeking a decree or order for (i) relief in respect of the Company, Holdings, the Issuer, a Significant Subsidiary, or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary, in an involuntary case under any applicable Bankruptcy Law, (ii) the appointment of a receiver, administrative receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestrator, compulsory manager, commissaire, juge-commissaire, curateur or similar official of the Company, Holdings, the Issuer, a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted

Subsidiaries), would constitute a Significant Subsidiary, or for all or substantially all the property and assets of the Company, the Issuer or a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary or (iii) the winding up or liquidation of the affairs of the Company, Holdings, the Issuer, a Significant Subsidiary, or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (other than, except in the case of the Issuer, a solvent winding up or liquidation in connection with a transfer of assets among the Company and the Restricted Subsidiaries) and, in each case, such proceeding shall remain unstayed and in effect for a period of 30 consecutive days; or (B) other than, except in the case of the Issuer, in relation to a solvent winding up or liquidation in connection with a transfer of assets among the Company and the Restricted Subsidiaries, the Company, Holdings, the Issuer a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (i) commences a voluntary case (including taking any action for the purpose of winding up) under any applicable Bankruptcy Law, or consents to the entry of an order for relief in an involuntary case under any such law, or enters into a scheme of arrangement for the purpose of restructuring all or a portion of its debts, (ii) consents to the appointment of or taking possession by a receiver, administrative receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestrator, compulsory manager or similar official of the Company, Holdings, the Issuer, a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary or for all or substantially all the property and assets of the Company, Holdings, the Issuer, a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors.

(7) failure by the Issuer, the Company or any Restricted Subsidiary to pay final judgments aggregating in excess of £10.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document and this Indenture) for any reason other than the satisfaction in full of all obligations under this Indenture or the release or amendment of any such security interest in accordance with the terms of this Indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days;

(9) any Note Guarantee ceases to be in full force and effect, other than in accordance with the terms of this Indenture or a Guarantor denies or disaffirms its

obligations under its Note Guarantee, other than in accordance with the terms thereof or upon release of the Note Guarantee in accordance with this Indenture; and

(10) except in accordance with this Indenture or as a result of a repayment in full, the Proceeds Loan Agreement ceases to be in full force and effect or is declared fully or partially void in a judicial proceeding or Cabot UK Financial or the Company or any other Restricted Subsidiary asserts that the Proceeds Loan is fully or partially invalid.

(b) A default under Section 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) will not constitute an Event of Default until the Trustee or the Holders of 25% in principal amount of the outstanding Notes notify the Issuer of the default and, with respect to Section 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) and 6.01(a)(7), the Issuer does not cure such default within the time specified in Section 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7), as applicable, after receipt of such notice.

(c) The Issuer shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officer's Certificate of any event which is, or with the giving of notice or lapse of time or both would become, an Event of Default, its status and what action the Issuer is taking or proposes to take in respect thereof.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default described in Section 6.01(a)(6)) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 25% in principal amount of the outstanding Notes by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in Section 6.01(a)(5) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to Section 6.01(a)(5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in Section 6.01(a)(6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including

Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture or any Security Document. Following such Event of Default, the Trustee is entitled to require all Agents to act under its direction.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence to the Event of Default. No remedy is exclusive of any other remedy. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. Subject to Section 6.07 and Section 9.02 hereof, the Trustee, upon receipt of written notice from the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding, may on behalf of the Holders of all the Notes rescind an acceleration or waive all past or existing Defaults or Events of Default (except with respect to (i) nonpayment of principal, premium or interest, or Additional Amounts, if any and (ii) a covenant or provision which under this Indenture cannot be modified or amended without the consent of the Holders of not less than 90% in aggregate principal amount of the Notes then outstanding, each of which may only be waived with the consent of the Holders of not less than 90% in aggregate principal amount of the Notes then outstanding) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.05. Control by Majority. The Holders of a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, or of exercising any trust or power conferred on the Trustee, in respect of the Notes. However, the Trustee may refuse to follow any direction that the Trustee determines (after consultation with counsel) conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that may involve the Trustee in personal liability; provided that

the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction. Prior to taking any action under this Indenture, the Trustee will be entitled to indemnification and/or security satisfactory to it against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits. Subject to Article VII, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested in writing that the Trustee pursue the remedy;

(3) such Holders have offered in writing to the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

SECTION 6.07. Rights of Holders To Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, if any, and interest on the Note held by such Holder, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of Holders of not less than 90% in aggregate principal amount of the Notes then outstanding.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a)(1) or (2) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Notes for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and such further amount as shall be sufficient to cover the costs and expenses of collection, including the

reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding in its own name for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer, any other obligor upon the Notes, their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims, and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities. If the Trustee collects any money pursuant to this Article VI, it shall pay out the money, subject to the terms of the Intercreditor Agreement, in the following order:

First: to the Trustee, its agents and attorneys and the Agents for amounts due under Section 7.07 hereof, including payment of all compensation, expenses and

liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any and interest, respectively; and

Third: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, the Issuer shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes, or to any suit initiated by any Holder for the enforcement of the payment of any principal of or interest on any Note, on or after its maturity date.

SECTION 6.12. Stay, Extension and Usury Laws. The Company and its Restricted Subsidiaries shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and its Restricted Subsidiaries (to the extent that they may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenant that they will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

ARTICLE VII

The Trustee

SECTION 7.01. Duties of Trustee. (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee and the Agents shall be determined solely by the express provisions of this Indenture and the Trustee and the Agents need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee and the Agents; and

(2) The Trustee may conclusively rely upon, as to the truth of the statements and the correctness of the opinions expressed therein, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, with respect to certificates or opinions specifically required to be furnished to it hereunder, the Trustee may examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own gross negligence or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.02, 6.04 or 6.05 hereof; and

(4) no provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, it being understood that the Trustee shall not be required to advance its own funds in connection with its duties and responsibilities as Trustee.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture or the Intercreditor Agreement at the request of any Holders, unless such Holders have provided to the Trustee security and/or prefunding and/or indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee and the Agents shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

SECTION 7.02. Rights of Trustee. The Trustee and each Agent may conclusively rely without further investigation or verification, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, whether in original, facsimile or electronic form, believed by it to be genuine and to have been signed or presented by the proper person.

Neither the Trustee nor any Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document, but the Trustee or its Agent, as the case may be, in its discretion, may make reasonable further inquiry or investigation into such facts or matters stated in such document and if the Trustee or an Agent, as the case may be, shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, at reasonable times during normal business hours, personally or by agent or attorney. The Trustee shall not be deemed to have notice or any knowledge of any matter (including without limitation Defaults or Events of Default) unless a Trust Officer assigned to and working in the Trustee's office has actual knowledge thereof or unless written notice thereof is received by the Trustee and such notice clearly references the Notes, the Issuer or this Indenture.

(a) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney, delegate, depositary or agent appointed with due care or for supervising any such attorney, delegate, depositary or agent.

(b) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. Before the Trustee acts or refrains from acting, it may require an officer's certificate and/or an opinion of counsel from the Issuer. The Trustee shall not be liable for any action it takes in good faith in reliance upon such certificate or opinion.

(c) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer will be sufficient if signed by an Officer of the Issuer.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, direction, order, approval, bond, debenture, note, other evidence of indebtedness or other paper or document but the Trustee, in its sole and absolute discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole expense of the Issuer, and shall incur no liability of any kind by reason of such inquiry or investigation.

(e) The Trustee shall have no duty to inquire as to the Issuer's performance of the covenants in Article IV hereof. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except any Default or Event of Default of which a Responsible Officer of the Trustee has received written notification identifying the Notes or Indenture or obtained actual knowledge. The Trustee shall be under no obligation to monitor financial performance of the Company or the Issuer.

(f) Neither the Trustee, the Agents nor any clearing system through which the Notes are traded shall have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance, with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect of any transfer, exchange, redemption, purchase or repurchase, as applicable, of interest in any Note.

(g) The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(h) In the event the Trustee or any Agent receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee or any such Agent, each in its sole discretion, as applicable, may determine what action, if any, will be taken and the Trustee and any such Agent shall not incur any liability for failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved.

(i) The permissive right of the Trustee to take the actions enumerated in this Indenture or the Intercreditor Agreement will not be construed as an obligation or duty to do so and the Trustee will not be answerable other than for its own negligence or willful default.

(j) Delivery of reports, information and documents to the Trustee under Section 4.03 is for informational purposes only and the Trustee's receipt of the foregoing will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates or Opinions of Counsel, as applicable).

(k) The rights, privileges, protections, immunities, indemnities and benefits given to, and disclaimers of, the Trustee, including, without limitation, its right to be indemnified and/or secured, are extended to, and will be enforceable by, the Trustee in each of its capacities hereunder, and each agent (including the Agents), custodian and other Person employed to act hereunder (including Citibank N.A., London Branch and Citigroup Global Markets Deutschland AG). Absent willful misconduct or gross negligence, each Agent shall not be liable for acting in good faith on instructions believed by it to be genuine and from the proper party.

(l) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any person authorized to sign an Officer's Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(m) Under no circumstances will the Trustee or an Agent be liable to the Company for any indirect, punitive or consequential loss (including, but not limited to, loss of business, goodwill, opportunities or profit) even if advised of the possibility of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

(n) The Trustee and the Agents will be entitled to assume, without inquiry, that the Issuer and the Company has performed in accordance with all the provisions of this Indenture or Intercreditor Agreement, unless notified to the contrary.

(o) The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, of New York. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or New York or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or in New York or if it is determined by any court or other competent authority in that jurisdiction or in New York that it does not have such power.

(p) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee and any Agent may retain professional advisors to assist them in performing their duties. The Trustee and any Agent may consult with counsel or other professional advisors and the advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(q) In no event shall the Trustee or any Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused directly or indirectly by acts of war or terrorism involving the United States, the United Kingdom or any member state of the European Monetary Union or any other national or international calamity or emergency (including natural disasters or acts of God), it being understood that the Trustee shall

use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(r) The Trustee will not be liable to any Person if prevented or delayed in performing any of their obligations or discretionary functions under this Indenture by reason of any present or future law applicable to them, by any governmental or regulatory authority or by any circumstances beyond their control.

(s) At any time that the security granted pursuant to the Security Documents has become enforceable and the Holders have given a direction to the Trustee to enforce such Collateral, the Trustee is not required to give any direction to the Security Agent with respect thereto unless it has been indemnified, prefunded and/or secured in accordance with Section 7.01(a). In any event, in connection with any enforcement of such security, the Trustee is not responsible for:

(1) any failure of the Security Agent to enforce such security within a reasonable time or at all;

(2) any failure of the Security Agent to pay over the proceeds of enforcement of the Collateral;

(3) any failure of the Security Agent to realize such security for the best price obtainable;

(4) monitoring the activities of the Security Agent in relation to such enforcement;

(5) taking any enforcement action itself in relation to such security;

(6) agreeing to any proposed course of action by the Security Agent which could result in the Trustee incurring any liability for its own account; or

(7) paying any fees, costs or expenses of the Security Agent.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or the Issuer or any of their respective Affiliates or Subsidiaries with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interests it must eliminate such conflict within 90 days, or resign. Any Paying Agent or Registrar may do the same with like rights. The Trustee is also subject to Section 7.10 hereof.

SECTION 7.04. Trustee's Disclaimer. The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes or any Note Guarantee and it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any

provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Notes and perform its obligations hereunder. The Trustee shall not be accountable for the use or application by the Issuer of Notes or the proceeds thereof or the use or application of any money received by any Paying Agent other than the Trustee.

SECTION 7.05. Notice of Defaults. If a Default occurs and is continuing and is known to the Trustee (through the Issuer having so notified the Trustee), the Trustee shall mail to the Holders a notice of the Default within 60 days after being notified by the Issuer.

SECTION 7.06. [Intentionally Omitted].

SECTION 7.07. Compensation and Indemnity. (a) The Issuer and each Guarantor, jointly and severally, shall pay to the Trustee and the Agents from time to time such fees, costs, expenses and compensation for its acceptance of this Indenture and services hereunder and thereunder as shall from time to time be agreed in writing between them. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Issuer and each Guarantor, jointly and severally, shall reimburse the Trustee and the Agents promptly upon request for all disbursements, advances and expenses incurred or made by it, including costs of collection, any additional fees the Trustee and the Agents may incur acting after a Default or an Event of Default and any fees the Trustee and the Agents may incur in connection with exceptional duties in relation thereto, in addition to the compensation for its services. Such expenses will include the properly incurred compensation, disbursements, expenses and advances of the Trustee's agents, counsel, accountants and experts.

(b) The Issuer and each Guarantor, jointly and severally, shall indemnify the Trustee and the Agents, and hold them harmless, against any and all losses, claims, damages, liabilities or expenses (including properly incurred attorney's fees) incurred by it arising out of or in connection with the acceptance or administration of this trust and its duties under this Indenture or under the Intercreditor Agreement, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.07) and defending themselves against any claim (whether asserted by the Issuer, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Trustee and the Agents shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee and the Agents to so notify the Issuer shall not relieve the

Issuer of its obligations hereunder. At the Trustee's sole discretion, the Issuer shall defend the claim and the Trustee and the Agents shall provide reasonable cooperation and may participate at the Issuer's expense in the defense. Alternatively, the Trustee and the Agents may at its option have separate counsel of its own choosing and the Issuer shall pay the properly incurred fees and expenses of such counsel; provided that the Issuer shall not be required to pay such fees and expenses if, at the discretion of the Trustee, it assumes the Trustee's defense and there is, in the opinion of the Trustee, no conflict of interest between the Issuer and the Trustee in connection with such defense and no Default or Event of Default has occurred and is continuing. The Issuer need not pay for any settlement made without its written consent, which consent shall not be unreasonably withheld. The Issuer need not reimburse any expense or indemnify against any loss or liability to the extent incurred by the Trustee through its negligence or willful misconduct.

(c) The obligations of the Issuer and the Guarantors under this Section 7.07 and any Lien arising hereunder will survive the resignation or removal of the Trustee or an Agent, the discharge of the Issuer's obligations pursuant to Article X or the termination of this Indenture.

(d) To secure the Issuer's payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(7) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee and the Agents under this section 7.07 including its rights to be indemnified are extended to, and shall be enforced by the Trustee in each of its capacities hereunder, and by each Agent.

SECTION 7.08. Replacement of Trustee. (a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for the removal of the Trustee and the appointment of a successor Trustee, if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property;

(4) the Trustee becomes incapable of acting; or

(5) the Trustee has or acquires a conflict of interest that this is not eliminated.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

(d) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture and the Security Documents. The successor Trustee shall mail a notice of any succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided that all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

(e) The Issuer covenants that, in the event of the Trustee giving reasonable notice pursuant to this Section 7.08, it shall use its reasonable best efforts to procure a successor Trustee to be appointed. If a successor Trustee is not appointed and does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee may appoint a successor Trustee at any time prior to the date on which a successor Trustee takes office. If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 25% in outstanding principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the expense of the Issuer.

(f) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Trustee.

(g) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(h) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee or Agent as the case may be, and the Issuer

shall pay to any replaced or removed Trustee or Agent all amounts owed under Section 7.07 upon such replacement or removal.

SECTION 7.09. Successor Trustee by Merger, Etc. If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

SECTION 7.10. Eligibility; Disqualification. There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United Kingdom, or of the United States or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by U.K. or U.S. federal or state authorities, and which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes as described in the Offering Memorandum.

SECTION 7.11. Resignation of Agents. Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and Issuer. The Trustee or Issuer may remove any Agent at any time by giving thirty (30) days' prior written notice to any Agent. Upon such notice, a successor Agent shall be appointed by the Issuer, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Issuer is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent may appoint a replacement Agent or may deliver any funds then held hereunder in its possession to the Trustee or may apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Issuer. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.07. Subject to Section 6.03, the Agents shall act solely as agents of the Issuer.

ARTICLE VIII

Legal Defeasance and Covenant Defeasance

SECTION 8.01. Option To Effect Legal Defeasance or Covenant Defeasance. The Company and the Issuer may, at the option of their respective Boards of Directors evidenced by a resolution set forth in an Officer's Certificate, at any time, elect to have either Section 8.02 or]8.03 hereof be applied to all outstanding Notes, the Note Guarantees, this Indenture, the Intercreditor Agreement (with respect to the Notes) and the Security Documents (with respect to the Notes), and cause the release of all Liens on the Collateral granted under the Security Documents upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.02. Legal Defeasance and Discharge. Upon the Company's or the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes, the Note Guarantees, this Indenture, the Intercreditor Agreement and the Security Documents, and cause the release of all Liens on the Collateral granted under the Security Documents on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (a) and (b) below, and to have satisfied all its other obligations under such Notes, the Note Guarantees, this Indenture, the Intercreditor Agreement and the Security Documents and cause the release of all Liens on the Collateral granted under the Security Documents (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(b) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust set forth in Article II hereof;

(c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuer's obligations in connection therewith; and

(d) this Article VIII.

Subject to compliance with this Article VIII, the Issuer and the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. Covenant Defeasance. Upon the Company's or the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of its obligations under the covenants contained in Sections 4.03, 4.04, 4.05, 4.07, 4.08, 4.09, 4.10 (including Section 3.09), 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17 and 4.18, Section 5.01(a)(3) and Section 12.03 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "Covenant Defeasance"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuer may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes will be unaffected thereby. In addition, upon the Company's or the Issuer's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, payment of the Notes may not be accelerated because of an Event of Default specified in Section 6.01(a)(3) (other than with respect to Sections 5.01(a)(1) and 5.01(a)(2)), (4), (5), (6) (other than with respect to the Issuer, Holdings and the Company), (7), (8) or (9).

SECTION 8.04. Conditions to Legal Defeasance or Covenant Defeasance. In order to exercise the Issuer's option under Section 8.02 or Section 8.03, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such other entity designated by the Trustee for this purpose) cash in pounds sterling, UK Government Obligations, or a combination of cash in pounds sterling and UK Government Obligations in such amounts as will be sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must deliver to the Trustee:

(a) an Opinion of Counsel in the United States to the effect that Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the Issue Date);

(b) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(c) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(d) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(e) all other documents or other information that the Trustee may reasonably require in connection with the Issuer's option under Section 8.02 or Section 8.03.

SECTION 8.05. Deposited Money and Government Securities To Be Held in Trust; Other Miscellaneous Provisions. Subject to Section 8.06 hereof, all money and UK Government Obligations (including the proceeds thereof) deposited with the Trustee (or such other entity designated by the Trustee for this purpose, or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law. Money and securities so held in trust are not subject to the Intercreditor Agreement and the Trustee is not prohibited from paying such funds to Holders by the terms of this Indenture or the Intercreditor Agreement.

The Issuer shall pay and indemnify the Trustee against any Taxes imposed or levied on or assessed against the cash or UK Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such Taxes which by law are for the account of the Holders of the outstanding Notes.

The obligations of the Issuer under this Section 8.05 shall survive the resignation or renewal of the Trustee and/or satisfaction and discharge of this Indenture.

Notwithstanding anything in this Article VIII to the contrary, the Trustee shall deliver or pay to the Issuer from time to time upon the request of the Issuer any money or UK Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of an Independent Financial Advisor, expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. Repayment to Issuer. Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer in trust, for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, premium, if any, or interest has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) will be discharged from such trust; and the Holder of such Note will thereafter be permitted to look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such money, and all liability of the Issuer as trustee thereof, will thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer cause to be published once, in the *New York Times* and the *Financial Times*, notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Issuer.

SECTION 8.07. Reinstatement. If the Trustee or Paying Agent is unable to apply any pounds sterling or UK Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's and the Company's obligations under this Indenture and the Notes will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

Amendment, Supplement and Waiver

SECTION 9.01. Without Consent of Holders. (a) Notwithstanding Section 9.02 of this Indenture, the Issuer, the Guarantors, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents or the Note Guarantees without the consent of any Holder to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision of the Note Documents to the "Description of the Notes" contained in the Offering Memorandum, or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or the Guarantors under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer, the Company or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Issuer) for the issuance of Additional Notes;

(7) provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with Section 4.16, to add Note Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under this Indenture or the Security Documents;

(8) evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Senior Facilities Agreement, in any property which is required by the Senior Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the

extent necessary to grant a security interest for the benefit of any Person; provided that the granting of such security interest is not prohibited by this Indenture and Section 12.03 is complied with.

(b) After an amendment becomes effective, the Issuer is required to mail to Holders a notice briefly describing such amendment. However, the failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of the amendment. In addition, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall inform such exchange of any amendment, supplement or waiver and shall publish notice of such amendment, supplement or waiver in Luxembourg in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(c) Upon the request of the Issuer, and upon receipt by the Trustee of the documents described in Section 11.06 hereof, the Trustee shall join with the Issuer in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. With Consent of Holders. Except as provided below in this Section 9.02, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes and the Note Guarantees with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes) and, subject to this Indenture and the Notes, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Section 2.08 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Issuer, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Issuer in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental indenture.

It is not necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Section 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Issuer with any provision of this Indenture or the Notes. However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of Notes, an amendment or waiver under this Section 9.02 may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case, pursuant to Section 3.07 or Section 3.10;

(5) make any such Note payable in currency other than that stated in such Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in Section 2.13 that adversely affects the right of any Holder of such Notes in any material respect;

(8) release all or substantially all the Guarantors from their obligations under their respective Note Guarantees or this Indenture, except otherwise in accordance with the terms of this Indenture;

(9) release the security interest granted for the benefit of the Holders in the Collateral other than pursuant to the terms of the Security Documents or as otherwise permitted by this Indenture and the Intercreditor Agreement;

(10) waive a Default or Event of Default with respect to the nonpayment of principal, premium, interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in

aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(11) make any change in the amendment or waiver provisions which require the consent of the Holders holding not less than 90% of then outstanding principal amount of the Notes.

In addition, without the consent of Holders holding not less than 90% of the then outstanding principal amount of Notes, no amendment or supplement to the Intercreditor Agreement may be made that materially adversely affects (x) the ranking (as it relates to the right to receive payments on enforcement) of the Notes and Note Guarantees with respect to any Pari Passu Lien Obligations (as defined in the Intercreditor Agreement) and (y) the subordination (as it relates to the right to receive payments on enforcement) of Subordinated Obligations to the Notes and Note Guarantees as set forth in the Intercreditor Agreement.

SECTION 9.03. Supplemental Indenture. Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

SECTION 9.04. Revocation and Effect of Consents. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date on which the Trustee receives an Officer's Certificate from the Issuer certifying that the requisite number of consents have been received. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

SECTION 9.05. Notation on or Exchange of Notes. The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee To Sign Amendments, Etc. The Trustee shall sign any amended or supplemental indenture authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. In executing any amended or supplemental indenture, the Trustee shall be provided with and (subject to Section 7.01 hereof) shall be fully protected

in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture. In signing any amendment, supplement or waiver, the Trustee shall be entitled to receive security and/or an indemnity and/or prefunding satisfactory to it.

SECTION 9.07. Payments for consent. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of this Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes, to exclude Holders in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) would be materially burdensome; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

ARTICLE X

Satisfaction and Discharge

SECTION 10.01. Satisfaction and Discharge. This Indenture, and the rights of the Trustee and the Holders under the Security Documents, will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all outstanding Notes when:

(a) either

(1) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have

been released to the Issuer) have been delivered to the Trustee for cancellation; or

(2) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer;

(b) the Issuer has deposited or caused to be deposited with the Trustee (or such other entity designated by the Trustee for this purpose), cash in pounds sterling, UK Government Obligations, or a combination of cash in pounds sterling and UK Government Obligations, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be;

(c) the Issuer has paid or caused to be paid all other sums payable under this Indenture; and

(d) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under this Section 10.01 relating to the satisfaction and discharge of this Indenture have been complied with; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with Section 10.01(a), Section 10.01(b) and Section 10.01(c)).

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to Section 10.01(b), the provisions of Section 10.02 and Section 8.06 will survive. In addition, nothing in this Section 10.01 will be deemed to discharge those provisions of Section 7.07 hereof, that, by their terms, survive the satisfaction and discharge of this Indenture.

SECTION 10.02. Application of Trust Money. Subject to the provisions of Section 8.06, all money deposited with the Trustee (or the entity designated by the Trustee) pursuant to Section 10.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money

need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or securities in accordance with Section 10.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 10.01; provided that if the Issuer has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Obligations held by the Trustee or Paying Agent.

ARTICLE XI

Guarantees

SECTION 11.01. Guarantees. (a) Each Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee and its successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest or premium, if any, on the Notes and all other monetary obligations of the Issuer under this Indenture and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound under this Article XI notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Guarantor, except as provided in Sections 11.02(b) and (c).

(c) Each Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Guarantors, such that such Guarantor's obligations would be less than the full amount claimed. Each Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Guarantor hereunder. Each Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Guarantor.

(d) Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, each Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Issuer to the Holders and the Trustee.

(h) Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article VI for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of Section 11.01.

(i) Each Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01.

(j) Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 11.02. Limitation on Liability. Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Guarantor without rendering the Note Guarantee, as it relates to such Guarantor, voidable under applicable law relating to *ultra vires*, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

SECTION 11.03. Successors and Assigns. This Article XI shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article XI shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article XI at law, in equity, by statute or otherwise.

SECTION 11.05. Modification. No modification, amendment or waiver of any provision of this Article XI, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 11.06. Execution of Supplemental Indenture for Future Guarantors. Each Restricted Subsidiary which is required to become a Subsidiary Guarantor pursuant to Section 4.16 shall promptly execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary shall become a Guarantor under this Article XI and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and or to such other matters as the Trustee may reasonably request.

SECTION 11.07. Non-Impairment. The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

SECTION 11.08. Release of Guarantees. (a) Subject to the following paragraph and the terms of the Intercreditor Agreement, each Note Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

(b) Each Note Guarantee by a Guarantor shall be automatically and unconditionally released and discharged, and each Guarantor and its obligations under the Note Guarantee, this Indenture, the Security Documents and the Intercreditor Agreement shall be released and discharged:

(1) in the case of a Subsidiary Note Guarantee only, by a sale or other disposition (including by way of consolidation or merger) of Capital Stock of the relevant Guarantor or of a Parent thereof, such that such Guarantor ceases to be a Restricted Subsidiary, or

the sale or disposition of all or substantially all the assets of the relevant Guarantor (other than to the Company or a Restricted Subsidiary), in each case in a transaction otherwise permitted by this Indenture;

(2) in the case of a Subsidiary Note Guarantee only, by the designation in accordance with this Indenture of the relevant Guarantor as an Unrestricted Subsidiary;

(3) by defeasance or discharge of the Notes, as provided in Article VIII or Article X;

(4) in the case of a Subsidiary Note Guarantee only (other than a Subsidiary Note Guarantee issued on the Issue Date), to the extent that the relevant Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (i) of the definition of "Immaterial Subsidiary," upon the relevant release of the guarantee or discharge of Indebtedness referred to in such clause;

(5) upon full payment of all obligations of the Issuer and the Guarantors under this Indenture and the Notes; or

(6) in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness as provided under the Intercreditor Agreement.

(c) Each Holder hereby authorizes the Trustee to take all actions, including the granting of releases or waivers under the Intercreditor Agreement, to effectuate any release in accordance with the provisions of this Section 11.08, subject to customary and reasonably satisfactory protections and indemnifications provided by the Company to the Trustee.

ARTICLE XII

Collateral, Security and Intercreditor Agreement

SECTION 12.01. The Collateral. (a) Except as provided for in Section 4.18, the due and punctual payment of the principal of, premium, if any, and interest on the Notes and the Note Guarantees thereof when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, interest on the overdue principal of and interest (to the extent lawful), if any, on the Notes and the Note Guarantees thereof and performance of all other obligations under this Indenture, the Notes, the Note Guarantees and the Security Documents, shall be secured by Liens, subject to Permitted Liens, as provided in the Security Documents which the Company, the Issuer and the Guarantors, as the case may be, have entered into on or about the date hereof and shall be secured as provided by all Security Documents hereafter delivered as required or permitted by this Indenture, the Security Documents and the Intercreditor Agreement.

(b) The Company and the Guarantors hereby agree that the Security Agent shall hold and administer the Collateral in trust for the benefit of all the Holders and the Trustee, in each case pursuant to the terms of the Security Documents and the Intercreditor Agreement and the Security Agent and the Trustee are is hereby authorized to execute and deliver the Security Documents and the Intercreditor Agreement (including any other agreements, deeds or other documents in relation thereto) on behalf of all the Holders.

(c) Each Holder, by its acceptance of any Notes and the Note Guarantees thereof, and the Trustee, by entering into this Indenture, consents and agrees to and accepts the terms of the Security Documents and the Intercreditor Agreement as the same may be in effect or as may be amended from time to time in accordance with their terms and irrevocably authorizes and directs the Security Agent to:

(A) perform the duties and exercise the rights, power and discretion that are specifically given to it under the Security Documents and the Intercreditor Agreement, together with any other incidental rights, power and discretions; and

(B) execute each Security Document, waiver, modification, amendment, renewal or replacement or any other document expressed to be executed by the Security Agent on its behalf.

(d) The Trustee and each Holder, by accepting the Notes and the Note Guarantees thereof, acknowledges that, as more fully set forth in the Security Documents and the Intercreditor Agreement, the Collateral as now or hereafter constituted shall be held for the benefit of all the Holders and the Trustee, and that the Lien of this Indenture and the Security Documents in respect of the Trustee and the Holders is subject to and qualified and limited in all respects by the Security Documents and the Intercreditor Agreement and actions that may be taken thereunder.

(e) Subject to the terms of this Indenture and the Security Documents, the Issuer and the Guarantors shall have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

SECTION 12.02. Limitations on the Collateral. The Liens will be limited as necessary to recognize certain defenses generally available to providers of Liens (including those that relate to fraudulent conveyance or transfer, thin capitalization, voidable preference, financial assistance, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

SECTION 12.03. Impairment of Security Interests. The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall

under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral that is prohibited by the covenant entitled "Limitation on Liens;" provided, that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with this Indenture, the Intercreditor Agreement or the applicable Security Documents. Notwithstanding the above, nothing in this Section 12.03 shall restrict the discharge and release of any security interest in accordance with this Indenture and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; provided, however, that, except where permitted by this Indenture or the Intercreditor Agreement, no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement, supplement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting the security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or

release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, supplemented, modified or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or release and retake and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject. In the event that the Company and its Restricted Subsidiaries comply with the requirements of this Section 12.03, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

SECTION 12.04. Release of Liens on the Collateral. Subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, the Security Agent shall release, and the Trustee shall release and if so requested direct the Security Agent to release, without the need for consent of the Holders, Liens on the Collateral securing the Notes:

(1) upon payment in full of principal, interest and all other obligations on the Notes issued under this Indenture or discharge or defeasance thereof;

(2) upon release of a Note Guarantee (with respect to the Liens securing such Note Guarantee granted by such Guarantor);

(3) in connection with any disposition of Collateral to any Person other than the Company or any of its Restricted Subsidiaries, or to a Guarantor (other than CCM); provided that if the Collateral is disposed to such Guarantor, the relevant Collateral becomes immediately subject to a substantially equivalent Lien in favor of the Security Agent securing the Notes (but excluding any transaction subject to Section 5.01(a); provided, further, that, in each case, such disposition is permitted by this Indenture;

(4) if the Company designates any Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of this Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary;

(5) as provided under Section 12.03; and

(6) as provided under the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee.

SECTION 12.05. Additional Intercreditor Agreement. At the request of the Issuer, in connection with the Incurrence or refinancing by the Company or its Restricted Subsidiaries of any Indebtedness secured

or permitted to be secured on the Collateral, the Issuer, CCM, the Company, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into an intercreditor or similar agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an "Additional Intercreditor Agreement") with the holders of such Indebtedness (or their duly authorized representatives) on substantially the same terms as the Intercreditor Agreement (or on terms that in the good faith judgment of the Issuer are not materially less favorable to the Holders), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement, it being understood that an increase in the amount of Indebtedness being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement shall not be deemed to be less favorable to the Holders and shall be permitted by this Section 12.05 if the incurrence of such Indebtedness and any Lien in its favor is permitted by Section 4.09 and Section 4.12; provided that such Additional Intercreditor Agreement shall not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under this Indenture or the Intercreditor Agreement. As used herein, the term "Intercreditor Agreement" shall include references to any Additional Intercreditor Agreement that supplements or replaces the Intercreditor Agreement entered into on or prior to the Issue Date.

SECTION 12.06. Amendments to the Intercreditor Agreement. At the written direction of the Issuer and without the consent of the Holders, the Trustee shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency of any such agreement, (ii) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer that is subject to any such agreement (provided that such Indebtedness is Incurred in compliance with this Indenture), (iii) add Restricted Subsidiaries to the Intercreditor Agreement, (iv) further secure the Notes (including Additional Notes incurred in compliance with this Indenture), (v) make provision for equal and ratable pledges of the Collateral to secure Additional Notes incurred in compliance with this Indenture or to implement any Permitted Collateral Liens or (vi) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted by Section 9.01 or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights,

duties, liabilities or immunities of the Trustee under this Indenture relating to the Notes or any Intercreditor Agreement.

Each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), and to have authorized the Trustee to enter into any one or more amendments to any Intercreditor Agreement as contemplated by this Section 12.06.

ARTICLE XIII

Miscellaneous

SECTION 13.01. [Intentionally Omitted].

SECTION 13.02. Notices. Any notice or communication by the Issuer or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier, facsimile or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuer or any Guarantor:

Cabot Financial (Luxembourg) S.A.
6 rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
Facsimile: +352 2639 2145

with a copy to:

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom
Facsimile: +44(0)20 7532 1001
Attention: Rob Mathews

If to the Trustee:

Citigroup Centre
25 Canada Square
London E14 5LB
United Kingdom
Facsimile: +44(0)20 7500 5877
Attention: Agency and Trust

The Issuer, any Guarantor or the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices to the Holders shall be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, notices with respect to the Notes listed on the Euro MTF Market shall be published on the official website of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe. For so long as any Notes are represented by Global Notes, all notices to Holders shall be delivered to Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, each of which will give such notices to the holders of book-entry interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; provided that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed.

Any notice or communication mailed to a Holder shall be mailed to such Person by first class mail or other equivalent means and shall be sufficiently given to such Person if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

If the Issuer mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 13.03. Communications. (a) In no event shall the Agents or any other entity of Citigroup be liable for any Losses arising from the Agent or any other entity of Citigroup receiving or transmitting any data from the Issuer or the Company, any authorized Person or Officer or any party to the transaction via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email.

(b) The parties hereto accept that some methods of communication are not secure and the Trustee, the Agent or any other entity of Citigroup shall incur no liability for receiving instructions via any such non-secure method. The Agent or any other entity of Citigroup is authorized to comply with and rely upon any such notice, instructions or other communications believed by it to have been sent or given by an authorized Person or Officer or an appropriate party to the transaction (or authorized representative thereof). The Issuer, the Company or authorized officer of the Issuer or the Company shall use all reasonable endeavors to ensure that instructions transmitted to an Agent or any other entity of Citigroup pursuant to this Indenture are complete and correct. Any instructions shall be conclusively deemed to be valid instructions

from the Issuer, the Company or authorized officer of the Issuer or the Company to such Agent or any other entity of Citigroup for the purposes of this Indenture.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signer, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 13.06. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.07. No Personal Liability of Directors, Officers, Employees and Stockholders. No past, present or future director, officer, employee, incorporator or shareholder of the Issuer or any Guarantor or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or the Guarantors under the Note Documents, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a

Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.08. Governing Law. THIS INDENTURE AND THE NOTES, INCLUDING THE NOTE GUARANTEES, AND THE RIGHTS AND DUTIES OF THE PARTIES THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE PROVISIONS OF ARTICLE 86 TO 94-8 OF THE LUXEMBOURG LAW DATED AUGUST 10, 1915 ON COMMERCIAL COMPANIES, AS AMENDED, SHALL NOT APPLY TO THIS INDENTURE AND THE NOTES.

SECTION 13.09. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.10. Successors. All agreements of the Issuer in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors.

SECTION 13.11. Severability. In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

SECTION 13.12. Counterpart Originals. The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

SECTION 13.13. Table of Contents, Headings, Etc. The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.14. Submission to Jurisdiction; Appointment of Agent. The Issuer and each Guarantor irrevocably submit to the non-exclusive jurisdiction of any New York state or U.S. federal court located in the Borough of Manhattan in the City and State of New York over any suit, action or proceeding arising out of or relating to this Indenture. The Issuer and each Guarantor irrevocably waive, to the fullest extent permitted by law, any objection which they may have, pursuant to New York law or otherwise, to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit,

action or proceeding brought in such a court has been brought in any inconvenient forum. In furtherance of the foregoing, the Issuer and each Guarantor hereby irrevocably designates and appoints CT Corporation Systems (at its office at 111 Eighth Avenue, New York, New York 10011) as its agent to receive service of all process brought against them with respect to any such suit, action or proceeding in any such court in the City and State of New York, such service being hereby acknowledged by it to be effective and binding service in every respect. Copies of any such process so served shall also be given to the Issuer in accordance with Section 3.01 hereof, but the failure of the Issuer to receive such copies shall not affect in any way the service of such process as aforesaid.

SECTION 13.15. Prescription. Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes or any Note Guarantee will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Nothing in this Section shall limit the right of the Trustee or any Holder to bring proceedings against the Issuer in the courts of any other jurisdiction or to serve process in any other manner permitted by law.

[Signatures on following pages]

SIGNATURES

Dated as of September 20, 2012

CABOT FINANCIAL (LUXEMBOURG) S.A.,
as Issuer,
by

/s/ H. Neuman
Name: H. Neuman
Title:

CABOT CREDIT MANAGEMENT LIMITED,
as Guarantor,
by

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT FINANCIAL LIMITED,
as Guarantor;
by

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT FINANCIAL HOLDINGS GROUP LIMITED,
as Guarantor,
by

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT CREDIT MANAGEMENT GROUP LIMITED,
as Guarantor,
by

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT FINANCIAL DEBT RECOVERY SERVICES LIMITED, as Guarantor,

by,

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT FINANCIAL (UK) LIMITED, as Guarantor,

by,

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

CABOT FINANCIAL (EUROPE) LIMITED, as Guarantor,

by,

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

FINANCIAL INVESTIGATIONS & RECOVERIES EUROPE LIMITED, as Guarantor,

by,

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

APEX CREDIT MANAGEMENT LIMITED, as Guarantor,

by,

/s/ Chris Ross-Roberts
Name: Chris Ross-Roberts
Title:

SIGNED for and on behalf of
CITIBANK N.A., LONDON BRANCH,
as Trustee,

by,

/s/ David Rowlandson
Name: David Rowlandson
Title: Vice President

SIGNED for and on behalf of
CITIBANK N.A., LONDON BRANCH,
as Principal Paying Agent and Transfer Agent,

by,

/s/ David Rowlandson
Name: David Rowlandson
Title: Vice President

SIGNED for and on behalf of
CITIGROUP GLOBAL MARKETS
DEUTSCHLAND AG,
as Registrar,

by,

/s/ S. Roos
Name: S. Roos
Title: Assistant Manager

/s/ Gabriel Fisch
Name: Gabriel Fisch
Title:

SIGNED for and on behalf of
J.P. MORGAN EUROPE LIMITED,
as Security Agent,

by,

/s/ Steven Connolly
Name: Steven Connolly
Title: Vice President

EXHIBIT A

[Form of Face of Note]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

[REGULATION S/RULE 144A]
ISIN: [•][1]
Common Code: [•][2]

10.375% Senior Secured Notes due 2019

No. **£**

CABOT FINANCIAL (LUXEMBOURG) S.A.

Cabot Financial (Luxembourg) S.A. (the "Issuer") promises to pay to or its registered assigns, the principal sum of £ [or such greater or lesser amount as indicated in the schedule of Exchanges of Interests in the Global Note][3] on October 1, 2019.

Interest Payment Dates: April 1 and October 1, commencing April 1, 2013.

Record Dates: March 15 and September 15 immediately preceding each Interest Payment Date.

Dated:

Reference is made to the further provisions of this Note contained herein, which will for all purposes have the same effect as if set forth at this place.

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1 Reg S ISIN: XS0783935058 144A ISIN: XS0783934754
2 Reg S Common Code:078393505 144A Common Code: 078393475
3 Use the Schedule of Exchanges of Interests language if Note is in Global Form.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed by its duly authorized director, officer or other authorized signatory.

CABOT FINANCIAL (LUXEMBOURG) S.A.,

by: _____
Name:

Title:

Certificate of Authentication

This is one of the 10.375% Senior Secured Notes due 2019 referred to in the within-mentioned Indenture.

Dated: _____

SIGNED for and on behalf of CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG, not in its personal capacity, but in its capacity as Authentication Agent,

by: _____
Authorized Signatory

by: _____
Authorized Signatory

[Form of Reverse of Note]

10.375% Senior Secured Notes due 2019

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) Interest. Cabot Financial (Luxembourg) S.A., a *société anonyme* incorporated under Luxembourg law with registered office at L-5365 Munsbach, 6, rue Gabriel Lippmann, registered with the register of commerce and companies of Luxembourg under the number B 171.125 (the "Issuer"), promises to pay interest on the principal amount of this Note at 10.375% per annum from until maturity. The Issuer shall pay interest semi-annually in arrears on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; provided that the first Interest Payment Date shall be . The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, and on overdue installments of interest, if any (without regard to any applicable grace periods), from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) Method of Payment. The Issuer shall pay interest on the Notes to the Persons who are registered Holders at the close of business on the March 15 or September 15 immediately preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Issuer maintained for such purpose as provided in the Indenture or, at the option of the Issuer, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders; provided that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium, if any, on all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Issuer or the Paying Agent. Such payment will be in such coin or currency of the United Kingdom as at the time of payment is legal tender for payment of public and private debts.

(3) Paying Agent and Registrar. Initially, Citibank, N.A., London Branch will act as Principal Paying Agent and Citigroup Global Markets Deutschland AG will act as Registrar. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar.

(4) Indenture. The Issuer issued the Notes under an Indenture, dated as of September 20, 2012 (the "Indenture"), among the Issuer, the Guarantors parties thereto and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes include all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions

of the Indenture shall govern and be controlling. The Notes are senior secured obligations of the Issuer.

(5) Optional Redemption. At any time and from time to time on or after October 1, 2015, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Period commencing	Redemption Price
October 1, 2015	107.781%
October 1, 2016	105.188%
October 1, 2017	102.594%
October 1, 2018 and thereafter	100.000%

At any time and from time to time prior to October 1, 2015, the Issuer may redeem the Notes with the Net Cash Proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days' prior notice, at a redemption price equal to 110.375% plus accrued and unpaid interest, and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes); provided that:

(1) in each case the redemption takes place not later than 120 days after the closing of the related Equity Offering, and

(2) not less than 65% of the original aggregate principal amount of the Notes (including the principal amount of any Additional Notes) remains outstanding immediately thereafter.

At any time prior to October 1, 2015, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Note, plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(6) Redemption for Taxation Reasons. The Issuer or Successor Company may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant

interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if as a result of:

(a) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(b) any change in, or amendment to, the application, administration or interpretation of such laws, regulations or rulings (including pursuant to a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "Change in Tax Law");

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable and, in the case of a payment by a Guarantor, having the Issuer or another Guarantor make the payment, but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction. Notice of redemption for taxation reasons will be published in accordance with Section 3.03 of the Indenture. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer or Successor Company shall deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee shall accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

(7) Mandatory Redemption. The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

(8) Repurchase at Option of Holder. (a) Upon the occurrence of a Change of Control, unless the Issuer has unconditionally exercised its right to redeem all the Notes pursuant

to Section 3.07 of the Indenture or all conditions to such redemption have been satisfied or waived, each Holder shall have the right to require the Issuer to purchase all or part (equal to £100,000 or an integral multiple of £1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date). No later than 60 days following any Change of Control, the Issuer shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as set forth in the Indenture.

(b) In the event of an Asset Disposition that requires the purchase of Notes pursuant to Section 4.10 of the Indenture, the Issuer shall be required to make an Asset Disposition Offer pursuant to Sections 3.09 and 4.10(b) of the Indenture to all Holders and, to the extent the Issuer elects, to all Holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes (and any such Pari Passu Indebtedness) that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to, but not including, the date of purchase, in accordance with Section 3.09 of the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof.

(9) Notice of Redemption. Notice of redemption shall be given in accordance with Section 3.03 of the Indenture and the effect of notice of redemption is set forth in Section 3.04 of the Indenture.

(10) Denominations, Transfer, Exchange. The Notes are in registered form without coupons in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents. The Registrar may not require a Holder to pay any taxes and fees, except as otherwise set forth in the Indenture. The Registrar need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Registrar need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(11) Security. The Initial Notes and Additional Notes are treated as a single class of securities under the Indenture and shall be secured by Liens and security interests, subject to Permitted Collateral Liens, in the Collateral on the terms and conditions set forth in the Indenture, the Intercreditor Agreement and the Security Documents. The Security Agent holds the Collateral in trust for the benefit of the Trustee and the Holders, in each case pursuant to the Security Documents and the Intercreditor Agreement. Each Holder, by accepting this Note, consents and agrees to the terms of the Security Documents and the Intercreditor Agreement as the same may be in effect or may be amended from time to time in accordance with their terms and the Indenture and authorizes and directs the Security Agent to enter into the Security Documents and the Intercreditor Agreement, and to perform its obligations and exercise its rights thereunder in accordance therewith.

(12) Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes, except as otherwise ordered by a court of competent jurisdiction.

(13) Amendment, Supplement and Waiver. The provisions of the Indenture governing amendment, supplement and waiver are set forth in Article IX of the Indenture.

(14) Defaults and Remedies. Events of Default and Remedies are set forth in Article VI of the Indenture.

(15) Trustee Dealings with Issuer. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Issuer or its Affiliates, and may otherwise deal with the Issuer or its Affiliates, as if it were not the Trustee.

(16) No Recourse Against Others. No past, present or future director, officer, employee, incorporator or shareholder of the Issuer or the Company or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer, the Company or the Guarantors under the Note Documents, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases such liability. The waiver and release are part of the consideration for issuance of the Notes.

(17) Authentication. This Note will not be valid until authenticated by the manual or facsimile signature of the Trustee or the Authentication Agent.

(18) Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

(19) ISIN Numbers and Common Codes. The Issuer has caused ISIN numbers and Common Codes to be printed on the Notes and the Trustee may use ISIN numbers and Common Codes in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

(20) Governing Law. THIS NOTE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

The Issuer shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Cabot Financial (Luxembourg) S.A.

6, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
Facsimile: +44 352 2639 2145
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Issuer. The agent may substitute another to act for him or her.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15

If you want to elect to have only part of the Note purchased by the Issuer pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

£

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE[1]

The initial principal amount of this Global Note is £[•]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such increase (or decrease)	Signature of authorized officer of Trustee or Custodian

[1] Use the Schedule of Exchanges of Interests language if Note is in Global Form.

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Cabot Financial (Luxembourg) S.A.
6 rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt Germany

Citibank, N.A., London Branch
Citigroup Centre
25 Canada Square
London E14 5LB
United Kingdom

Re: 10.375% Senior Secured Notes due 2019

(144A Common Code: 078393475; Regulation S Common Code: 078393505;
144A ISIN: XS0783934754; Regulation S ISIN:XS0783935058)

Reference is hereby made to the Indenture, dated as of September 20, 2012 (the "Indenture"), among Cabot Financial (Luxembourg) S.A., a *société anonyme* incorporated under Luxembourg law with registered office at L-5365 Munsbach, 6, rue Gabriel Lippmann, registered with the register of commerce and companies of Luxembourg under the number B 171.125(the "Issuer"), Cabot Financial Limited (the "Company"), a limited liability company incorporated under the laws of England and Wales, certain subsidiaries of the Company from time to time parties hereto and Citibank, N.A., London Branch, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

, (the "Transferor") owns and proposes to transfer the Note[s] or beneficial interest in such Note[s] specified in Annex A hereto, in the principal amount of £ (the "Transfer"), to (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor

reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and under the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the 40 day "Distribution Compliance Period" under Regulation S, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than a "Distributor" as defined in Rule 902 of Regulation S) and the transferred beneficial interest will be held immediately after such Transfer through Euroclear or Clearstream, Luxembourg. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and under the Securities Act.

3. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.**

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act

and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to an Effective Registration Statement**. The Transfer is being effected in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

(d) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

4. ☐ **Check if Transfer is to the Issuer or any of its Subsidiaries**. The transfer is being effected in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (144A ISIN: XS0783934754, 144A Common Code: 078393475), or

(ii) ☐ Regulation S Global Note (Regulation S ISIN: XS0783935058, Regulation S Common Code: 078393505)

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (144A ISIN: XS0783934754, 144A Common Code: 078393475), or

(ii) ☐ Regulation S Global Note (Regulation S ISIN: XS0783935058, Regulation S Common Code: 078393505), or

(iii) ☐ Unrestricted Global Note (144A ISIN: [•], 144A Common Code: [•]); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Cabot Financial (Luxembourg) S.A.
6 rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

Citibank, N.A., London Branch
Citigroup Centre
25 Canada Square
London E14 5LB
United Kingdom

Re: 10.375% Senior Secured Notes due 2019

(144A Common Code: 078393475; Regulation S Common Code: 078393505;
144A ISIN: XS0783934754; Regulation S ISIN:XS0783935058)

Reference is hereby made to the Indenture, dated as of September 20, 2012 (the "Indenture"), among Cabot Financial (Luxembourg) S.A., a *société anonyme* incorporated under Luxembourg law with registered office at L-5365 Munsbach, 6, rue Gabriel Lippmann, registered with the register of commerce and companies of Luxembourg under the number B 171.125 (the "Issuer"), Cabot Financial Limited (the "Company"), a limited liability company incorporated under the laws of England and Wales, certain subsidiaries of the Company from time to time parties hereto and Citibank N.A., London Branch, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "Owner") owns and proposes to exchange the Note[s] or beneficial interest in such Note[s] specified herein, in the principal amount of £ (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note.**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such

Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note in an equal principal amount, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note.** In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note.** In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note in an equal principal amount, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes.**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note in an equal principal amount,

the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and under the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note.** In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note,

- Regulation S Global Note, in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and under the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

_____
[Insert Name of Transferor]

by: _____
Name:
Title:

Dated: _____

EXHIBIT D

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of [•], among [name of New Guarantor[s]] (the "New Guarantor"), CABOT FINANCIAL (LUXEMBOURG) S.A., a *société anonyme* incorporated under Luxembourg law with registered office at L-5365 Munsbach, 6, rue Gabriel Lippmann, registered with the register of commerce and companies of Luxembourg under the number B 171.125 (the "Issuer"), CABOT CREDIT MANAGEMENT LIMITED, a limited liability company organized under the laws of England and Wales, CABOT FINANCIAL LIMITED, a limited liability company incorporated under the laws of England and Wales (the "Company"), certain subsidiaries of the Company from time to time parties hereto, CITIBANK, N.A., LONDON BRANCH, as trustee (the "Trustee"), under the Indenture referred to below, and J.P. Morgan Europe Limited, as security agent.

WITNESSETH:

WHEREAS the Issuer, the Company, and the Trustee are parties to an Indenture, dated as of September 20, 2012, as amended (as amended, supplemented, waived or otherwise modified (the "Indenture"), providing for the issuance of the Issuer's 10.375% Senior Secured Notes due 2019;

WHEREAS, pursuant to Section 4.16 of the Indenture, each New Guarantor is required to execute a supplemental Indenture;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Guarantee Agreement;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article XI of the Indenture, [each][the] New Guarantor (which term includes each other New Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby unconditionally and irrevocably guarantees, jointly and severally with each other New Guarantor and all Guarantors, to each Holder and to the Trustee and their successors and assigns to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium, if any, on, the Notes and all other monetary obligations of the Issuer under the Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all

the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Guarantor further agrees that the Guaranteed Obligations maybe extended or renewed, in whole or in part, without notice or further assent from such New Guarantor and that such New Guarantor[s] will remain bound under Article XI of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Guarantor to the Holders of Notes and to the Trustee pursuant to the Indenture as supplemented hereby, are expressly set forth in Article XI of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee.

[Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder of Notes, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; provided, however, that [the][each] New Guarantor and each Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.08 of the Indenture and upon any defeasance of the Notes in accordance with Article VIII of the Indenture.

4. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF NEW GUARANTOR], as New Guarantor,

by

_____

Name:
Title:

CABOT FINANCIAL (LUXEMBOURG) S.A.,

by

_____

Name:
Title:

CABOT CREDIT MANAGEMENT LIMITED,

by

_____

Name:
Title:

CABOT FINANCIAL LIMITED,

by

_____

Name:
Title:

SIGNED for and on behalf of
CITIBANK, N.A., LONDON BRANCH,
as Trustee,

by

_____

Name:
Title:

EXHIBIT E

AGREED SECURITY PRINCIPLES

1. **SECURITY PRINCIPLES**

(a) The Note Guarantees and security to be provided pursuant to this Indenture will be given in accordance with the security principles set out herein (the "Agreed Security Principles").

(b) The Agreed Security Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining security and Note Guarantees from all proposed grantors of security and Note Guarantees (the "Grantors") in every jurisdiction in which the Grantors are incorporated. In particular:

(i) general statutory limitations, capital maintenance, financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, retention of title claims and similar principles may limit the ability of a Grantor to provide Note Guarantees or security or may require that the Note Guarantee or security be limited by an amount or otherwise. The Company shall use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each Grantor. Limitation language will be included in respect of all Note Guarantees and Security Documents limiting the liability under the Note Guarantees and the enforceability of the security as required or customary under applicable law;

(ii) the Liens and extent of their perfection will be agreed taking into account the cost to the Company and its Restricted Subsidiaries of providing security so as to ensure that it is proportionate to the benefit accruing to the Secured Parties (as defined in the Intercreditor Agreement);

(iii) any assets subject to third party arrangements which are not prohibited by the Debt Documents (as defined in the Intercreditor Agreement) and which prevent those assets from being granted as security will be excluded in any relevant Security Document provided that reasonable endeavors to obtain consent to grant security interests over any such assets shall be used by the relevant Grantor if the relevant asset is material, and provided further that when making an acquisition of Capital Stock or other ownership interests in a company representing more than 50.1% but less than 100% of the issued Capital Stock or other ownership interests of such company (or of a business or undertaking carried on as a going concern) such that following the acquisition the entity would constitute a Restricted Subsidiary that is not an Immaterial Subsidiary, neither the Company nor any of its Restricted Subsidiaries shall enter into any agreement or undertaking at the time of such acquisition with a minority shareholder that prevents such entities from providing guarantees as contemplated in Section 4.16;

(iv) Grantors shall not be required to give Note Guarantees or enter into Security Documents to the extent that it would conflict with the fiduciary duties of their directors or officers or contravene any legal or regulatory prohibition or result in a risk of personal or criminal liability on the part of any director or officer;

(v) perfection of Liens, when required pursuant to these Agreed Security Principles, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Security Documents or (if earlier or to the extent no such time periods are specified in the Security Documents) within the time periods specified by applicable law in order to ensure due perfection. The perfection of Liens granted will not be required if it would have an unreasonable adverse effect on the ability of the relevant Grantor to conduct its operations and business in the ordinary course as to the extent not otherwise prohibited by the Debt Documents. The registration of security interests in intellectual property will (at all times subject to paragraph (iii) above and (c) below) only be in respect of material intellectual property in jurisdictions to be agreed;

(vi) the maximum Guaranteed or secured amount may be limited to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties as well as the tax cost to the Company and its Restricted Subsidiaries where the benefit of increasing the granted or secured amount is disproportionate to the level of such fee, taxes and duties or tax cost to the Company and its Restricted Subsidiaries;

(vii) no perfection action will be required in jurisdictions where Grantors are not incorporated;

(viii) where a class of assets to be secured includes material and immaterial assets, if the cost of granting Liens over the immaterial assets is disproportionate to the benefit of such Liens, Liens will be granted over the material assets only;

(ix) unless granted under a global Security Document governed by the law of the jurisdiction of the Issuer or a Guarantor or under English law or as otherwise required by applicable law, all Security Documents (other than share security over subsidiaries of the relevant Grantor and other assets of the relevant Grantor incorporated or located in jurisdictions other than the jurisdiction of incorporation of the Grantor) shall be governed by the law of the jurisdiction of incorporation of that Grantor;

(x) the Security Agent shall hold one set of security for the Secured Parties; and

(xi) the Company shall be responsible for costs and expenses reasonably incurred by the Secured Parties and the Company and its Restricted Subsidiaries (including reasonable legal expenses, disbursements, registration costs and all taxes, duties and fees (notarial or otherwise)) in respect of Note Guarantees and security.

(c) The Security Agent or the Secured Parties, as the case may be, shall promptly discharge any Note Guarantees and release any Liens which is or are subject to any legal or regulatory prohibition as is referred to in paragraph (b)(iv) above.

2. **GRANTORS AND SECURITY**

(a) Each Note Guarantee will be an upstream, cross-stream and downstream Guarantee and each Note Guarantee and security will be for all liabilities of the Issuer and each Guarantor (other than CCM) and any Grantors (other than CCM) under the Debt Documents in accordance with, and subject to the requirements of the Agreed Security Principles in each relevant jurisdiction.

(b) To the extent possible, all security shall be given in favor of the Security Agent and not the Secured Parties individually. "Parallel debt" provisions will be used where necessary; such provisions will be contained in the Intercreditor Agreement or the relevant transaction document and not the individual Security Documents unless required under local laws.

3. **TERMS OF SECURITY DOCUMENTS**

The following principles will be reflected in the terms of any security taken for the benefit of the Holders of the Notes under this Indenture:

(a) the security will be first ranking, to the extent possible;

(b) security will not be enforceable unless an event of default (howsoever described) has occurred and notice of acceleration has been given pursuant to Section 6.02 under this Indenture or any equivalent provision of any other Primary Finance Documents (as defined in the Intercreditor Agreement) (a "Notes Relevant Acceleration Event");

(c) the Security Agent will be entitled, where the relevant Grantor fails to fulfill its obligations under a Security Document (after the expiry of any applicable grace period), to perfect the Liens, where such perfection is contemplated under these principles and the Security Document;

(d) the Security Documents shall only operate to create Liens rather than to impose new commercial obligations. Accordingly, they shall not contain additional representations or undertakings (such as in respect of title, validity, insurance, maintenance of assets, information or the payment of costs) unless the same are required for the creation or perfection of the Liens or the assets subject to the Liens and shall not operate so as to prevent transactions which are otherwise

permitted under the Debt Documents or to require additional consents, authorizations or notifications;

(e) prior to an Event of Default that has occurred and is continuing (or in the case of Clauses 4 (*Bank Accounts*), 6 (*Insurance Policies*), 7 (*Intellectual Property*) and 9 (*Trade Receivables*) only, prior to a Notes Relevant Acceleration Event, the provisions of each Security Document will not be unduly burdensome on the Grantor or interfere unreasonably with the operation of its business;

(f) the Security Agent shall only be able to exercise a power of attorney following an Event of Default that has occurred and is continuing (or in the case of Clauses 4 (*Bank Accounts*), 6 (*Insurance Policies*), 7 (*Intellectual Property*) and 9 (*Trade Receivables*) only, after a Notes Relevant Acceleration Event) or if the relevant Grantor has failed to comply with a further assurance or perfection obligation (after the expiry of any applicable grace period);

(g) Security Documents, will where possible and practical, automatically create Liens over future assets of the same type as those already secured;

(h) Information, such as lists of assets, will be provided if, in the opinion of counsel to the Trustee or Security Agent, these are required by local law to be provided to perfect or register the security or to ensure the security can be enforced and, unless required to be provided by local law more frequently, in that case be provided annually or, following an Event of Default which is continuing, on the Security Agent's reasonable request provided that no such regular information is required to be provided in respect of assets located in the United Kingdom.

4. **BANK ACCOUNTS**

(a) If a Grantor grants Liens over its bank accounts it shall be free to deal with those accounts in the ordinary course of its business until a Notes Relevant Acceleration Event (or until a later event has occurred as agreed upon in the relevant Security Document).

(b) In relation to any bank accounts opened prior to the Issue Date, notice of the Liens will be served on the account bank after a Notes Relevant Acceleration Event, if so requested by the Security Agent. There will be no restriction on the closure of any bank accounts which are no longer required by the Company and its Restricted Subsidiaries.

(c) In relation to any bank accounts opened after the Issue Date, notice of the Liens will be served on the account bank promptly after such bank account is opened and the Grantor shall use reasonable endeavors to obtain an acknowledgement by such account bank, if so requested by the Security Agent.

(d) Any Liens over bank accounts may be subject to any prior security interests in favor of the account bank which are created either by law or in the standard terms and conditions of the account bank.

(e) No Liens shall be granted over monies standing to the credit of a bank account where such money is held on trust for third parties.

5. **FIXED ASSETS**

(a) If a Grantor grants Liens over its fixed assets it shall be free to deal with those assets in the course of its business until an Event of Default has occurred and is continuing.

(b) No notice whether to third parties or by attaching a notice to the fixed assets shall be prepared or given until an Event of Default has occurred and is continuing.

(c) If required under local law Liens over fixed assets will be registered subject to the general principles set out in these Agreed Security Principles.

6. **INSURANCE POLICIES**

(a) Subject to these Agreed Security Principles, each Grantor shall grant Liens over its insurance policies (other than third party liability and public liability insurance) in relation to assets that are also subject to Liens. No Liens will be granted over any insurance policies which cannot be secured under local law or under the terms of the relevant policy. Insurance claims will be collected by the Grantor in the ordinary course of business until a Notes Relevant Acceleration Event.

(b) Notice of the Liens will be served on the insurance provider after a Notes Relevant Acceleration Event, if so requested by the Security Agent.

7. **INTELLECTUAL PROPERTY**

(a) If a Grantor grants Liens over its intellectual property it shall be free to deal with those assets in the course of its business (including, without limitation, allowing its intellectual property to lapse if no longer material to its business and if permitted by this Indenture) until a Notes Relevant Acceleration Event.

(b) No Liens shall be granted over any intellectual property which cannot be secured under the terms of the relevant licensing agreement. No notice shall be prepared or given to any third party from whom intellectual property is licensed until a Notes Relevant Acceleration Event.

(c) If required under local law, security over intellectual property will be registered under the law of that security document or at a relevant supra-national registry (such as the EU) subject to the general principles set out in these Agreed Security Principles.

8. **INTERCOMPANY RECEIVABLES**

(a) If a Grantor grants Liens over its intercompany receivables from time to time it shall be free to deal with those receivables in the course of its business (subject to the Debt Documents) until an Event of Default has occurred and is continuing.

(b) Notice of the Liens will be served on the intercompany debtor after a Notes Relevant Acceleration Event, if so requested by the Security Agent.

9. **TRADE RECEIVABLES**

(a) If a Grantor grants Liens over its trade receivables it shall be free to deal with those receivables in the course of its business until a Notes Relevant Acceleration Event.

(b) No notice of Liens shall be served on a debtor until a Notes Relevant Acceleration Event, including for the avoidance of doubt, upon the underlying debtors in Right to Collect Accounts and all sub-performing or charged-off consumer accounts, installment loans or other similar accounts or portfolios thereof.

(c) No Liens will be granted over any trade receivables which cannot be secured or assigned under the terms of the relevant contract.

(d) Nothing contained in the relevant Security Documents shall cause the Grantor to violate any applicable data protection laws.

10. **SHARES / PARTNERSHIP INTEREST**

(a) The Security Document will be governed by the laws of the person whose shares or partnership interests are being secured and not by the law of the country of the person granting the Liens.

(b) Until an Event of Default has occurred and is continuing, the Grantor will be permitted to retain and to exercise voting rights to any shares or partnership interests pledged by it in a manner which does not materially adversely affect the validity or enforceability of the Liens and the company whose shares or partnership interests have been pledged will, subject to the terms of the Debt Documents, as applicable, be permitted to pay dividends (with the proceeds to be available to the recipient).

(c) Where customary, on or as soon as reasonably practicable after the date of execution of the share pledge (and in any event within the time periods specified in the Security Documents), the share certificate and a stock transfer form executed in blank will be provided to the Security Agent (as applicable).

(d) Unless the restriction is required by law, the constitutional documents of the company whose shares or partnership interests have been pledged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on enforcement of the Liens granted over them.

11. **REAL ESTATE**

(a) There will be no Liens granted over real estate other than (i) real estate which, immediately prior to the date of this Indenture, is charged to secure the facilities documented by the facility agreement dated February 21, 2012 among Cabot UK Financial, the Royal Bank of Scotland plc as the agent, the lenders thereunder and others, as amended from time to time and (ii) any other real estate acquired by the Issuer and Guarantors subject to these Agreed Security Principles.

(b) Subject to these Agreed Security Principles, each Grantor shall use its reasonable endeavors to obtain any consent required to grant Liens over its real estate but will be under no obligation to obtain such consent if the granting of the Liens would contravene any legal prohibition.

(c) In respect of any real estate security to be granted, there will be no obligation to investigate title, register mortgages with land registries, provide surveys or other insurance or environmental diligence.

12. **RELEASE OF SECURITY**

Other than release of the Liens upon final payment in full of all the obligations secured by the Liens (and no Secured Party having any actual or contingent liability to advance further monies to, or incur liabilities on behalf of, any Debtor (as defined in the Intercreditor Agreement) under the Primary Finance Documents), no circumstances in which the Liens shall be released should be dealt with in individual Security Documents unless required by local law. If so required, such circumstances shall, except to the extent required by local law, be the same as those set out in the Intercreditor Agreement and/or this Indenture.

Exhibit 4.2

FIRST SUPPLEMENTAL INDENTURE

Dated as of June 13, 2013

to the

INDENTURE

Dated as of September 20, 2012

between

CABOT FINANCIAL (LUXEMBOURG) S.A., as Issuer

and

CITIBANK N.A., LONDON BRANCH, as Trustee

10.375% Senior Secured Notes due 2019

THIS FIRST SUPPLEMENTAL INDENTURE (the "Supplemental Indenture") dated as of June 13, 2013 between Cabot Financial (Luxembourg) S.A., a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg (the "Issuer") and Citibank N.A., London Branch, as Trustee (the "Trustee").

RECITALS

A. WHEREAS, the Issuer and the Trustee, among others, have executed and delivered an Indenture dated September 20, 2012 (the "Indenture") governing the Issuer's 10.375% Senior Secured Notes due 2019 (the "Notes");

B. WHEREAS, Sections 9.02 and 9.03 of the Indenture provide that the Issuer and the Trustee may enter into a supplemental indenture amending certain provisions of the Indenture and the Notes with the consent of Holders of at least a majority in aggregate principal amount of the then outstanding Notes;

C. WHEREAS, the Issuer has solicited consents (the "Consent Solicitation") to amend certain provisions of the Indenture upon the terms and subject to the conditions set forth in its consent solicitation statement dated June 10, 2013 (the "Consent Solicitation Statement");

D. WHEREAS, Lucid Issuer Services Limited, as information and tabulation agent under the Consent Solicitation Statement, has advised the Issuer that it has received validly executed consents to the amendments sought in the Consent Solicitation from Holders representing a majority in aggregate principal amount of the outstanding Notes on or prior to the date hereof and that those consents have not been revoked; and

E. WHEREAS, all acts and requirements necessary for the execution of this Supplemental Indenture and to make this Supplemental Indenture a legal, valid and binding agreement of the Issuer and the Trustee have been duly performed and complied with.

NOW, THEREFORE, for and in consideration of the foregoing premises, the Issuer and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders:

ARTICLE I

Section 1.1 Amendments to Indenture.

(a) The definition of "Permitted Holder" in Section 1.01 of the Indenture is hereby deleted in its entirety and replaced with the following:

"Permitted Holders" means, collectively, (1) the Equity Investors and any Affiliate or Related Person of any of them, (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture, (3) J.C. Flowers & Co. LLC and any funds controlled or advised by J.C. Flowers & Co. LLC and any

Affiliate or Related Person thereof, (4) Senior Management, (5) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity, and (6) if the Change of Control Transaction is consummated, Encore Capital and any Affiliate thereof. Any person or group that includes a Permitted Holder shall also be deemed to be a Permitted Holder, provided that Permitted Holders as defined in clauses (1), (2), (3), (4) and (6) above retain exclusive beneficial ownership and control of at least 50.1% of the total voting power of the Voting Stock of the Company beneficially owned by any group that becomes a Permitted Holder at any time as a result of the application of this sentence (without giving effect to the existence of such group or any other group).

(b) The following definitions are hereby added to Section 1.01 of the Indenture:

"Change of Control Transaction" means the change of control transaction described in the definition of "Change of Control Transaction" as contained in the Consent Solicitation Statement dated June 10, 2013 soliciting consents from the holders of the Notes under the heading "Definitions."

"Encore Capital" means Encore Capital Group, Inc. and any successor thereto (by merger, consolidation, transfer, conversion of legal form or otherwise).

ARTICLE II

MISCELLANEOUS

Section 2.1 Definitions.

Capitalized terms used but not defined in this Supplemental Indenture shall have the meanings ascribed thereto in the Indenture.

Section 2.2 Ratification of Indenture: Supplemental Indentures Part of Indenture.

Except as expressly amended or supplemented hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder of Notes, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose.

Section 2.3 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 2.4 Submission to Jurisdiction; Appointment of Agent.

The Issuer irrevocably submits to the non-exclusive jurisdiction of any New York State or U.S. federal court located in the Borough of Manhattan in the City and State of New York over any suit, action or proceeding arising out of or relating to this Supplemental Indenture. The Issuer irrevocably waives, to the fullest extent permitted by law, any objection which they may have, pursuant to New York law or otherwise, to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in any inconvenient forum. In furtherance of the foregoing, the Issuer hereby irrevocably designates and appoints Corporation Service Company (at its office at 1180 Avenue of the Americas, Suite 210, New York, New York 10036) as its agent to receive service of all process brought against them with respect to any such suit, action or proceeding in any such court in the City and State of New York, such service being hereby acknowledged by it to be effective and binding service in every respect.

Section 2.5 Trustee Makes No Representation.

The Trustee has entered into this Supplemental Indenture solely upon request of the Issuer and assumes no obligation hereunder. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the other parties hereto and not the Trustee.

Section 2.6 Counterparts.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 2.7 Effect of Headings.

The Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CABOT FINANCIAL (LUXEMBOURG) S.A.,

by
/s/ Duncan Smith
Name: Duncan Smith
Title:

/s/ H. Neuman
Name: H. Neuman
Title:

SIGNED for and on behalf of CITIBANK, N.A.,
LONDON BRANCH, as Trustee,

by
/s/ David Mares
Name: David Mares
Title: Vice President

Exhibit 10.1

DATED 20 SEPTEMBER 2012
AS AMENDED BY AN AMENDMENT LETTER DATED 25 APRIL 2013
AND AS AMENDED AND RESTATED BY AN AMENDMENT AND RESTATEMENT
AGREEMENT DATED 28 JUNE 2013

CABOT FINANCIAL (UK) LIMITED

ARRANGED BY

DNB BANK ASA, LONDON BRANCH
J.P. MORGAN LIMITED
LLOYDS TSB BANK PLC
AND
THE ROYAL BANK OF SCOTLAND PLC
AS MANDATED LEAD ARRANGERS

WITH

J.P. MORGAN EUROPE LIMITED
ACTING AS AGENT

AND

J.P. MORGAN EUROPE LIMITED
ACTING AS SECURITY AGENT

SENIOR FACILITIES AGREEMENT
RELATING TO A
£85,000,000 COMMITTED REVOLVING FACILITY

CONTENTS

THIS AGREEMENT is originally dated 20 September 2012 and made between:

(1) **CABOT FINANCIAL LIMITED**, a private limited liability company incorporated under the laws of England and Wales with company registration number 5714535 and with its registered office at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4UA (the "**Parent**");

(2) **THE SUBSIDIARIES** of the Parent listed in Part I of Schedule 1 (*The Original Parties*) as original borrowers (together with the Parent, the "**Original Borrowers**");

(3) **THE COMPANIES** listed in Part I of Schedule 1 (*The Original Parties*) as original guarantors (together with the Parent, the "**Original Guarantors**");

(4) **CABOT CREDIT MANAGEMENT LIMITED**, a private limited liability company incorporated under the laws of England and Wales with company registration number 5754978 and with its registered office at 1 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4UA as another guarantor ("**CCML**");

(5) **DNB BANK ASA**, **LONDON BRANCH, J.P. MORGAN LIMITED**, **LLOYDS TSB BANK PLC** and **THE ROYAL BANK OF SCOTLAND PLC** as mandated lead arrangers (the "**Arrangers**");

(6) **THE FINANCIAL INSTITUTIONS** listed in Part II-B of Schedule 1 (*The Original Parties*) as lenders (the "**Effective Date Lenders**");

(7) **J.P. MORGAN EUROPE LIMITED** as agent of the other Finance Parties (the "**Agent**"); and

(8) **J.P. MORGAN EUROPE LIMITED** as security trustee for the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceptable Bank**" means:

(a) any Arranger or Affiliate of an Arranger;

(b) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services, A- or higher by Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or

(c) any other bank or financial institution approved by the Agent.

"**Acceleration Notice**" means a notice served by the Agent pursuant to and in accordance with Clause 28.19 (*Acceleration*).

"**Accession Deed**" means a document substantially in the form set out in Schedule 7 (*Form of Accession Deed*).

"**Accounting Principles**" means generally accepted accounting principles, standards and practices in England as applied in the Original Financial Statements of the Parent, and shall include IFRS.

"**Accounting Reference Date**" means 31 December.

"**Additional Borrower**" means a company which becomes an Additional Borrower in accordance with Clause 32 (*Changes to the Obligors*).

"**Additional Commitment Increase Date**" means each date on which the Total Commitments are increased pursuant to paragraph (h) of Clause 2.3 (*Accordion Increase in Commitments*).

"**Additional Commitment Increase Notice**" means an agreement substantially in the form set out in Schedule 18 (*Form of Additional Commitment Increase Notice*) or any other form agreed between the Parent and the Agent.

"**Additional Commitment Lender**" has the meaning given to that term in Clause 2.3 (*Accordion Increase in Commitments*).

"**Additional Commitment Restrictions**" means the following restrictions:

(a) the aggregate amount of any Additional Commitments requested shall comply with the provisions of:

  (i) paragraph (d) of Clause 2.3 (*Accordion Increase in Commitments*); and

  (ii) paragraph (e) of Clause 2.3 (*Accordion Increase in Commitments*);

(b) the last day of the availability period applicable to the Additional Commitment shall not be earlier than the last day of the Availability Period;

(c) the rate of any margin and fees applicable to any Additional Commitment (and any related Utilisations) may not be more than 1.00 per cent. per annum higher than the maximum rate of the Margin or corresponding fees (as the case may be) applicable to the Facility from time to time; and

(d) the Additional Commitments may not have a shorter termination date than the Termination Date.

"**Additional Cost Rate**" has the meaning given to it in Schedule 4 (*Mandatory Cost Formula*).

"**Additional Guarantor**" means a company which becomes an Additional Guarantor in accordance with Clause 32 (*Changes to the Obligors*).

"**Additional Obligor**" means an Additional Borrower or an Additional Guarantor.

"**Additional Shareholder Funding**" has the meaning given to that term in Clause 26.2 (*Financial definitions*).

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company. For the purposes of The Royal Bank of Scotland plc, "Affiliate" shall include The Royal Bank of Scotland N.V. and each of its subsidiaries or subsidiary undertakings but shall not include (i) the UK Government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK Government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings (including The Royal Bank of Scotland N.V. and each of its subsidiaries or subsidiary undertakings).

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"**Agreed Security Principles**" means the principles set out in Schedule 17 (*Agreed Security Principles*).

"**Ancillary Commencement Date**" means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period.

"**Ancillary Commitment**" means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 9 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

"**Ancillary Document**" means each document relating to or evidencing the terms of an Ancillary Facility.

"**Ancillary Facility**" means any ancillary facility made available by an Ancillary Lender in accordance with Clause 9 (*Ancillary Facilities*).

"**Ancillary Lender**" means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 9 (*Ancillary Facilities*).

"**Ancillary Outstandings**" means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the following amounts in the Base Currency outstanding under that Ancillary Facility (net of any credit balances on any account of any Borrower of an Ancillary Facility with the Ancillary Lender making available that Ancillary Facility to the extent that the credit balances are freely

available to be set-off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility):

(a) the principal amount under each overdraft facility and on-demand short term loan facility (**provided that** for the purpose of this definition, any amount of any outstanding utilisation under any BACS facility (or similar) made available by an Ancillary Lender shall, with the prior consent of that Ancillary Lender, be excluded (without any double counting));

(b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and

(c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

"**Approved List**" means the list of Lenders and potential Lenders held by the Agent (as the same may be amended from time to time pursuant to Clause 30.2 (*Conditions of assignment or transfer*)).

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 6 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee **provided that** if that other form does not contain the undertaking set out in the form set out in Schedule 6 (*Form of Assignment Agreement*) it shall not be a Creditor/Agent Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

"**Auditors**" means one of KPMG, Deloitte & Touche, Ernst & Young or PricewaterhouseCoopers or their respective Affiliates, (in the case of any individual member of the Group) any other accounting firm recognised as one of the three leading domestic firms of auditors in its respective jurisdiction, any amalgamation or successor of such accounting firms, or any other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means the period from and including the date of this Agreement to and including the date falling one Month prior to the Termination Date.

"**Available Commitment**" means, subject to Clause 2.4 (*ERC uplifts and Available Commitments*), a Lender's Commitment minus (subject to Clause 9.8 (*Affiliates of Lenders as Ancillary Lenders*)):

(a) the amount of its participation in any outstanding Utilisations under that Facility and the amount of the aggregate of its Ancillary Commitments; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations that are due to be made under on or before the proposed Utilisation Date and the amount of its Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation, the following amounts shall not be deducted from a Lender's Commitment under that Facility:

(i) that Lender's participation in any Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date; and

(ii) that Lender's (or its Affiliate's) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

"**Available Facility**" means the aggregate for the time being of each Lender's Available Commitment.

"**Base Currency**" means Sterling.

"**Base Currency Amount**" means:

(a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement) and, in the case of a Letter of Credit, as adjusted under Clause 6.8 (*Revaluation of Letters of Credit*) at six-monthly intervals; and

(b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Parent pursuant to Clause 9.2 (*Availability*) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this Agreement),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation, or (as the case may be) cancellation or reduction of an Ancillary Facility.

"**Base Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Base Reference Banks:

(a) in relation to LIBOR, as the rate at which the relevant Base Reference Bank could borrow funds in the London interbank market; or

(b) in relation to EURIBOR, as the rate at which the relevant Base Reference Bank could borrow funds in the European interbank market,

in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market sise in that currency and for that period.

"**Base Reference Banks**" means, in relation to LIBOR and EURIBOR, the principal London offices of Lloyds TSB Bank plc, J.P. Morgan Chase Bank, N.A., London Branch and The Royal Bank of Scotland plc or such other banks as may be appointed by the Agent in consultation with the Parent.

"**Borrower**" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 32 (*Changes to the Obligors*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to the provisions of Clause 9.9 (*Affiliates of Borrowers*).

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Budget**" means:

(a) in relation to the period beginning on the Closing Date and ending on 31 December 2012, the budget to be delivered by the Parent to the Agent pursuant to Clause 4.1 (*Initial conditions precedent*); and

(b) in relation to any other period, any budget delivered by the Parent to the Agent in respect of that period pursuant to Clause 25.4 (*Budget*).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and:

(a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or purchase of euro) any TARGET Day.

"**Cash Equivalent Investments**" has the meaning given to "Cash Equivalents" in Schedule 15 (*Restrictive Covenants*).

"**Centre of Main Interests**" means the "centre of main interests" as such term is used in Article 3(1) of the Council Regulation (EC) no. 1346/2000 on insolvency proceedings.

"**Change in Law**" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any governmental authority, or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any governmental authority; provided however notwithstanding anything herein to the contrary, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder issued in connection therewith or in implementation thereof shall be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"**Change of Control**" means:

(a) prior to an Initial Public Offering, the Investors cease to control or own, legally and beneficially, directly or indirectly, more than 50% of the issued share capital and/or voting rights attaching to the issued shares of the Parent and/or the ability to determine the composition of the majority of the board of directors or equivalent body of the Parent; or

(b) following an Initial Public Offering, either:

  (i) the Investors cease to control or own, legally and beneficially, directly or indirectly, more than 30% of the issued share capital and/or voting rights of the Parent; or

  (ii) a person or group of persons acting in concert acquires, directly or indirectly, more issued shares and/or voting rights in the Parent than are held (directly or indirectly) by the Investors; or

(c) the Parent ceases to be a direct wholly-owned subsidiary of Cabot Credit Management Limited; or

(d) a "Change of Control Triggering Event" as defined in the Note Indenture occurs.

For the purposes of this definition "acting in concert" means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Parent by any of them, either directly or indirectly, to obtain or consolidate control of the Parent.

"**Charged Property**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Closing Date**" means the date on which the Notes are issued and the Agent notifies the Parent and the Lenders as required under Clause 4.1 (*Initial conditions precedent*).

"**Closing Date Dividend**" means the upstream dividend made by the Borrower ultimately received by Cabot Financial Limited as described in steps 11 to 15 of the Deloittes' steps paper dated 19 September 2012.

"**Commitment**" means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Part II-A of Schedule 1 (*The Original Parties*) and the amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*), Clause 2.3 (*Accordion Increase in Commitments*) or pursuant to the Structural Change effected under an amendment and restatement agreement to this Agreement dated 28 June 2013; and

(b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*) or Clause 2.3 (*Accordion Increase in Commitments*),

to the extent not cancelled, reduced or transferred by it under this Agreement, which as at the Top-Up Commitments Effective Date (as defined in the amendment and restatement agreement to this Agreement dated 28 June 2013) and in respect of each Lender on that date are in the amount set out opposite its name under the heading "Commitment" in Part II-B of Schedule 1 (*The Original Parties*).

"**Competitor**" means any person whose business (or the business of any of its Affiliates, related trusts, partnerships, or funds, *excluding* the business of any of its Affiliates, related trusts, partnerships, and funds in circumstances where (i) the relevant entity's primary business does not concern distressed or non-performing consumer debts and (ii) the relevant entity is independently managed or controlled from such person) is in competition with any aspect of the general business carried on by the Group as a whole in the distressed or non-performing consumer debt purchase and distressed or non-performing consumer debt collection market (together with each other person acting on behalf, on the instructions, or for the account of, any such person), in each case save that, in the case of any banking institution only, any person with a division or business line, Affiliate, related trust, partnership or fund that is in competition with the Group and that division or business line, Affiliate, related trust, partnership or fund is not a material competitor of the Group shall not be a "Competitor".

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 9 (*Form of Compliance Certificate*).

"**Confidential Information**" means all information relating to the Parent, any Obligor, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 43 (*Confidentiality*);

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 10 (*LMA Form of Confidentiality Undertaking*) or in any other form agreed between the Parent and the Agent, in each case capable of being relied upon by (and not capable of being materially amended without the consent of) the Parent.

"**Consolidated EBITDA**" has the meaning given to that term in Schedule 15 (*Restrictive Covenants*).

"**Constitutional Documents**" means the constitutional documents of the Parent.

"**Consumer Debt or Account**" means any debt or account where the debtor is (i) an individual, or (ii) any other person in circumstances where an individual provides any surety, guarantee, credit support, Security, or other financial assistance which represents the principal credit support for the relevant debt or account in respect of that debt or account.

"**CTA**" means the Corporation Tax Act 2009.

"**Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 28 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default, **provided that** any such event or circumstance which requires any determination as to materiality before it may become an Event of Default shall not be a Default until such determination is made.

"**Defaulting Lender**" means any Lender (other than a Lender which is a Sponsor Affiliate):

(a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*) or has failed to provide cash collateral (or has notified the Issuing Bank that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three (3) Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Designated Gross Amount**" has the meaning given to that term in Clause 9.2 (*Availability*).

"**Designated Net Amount**" has the meaning given to that term in Clause 9.2 (*Availability*).

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out)

which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

(a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);

(b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(c) land (including, without limitation, land under water).

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means any applicable law or regulation which relates to:

(a) the pollution or protection of the Environment;

(b) the conditions of the workplace; or

(c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

"**Environmental Permits**" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Restricted Group conducted on or from the properties owned or used by any member of the Restricted Group.

"**ERC**" has the meaning given to that term in Clause 26.2 (*Financial definitions*).

"**ERC Model**" has the meaning given to that term in Clause 26.2 (*Financial definitions*).

"**ERC Model Output**" means the spread sheet prepared by the Parent showing ERC broken down into the monthly estimated remaining collections over 84 months of each individual component debt portfolio, in the agreed form.

"**EUR**" or "**euro**" means the single currency unit of the Participating Member States.

"**EURIBOR**" means, in relation to any Loan in euro:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the Interest Period of that Loan) the Base Reference Bank Rate,

as of the Specified Time on the Quotation Day for the currency of that Loan and for a period comparable to the Interest Period of that Loan and, if any such rate is below zero, EURIBOR will be deemed to be zero.

"**Event of Default**" means any event or circumstance specified as such in Clause 28 (*Events of Default*).

"**Excluded Bank Accounts**" means:

(a) each bank account the credit balance of which relates to monies held on trust for third parties;

(b) the bank accounts specified in Schedule 19 (*Excluded Bank Accounts*); and

(c) any other bank account approved by the Agent from time to time.

"**Existing Cap**" means each interest rate cap hedging agreement entered into before the date of this Agreement in respect of interest rate exposures relating to the Existing Facility.

"**Existing Facilities**" means the facilities documented by the Existing Facilities Agreement and any ancillary facility granted in connection therewith.

"**Existing Facilities Agreement**" the facility agreement originally dated 1 March 2005 (as amended and restated from time to time) made between, among others, Cabot Financial (UK) Limited as borrower, The Royal Bank of Scotland plc as arranger, agent and security agent and Citibank, N.A., London Branch, DNB Bank ASA, The Royal Bank of Scotland plc and WestLB AG as original lenders.

"**Expiry Date**" means, for a Letter of Credit, the last day of its Term.

"**Facility**" means the revolving credit facility made available under this Agreement as described in Clause 2.1 (*The Facility*).

"**Facility Office**" means:

(a) in respect of a Lender or the Issuing Bank, the office or offices notified by that Lender or the Issuing Bank to the Agent in writing on or before the date it becomes a Lender or the Issuing Bank (or, following that date, by not less than

five (5) Business Days written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**FATCA**" means:

(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 (the "**Code**") or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or

(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 January 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2015; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**Fee Letter**" means:

(a) any letter or letters dated on or about the date of this Agreement between the Parent and the Agent or the Parent and the Arrangers setting out any of the fees referred to in Clause 17 (*Fees*); and

(b) any agreement setting out fees payable to a Finance Party referred to in Clause 2.2 (*Increase*), Clause 2.3 (*Accordion Increase in Commitments*), Clause 17.4

(*Fees payable in respect of Letters of Credit*) or Clause 17.5 (*Interest, commission and fees on Ancillary Facilities*) of this Agreement or under any other Finance Document.

"**Finance Document**" means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Transaction Security Document, any Utilisation Request, any Transfer Certificate, any Assignment Agreement, any Increase Confirmation and any other document designated as a "Finance Document" by the Agent and the Parent **provided that** where the term "Finance Document" is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedging Agreement shall be a Finance Document only for the purposes of:

(a) the definition of "Material Adverse Effect";

(b) the definition of "Transaction Document";

(c) the definition of "Transaction Security Document";

(d) paragraph (a)(iv) of Clause 1.2 (*Construction*); and

(e) Clause 28.1 (*Non-payment*), Clause 28.10 (*Unlawfulness and invalidity*), Clause 28.11 (*Intercreditor Agreement*), Clause 28.15 (*Repudiation and rescission of agreements*) and sub-paragraph (b) of Clause 28.17 (*Material adverse change*).

"**Finance Party**" means the Agent, an Arranger, the Security Agent, a Lender, a Hedge Counterparty, the Issuing Bank or any Ancillary Lender **provided that** where the term "Finance Party" is used in, and construed for the purposes of, this Agreement or the Intercreditor Agreement, a Hedge Counterparty shall be a Finance Party only for the purposes of:

(a) the definition of "Secured Parties";

(b) paragraph (a)(i) of Clause 1.2 (*Construction*);

(c) paragraph (b) of Clause 28.17 (*Material adverse change*), paragraph (c) of Clause 24.3 (*Non-conflict with other obligations*) or Clause 24.18 (*Good title to assets*) of the definition of "Material Adverse Effect";

(d) Clause 34 (*Conduct of business by the Finance Parties*); and

(e) Clause 28.1 (*Non-payment*), Clause 28.10 (*Unlawfulness and invalidity*), Clause 28.11 (*Intercreditor Agreement*) and Clause 28.15 (*Repudiation and rescission of agreements*).

"**Financial Indebtedness**" has the meaning given to "Indebtedness" in Schedule 15 (*Restrictive Covenants*).

"**Financial Quarter**" has the meaning given to that term in Clause 26.2 (*Financial definitions*).

"**Financial Year**" has the meaning given to that term in Clause 26.2 (*Financial definitions*).

"**Funds Flow Statement**" means a funds flow statement in the agreed form.

"**GBP**", "**Sterling**" or "**£**" means the lawful currency for the time being of the United Kingdom.

"**Group**" means the Parent and each of its Subsidiaries for the time being.

"**Group Structure Chart**" means the group structure chart in the agreed form.

"**Guarantor**" means an Original Guarantor or an Additional Guarantor,

"**Hedge Counterparty**" means any person which is or has become a Party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement.

"**Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by a member of the Restricted Group and a Hedge Counterparty for any purpose permitted under Clause 27.18 (*Treasury Transactions*).

"**HMRC**" means HM Revenue & Customs.

"**Holdco**" means the Parent, Cabot Financial Holdings Group Limited, the Luxembourg Guarantor, Cabot Credit Management Group Limited and Cabot Financial Debt Recovery Services Limited.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Investment Grade Status**" shall have the meaning set out in the Note Indenture as it applies to the Notes and for the purposes of Clause 29 (*Investment Grade Status*) shall have a corresponding meaning in respect of any other Permitted Financial Indebtedness.

"**Impaired Agent**" means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraphs (a) or (b) of the definition of "Defaulting Lender"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three (3) Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 16 (*Form of increase confirmation*).

"**Increase Lender**" has the meaning given to that term in Clause 2.2 (*Increase*).

"**Initial ERC**" means the ERC forecast dated 30 June 2012.

"**Initial Public Offering**" means an initial public offering on any recognised investment exchange of the shares of the Parent or any Holding Company of the Parent but excluding the Investors.

"**Insolvency Event**" in relation to a Finance Party means that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

(g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above, including a Luxembourg Insolvency Event; or

(k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each member of the Restricted Group (which may now or in the future subsist).

"**Intercreditor Agreement**" means the intercreditor agreement dated on or about the Closing Date and made between, among others, the Parent, the Debtors (as defined in the Intercreditor Agreement), the Security Agent, the Agent, the Lenders (as RCF Lenders), the Arranger (as Arranger), the Intra-Group Lenders, the Structural Creditors and the Note Trustee (each as defined in the Intercreditor Agreement).

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 15 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 14.3 (*Default interest*).

"**Intra-Group Loans**" means a loan by the Parent to the Borrower and any other loans made by one member of the Restricted Group to another member of the Restricted Group.

"**Investors**" means Carat UK Bidco Limited, Carat UK Midco Limited, Carat UK Holdco Limited, Cabot Holdings S.a r.l., JCF III Europe S.a r.l., JCF III Europe Holdings LP, JCF III AIV II LP and any fund managed and/or advised by J.C. Flowers & Co. LLC or, in each case, any of their respective Affiliates.

"**Issuing Bank**" means each Lender which has notified the Agent that it has agreed to the Parent's request to be an Issuing Bank pursuant to the terms of this Agreement (and if more than one Lender has so agreed, such Lenders shall be referred to, whether acting individually or together, as the "**Issuing Bank**") **provided that**, in respect of a Letter of Credit issued or to be issued pursuant to the terms of this Agreement, the "Issuing Bank" shall be the Issuing Bank which has issued or agreed to issue that Letter of Credit.

"**ITA**" means the Income Tax Act 2007.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity in which the interests of all members of the Restricted Group (taken together) are not more than 50%.

"**L/C Proportion**" means in respect of any Letter of Credit, the proportion (expressed as a percentage) borne by that Lender's Available Commitment to the Available Facility immediately prior to the issue of that Letter of Credit, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

"**Legal Opinion**" means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 32 (*Changes to the Obligors*).

"**Legal Reservations**" means:

(a) the principle that certain remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under any applicable limitation law (including the Limitation Acts), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of acquiescence, set-off or counterclaim;

(c) the principle that in certain circumstances Security granted by way of fixed charge may be recharacterised as a floating charge or that Security purported to be constituted as an assignment may be recharacterised as a charge;

(d) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;

(e) the principle that an English court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;

(f) the principle that the creation or purported creation of Security over any contract or agreement which is subject to a prohibition on transfer, assignment

or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which Security has purportedly been created;

(g) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(h) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.2 (*Increase*), Clause 2.3 (*Accordion Increase in Commitments*) or Clause 30 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

"**Letter of Credit**" means:

(a) a letter of credit or guarantee in favour of third parties including counter guarantees for guarantees to such third parties and which:

(i) complies with the Letter of Credit Requirements;

(ii) is in substantially the form set out in Schedule 13 (*Form of Letter of Credit*); or

(iii) is in any other form requested by the Parent and agreed by the Majority Lenders under the relevant Facility and the Issuing Bank; or

(b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Parent on its behalf) and agreed by the Majority Lenders under the relevant Facility and the Issuing Bank.

"**Letter of Credit Requirements**" means the requirements as to the form of a Letter of Credit as set out in Schedule 12 (*Letter of Credit Requirements*).

"**LIBOR**" means, in relation to any Loan:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the Base Reference Bank Rate,

as of the Specified Time on the Quotation Day for the currency of that Loan and for a period comparable to the Interest Period of that Loan and, if any such rate is below zero, LIBOR will be deemed to be zero.

"**Limitation Acts**" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"**LMA**" means the Loan Market Association.

"**Loan**" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**LTV Ratios**" means the LTV Ratio and the SSRCF LTV Ratio.

"**LTV Ratio**" has the meaning given to it in Clause 26.2 (*Financial definitions*).

"**Luxembourg Guarantor**" means Cabot Financial (Luxembourg) S.A., a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 6, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under the number B-171245.

"**Luxembourg Share Pledge Agreement**" means the agreement pursuant to which a Luxembourg law share pledge is granted by Cabot Financial Holdings Group Limited in favour of the Security Agent over the shares in the Luxembourg Guarantor.

"**Majority Lenders**" means a Lender or Lenders whose Commitments aggregate 75 per cent. or more of the Total Commitments (or if the Total Commitments have been reduced to zero, aggregated 75 per cent. or more of the Total Commitments immediately prior to that reduction).

"**Mandatory Cost**" means the percentage rate per annum calculated by the Agent in accordance with Schedule 4 (*Mandatory Cost formula*).

"**Mandatory Prepayment Account**" means an interest-bearing account:

(a) held, or to be held, by a Borrower with the Agent or the Security Agent (or Affiliate of the Agent or the Security Agent);

(b) identified in a letter between the Parent and the Agent as a Mandatory Prepayment Account;

(c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Agent and Security Agent (each acting reasonably); and

(d) from which no withdrawals may be made by any members of the Restricted Group except as contemplated by this Agreement,

as the same may be redesignated, substituted or replaced from time to time.

"**Margin**" means:

(a) 4 per cent. per annum; and

(b) in relation to any other Unpaid Sum, the rate per annum specified in paragraph (a) above,

but if:

(i) no Event of Default has occurred and is continuing;

(ii) a period of at least six (6) Months has expired since the Closing Date; and

(iii) the LTV Ratio on the most recent Quarter Date is within a range set out below,

then the Margin for each Utilisation under the Facility will be the percentage per annum set out below in the column for that Facility opposite that range:

LTV Ratio	Margin % p.a.
Equal to or less than 0.45	3.75
Equal to or less than 0.35	3.50
Equal to or less than 0.25	3.25

However:

(i) any increase or decrease in the Margin shall take effect on the date (the "**reset date**") which is five (5) Business Days after receipt by the Agent of the Compliance Certificate in respect of the relevant Quarter Date pursuant to Clause 25.2 (*Provision and contents of Compliance Certificate*);

(ii) if the effect of the above would be to cause the Margin to reduce by more than two levels on any reset date then the Margin will decrease by no more than two levels on that reset date;

(iii) if, following receipt by the Agent of the annual audited financial statements of the Group and related Compliance Certificate, those statements and Compliance Certificate do not confirm the basis for a reduced or increased Margin or demonstrate that the Margin should have been varied using the table above when it has not been, then the provisions of Clause 14.2(b) (*Payment of interest*) shall apply and the Margin for that Utilisation shall be the percentage per annum determined using the table above and the revised LTV Ratio calculated using the figures in that Compliance Certificate;

(iv) while an Event of Default is continuing, the Margin shall be the highest percentage per annum set out above **provided that**, when such Event of Default ceases to be continuing, the Margin shall on and from such time (subject to paragraph (ii) above) be determined (by reference to the table above) by reference to the then current LTV Ratio; and

(v) for the purpose of determining the Margin, the LTV Ratio shall be determined in accordance with Clause 26.2 (*Financial definitions*).

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, operations, assets or financial condition of the Restricted Group (taken as a whole); or

(b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or

(c) the legality, validity, enforceability or ranking of any Security granted or purported to be granted pursuant to any of the Finance Documents, in any such case, in a manner or to an extent which is materially adverse to the interests of the Lenders under the Finance Documents and, if capable of remedy is not remedied within 15 Business Days of the earlier of:

(i) the Parent becoming aware of the issue; or

(ii) the giving of notice of the issue by the Agent,

provided that such period shall run concurrently with any applicable grace period contained in Clause 28 (*Events of Default*).

"**Material Company**" means, at any time:

(a) an Obligor; or

(b) a wholly-owned member of the Restricted Group that is the Holding Company of an Obligor; or

(c) a member of the Restricted Group which:

(i) has earnings before interest, tax, depreciation and amortisation calculated on the same basis as Consolidated EBITDA (but on an unconsolidated basis and excluding intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group) representing more than five (5) per cent. of Consolidated EBITDA of the Restricted Group calculated on a consolidated basis; or

(ii) has gross assets (on an unconsolidated basis excluding intra-Restricted Group items, goodwill and investments in Restricted Subsidiaries of any member of the Restricted Group) representing five (5) per cent. or more of the gross assets of the Restricted Group calculated on a consolidated basis (excluding goodwill).

Compliance with the conditions set out in paragraph (c) above shall be determined by reference to:

(i) the most recent Annual Financial Statements of the Group (adjusted in accordance with Clause 25.8 (*Unrestricted Subsidiaries*)), supplied

under paragraph (a) of Clause 25.1 (*Financial statements*) and the Compliance Certificate relating thereto;

(ii) the latest (if applicable) consolidated financial statements of the Subsidiary (audited to the extent required by law). However, if a Subsidiary has been acquired since the date as at which the latest Annual Financial Statements of the Group were prepared, the Annual Financial Statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by two directors of the Parent as representing an accurate reflection of the revised Consolidated EBITDA) or gross assets of the Restricted Group).

A report by the Auditors of the Parent that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

"**Material Event of Default**" means any event or circumstance constituting:

(a) an Event of Default under Clause 28.4 (*Other obligations*) to the extent that such Event of Default relates to a failure to comply that is material other than in the case of Clause 27.22 (*Note Purchase Condition*) where materiality will not be applied to such test; and

(b) an Event of Default under any Clause other than Clause 28.4 (*Other obligations*).

"**Member State**" means the territory of each Member State of the Community as defined in Article 5 and 6 of the Council Directive 2006/112/EC on the common system of value added tax.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"**New Shareholder Loan**" means each shareholder loan made directly or indirectly to the Parent after the Closing Date which is subordinated as Structural Liabilities

pursuant to the Intercreditor Agreement or otherwise on comparable subordinated terms acceptable to the Majority Lenders.

"**Non-Acceptable L/C Lender**" means a Lender which:

(a) is not an Acceptable Bank within the meaning of paragraph (c) of the definition of "Acceptable Bank" (other than a Lender which each Issuing Bank has agreed is acceptable to it notwithstanding that fact);

(b) is a Defaulting Lender or an Insolvency Event has occurred in respect of a holding company of such Lender;

(c) is determined or declared as such by the Issuing Bank from time to time; or

(d) has failed to make (or has notified the Agent that it will not make) a payment to be made by it under Clause 7.3 (*Indemnities*) or Clause 33.10 (*Lenders' indemnity to the Agent*) or any other payment to be made by it under the Finance Documents to or for the account of any other Finance Party in its capacity as Lender by the due date for payment unless the failure to pay falls within the description of any of those items set out at paragraphs (i) and (ii) of the definition of Defaulting Lender.

"**Non-Consenting Lender**" has the meaning given to that term in Clause 42.4 (*Replacement of Lender*).

"**Non-Consumer Debt or Accounts**" means any debt or account that is not a Consumer Debt or Account.

"**Non-UK-and-Ireland Originated Account**" means a Portfolio Account originally issued or extended to a person outside the United Kingdom and the Republic of Ireland unless such person was resident in the United Kingdom or the Republic of Ireland at such time.

"**Non-UK Originated Account**" means a Portfolio Account originally issued or extended to a person outside the United Kingdom unless such person was resident in the United Kingdom at such time.

"**Note Documents**" means the Senior Note Documents (as such term is defined in the Intercreditor Agreement).

"**Note Indenture**" the senior secured note indenture dated on or about the date hereof and between, among others, the Parent and the Note Trustee, as amended from time to time.

"**Note Trustee**" means Citibank, N.A., London Branch, or any successor trustee appointed in accordance with the Note Indenture.

"**Notes**" means the Senior Notes (as such term is defined in the Intercreditor Agreement).

"**Notifiable Debt Purchase Transaction**" has the meaning given to that term in paragraph (b) of Clause 31.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*).

"**Obligor**" means a Borrower or a Guarantor.

"**Obligors' Agent**" means the Parent or such other person, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.6 (*Obligors' Agent*).

"**Offering Memorandum**" means the offering memorandum for the Notes.

"**Optional Currency**" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

"**Original Financial Statements**" means:

(a) the audited financial statements of the Group for the fourteen months ending 31 December 2011;

(b) in relation to each Original Obligor (other than the Luxembourg Guarantor) its audited financial statements for its Financial Year ended 31 December 2011; and

(c) in relation to any other Obligor, its audited (to the extent required by law to be audited) financial statements (to the extent required by law to be produced) delivered to the Agent as required by Clause 32 (*Changes to the Obligors*).

"**Original Obligor**" means an Original Borrower or an Original Guarantor.

"**Participating Member State**" means any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**Perfection Requirements**" means the making or procuring of appropriate registrations, filings, endorsements, stampings, intimation in accordance with local laws, notations in stock registries, notarisations, legalisation and/or notifications of the Transaction Security Documents and/or the Transaction Security created thereunder.

"**Permitted Acquisition**" means an acquisition (not being an acquisition by the Parent):

(a) of shares or other ownership interests in a company representing at least 50.1 per cent. of the issued share capital or other ownership interests of such company or of a business or undertaking carried on as a going concern (each a "**Business Acquisition**"); or

(b) an acquisition of Portfolio Accounts for consideration in cash,

but only if:

(i) in relation to a Business Acquisition, no Event of Default has occurred and is continuing at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition or would result therefrom;

(ii) in relation to an acquisition of Portfolio Accounts, no Material Event of Default has occurred and is continuing at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition or would result therefrom;

(iii) in relation to a Business Acquisition, the acquired company, business, or undertaking is engaged in a business substantially similar to or complementary to that carried on by the Restricted Group in the debt purchase and debt collection market; and

(iv) in relation to an acquisition of a Portfolio Account:

(A) if the aggregate purchase value of Portfolio Accounts acquired by the Restricted Group since the most recent Quarter Date exceeds or will as a result of such acquisition of Portfolio Accounts exceed an amount equal to 30 per cent. of the amount budgeted for acquisitions of Portfolio Accounts in the Budget for the relevant Financial Year, the Parent has delivered a Compliance Certificate (amended to set out calculations in respect of the LTV Ratios and the acquired Portfolio Accounts only) signed by two directors showing in reasonable detail calculations demonstrating that it is in compliance with the LTV Ratios (calculated by reference to the last day of the most recently ended calendar Month); and

(B) in the case of a Portfolio Account constituting either (i) a Non-Consumer Debt or Account, or (ii) a Non-UK Originated Account, having regard to the circumstances applying at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition, the relevant acquisition would not result in a failure to comply with the definition of "**Portfolio Account**";

(v) in relation to a Business Acquisition of less than 100 per cent. but more than 50.1 per cent. of the issued share capital or other ownership interest interests of a company which following the acquisition would constitute a Material Company, subject to such company becoming an Obligor and granting Security (on substantially the same or equivalent terms to the Transaction Security granted as a condition precedent to initial utilisation of the Facility and subject to the Agreed Security Principles) over all its assets in favour of the Secured Parties as soon as practicable and in any event within:

(A) in the case of a Business Acquisition in England and Wales, 60 days; or

(B) in the case of a Business Acquisition in any other jurisdiction, 90 days,

of consummation of the relevant acquisition;

(vi) in relation to a Business Acquisition, the Parent has delivered a Compliance Certificate (amended to set out calculations in respect of the LTV Ratios and the Portfolio Accounts only) signed by two directors showing in reasonable detail calculations demonstrating:

(A) that it will remain in compliance with the LTV Ratios immediately following completion of the relevant acquisition (calculated by reference to the last day of the most recently ended calendar Month and on a *pro forma* basis for the proposed Business Acquisition taking into account any Financial Indebtedness incurred or to be incurred by any member of the Restricted Group in relation to the proposed acquisition); and

(B) to the extent that the Business Acquisition includes an acquisition of any Non-Consumer Debt or Account or any Non-UK Originated Accounts, having regard to the circumstances applying at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition, that the relevant acquisition would not result in a failure to comply with the definition of "**Portfolio Account**";

(vii) in relation to a Business Acquisition, the acquired company, business or undertaking is incorporated or established, and carries on its principal business, in the United Kingdom, European Union, United States of America or Canada;

(viii) in the reasonable opinion of the Parent, such acquisitions are directly or indirectly EBITDA enhancing over the next three Financial Years after the completion of such acquisition having regard to the Group as a whole and the nature of the Group's business in the debt purchase and debt collection market; and

(ix) in relation to an acquisition of Portfolio Accounts to be funded by a Utilisation in an amount of more than 5% of ERC (as determined by reference to the Compliance Certificate most recently delivered to the Agent under this Agreement or (if relevant) the last day of the most recently ended calendar month on a *pro forma* basis for such acquisition), the prior written consent of the Majority Lenders has been obtained.

"**Permitted Payment**" has the meaning given to that term in the Intercreditor Agreement.

"**Permitted Refinancing Indebtedness**" means any Refinancing Indebtedness (as defined in Schedule 15 (*Restrictive Covenants*) permitted pursuant to Section 4.09 of the Note Indenture.

"**Permitted Reorganisation**" means:

(a) an amalgamation, merger, transfer, consolidation, liquidation, dissolution or corporate reconstruction (each a "**Reorganisation**") on a solvent basis of a member of the Restricted Group where:

(i) all of the business and assets of that member of the Restricted Group remain within the Restricted Group (and if that member of the Restricted Group was an Obligor immediately prior to such reorganisation being implemented, all of the business and assets of that member are retained by one or more other Obligors);

(ii) if it or its assets or the shares in it were subject to the Transaction Security immediately prior to such Reorganisation, the Security Agent will enjoy substantially the same or equivalent Security over the same assets or, as the case may be, over it or the shares in it (or in each case over the shares of its successor) or, where a member of the Group is being dissolved or liquidated, its assets (after payment of creditors) are passed up to its Holding Company (subject to such Holding Company granting the same or equivalent Security over the relevant assets in favour of the Security Agent); and

(iii) in the case of an amalgamation, merger or corporate reconstruction, if such member of the Group is an Obligor, the surviving entity is or becomes an Obligor to at least the same extent as such first mentioned Obligor immediately prior to the said amalgamation, merger or corporate reconstruction;

(b) any Reorganisation permitted under Schedule 15 (*Restrictive Covenants*); or

(c) any other Reorganisation of one or more members of the Restricted Group approved by the Majority Lenders (acting reasonably).

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organisations, whether or not legal entities, and governmental authorities.

"**Portfolio**" means the Portfolio Accounts.

"**Portfolio Account**" means:

(a) a sub-performing or charged-off consumer account, consumer instalment loan or any other consumer account owned by the Restricted Group or any Non-Consumer Debt or Account; or

(b) a Right to Collect Account,

provided that:

(i) the aggregate "ERC" amount of all Non-Consumer Debt or Accounts (calculated on the same basis as ERC and as set out in the further proviso below) at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition does not exceed an amount equal to 7.5 per cent. of ERC (as determined by reference to the Compliance Certificate most recently delivered to the Agent under this Agreement or if relevant the last day of the most recently ended calendar Month adjusted on a *pro forma* basis for the proposed acquisition);

(ii) the aggregate "ERC" amount of all Non-UK Originated Accounts (calculated on the same basis as ERC and as set out in the further proviso below) at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition does not exceed an amount equal to 15 per cent. of ERC (as determined by reference to the Compliance Certificate most recently delivered to the Agent under this Agreement or if relevant the last day of the most recently ended calendar Month adjusted on a *pro forma* basis for the proposed acquisition); and

(iii) the aggregate "ERC" amount of all Non-UK-and-Ireland Originated Accounts (calculated on the same basis as ERC and as set out in the further proviso below) at the time the relevant member of the Restricted Group contractually commits to the relevant acquisition does not exceed an amount equal to 5 per cent. of ERC (as determined by reference to the Compliance Certificate most recently delivered to the Agent under this Agreement or if relevant the last day of the most recently ended calendar Month adjusted on a *pro forma* basis for the proposed acquisition),

and provided further that for the purposes of this definition, when calculating the aggregate "ERC" amount of all such Non-Consumer Debt or Accounts, all such Non-UK Originated Accounts or all such Non-UK-and-Ireland Originated Accounts debt, it shall refer to the estimated remaining collections projected to be received over 84 Months from the debt portfolio of which such debt is a component multiplied by the ratio of Non-Consumer Debt or Accounts, Non-UK Originated Accounts or Non-UK-and-Ireland Originated Accounts to total accounts in that debt portfolio, respectively.

"**Quarter Date**" has the meaning given in Clause 26.2 (*Financial definitions*).

"**Quasi Security**" means any transaction in which a member of the Restricted Group agrees to:

(a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Restricted Group;

(b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) the first day of that period;

(b) (if the currency is euro) two TARGET Days before the first day of that period; or

(c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Acceleration Event**" has the meaning given to that term in Schedule 17 (*Agreed Security Principles*).

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where it conducts a substantial part of its business; and

(c) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"**Relevant Interbank Market**" means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

"**Reliance Parties**" means the Agent, the Arranger, the Security Agent, the Issuing Bank, each Original Lender and each person who accedes as a Lender as part of the primary syndication of the Facilities within six months of this Agreement.

"**Renewal Request**" means a written notice delivered to the Agent in accordance with Clause 6.6 (*Renewal of a Letter of Credit*).

"**Repeating Representations**" means each of the representations set out in Clause 24.1 (*Status*), Clause 24.2 (*Binding obligations*), Clause 24.3 (*Non-conflict with other obligations*), Clause 24.4 (*Power and authority*), paragraph (a) of Clause 24.5 (*Validity and admissibility in evidence*), Clause 24.6 (*Governing law and enforcement*), Clause 24.9 (*No default*), paragraph (e) of Clause 24.10 (*No Misleading Information*) paragraphs (e) and (f) of Clause 24.11 (*Financial Statements*), Clause 24.18 (*Good title to assets*), Clause 24.19 (*Legal and beneficial ownership*), Clause 24.20 (*Shares*), Clause 24.25 (*Centre of main interests and establishments*) and Clause 24.28 (*Money Laundering Act*).

"**Replacement Debt**" means Permitted Refinancing Indebtedness where the proceeds are applied within one (1) day of the incurrence of the Permitted Refinancing Indebtedness (**provided that** the Parent shall use its reasonable endeavours to procure that it is applied on the same day) in prepayment, purchase, defeasance or redemption of (a) the Notes or any Term Debt; or (b) any Permitted Refinancing Indebtedness.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 8 (*Form of Resignation Letter*).

"**Restricted Group**" means the Parent and the Restricted Subsidiaries.

"**Restricted Party**" means a person that is (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on any Sanctions List, (ii) located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country or territory-wide Sanctions (including, without limitation, Cuba, Burma, Myanmar, Iran, North Korea, Sudan and Syria); or (iii) otherwise a target of Sanctions.

"**Restricted Subsidiary**" means a Subsidiary of the Parent other than an Unrestricted Subsidiary.

"**Right to Collect Account**" means a sub-performing or charged-off consumer account, consumer instalment loan or any other consumer account or non-consumer debt or account that is owned by a person that is not a member of the Restricted Group (a "**Third Party**") and in respect of which the Restricted Group is entitled to collect and retain substantially all of the amounts due under such account, debt or loan or to receive amounts equivalent thereto.

"**Rollover Loan**" means one or more Loans:

(a) made or to be made on the same day that:

(i) a maturing Loan is due to be repaid; or

(ii) a demand by the Issuing Bank pursuant to a drawing in respect of a Letter of Credit or payment of outstandings under an Ancillary Facility is due to be met;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Loan or the relevant claim in respect of that Letter of Credit or Ancillary Facility Utilisation; and

(c) made or to be made to the same Borrower for the purpose of:

(i) refinancing that maturing Loan or Ancillary Facility Utilisation; or

(ii) satisfying the relevant claim in respect of that Letter of Credit.

"**Sanctioned Country**" means a country or territory which is subject to:

(a) general trade, economic or financial sanctions or embargoes imposed, administered or enforced by (i) the U.S. Department of Treasury's Office of Foreign Assets Control, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom; or

(b) general economic or financial sanctions embargoes imposed by the US federal government and administered by the US State Department, the US Department of Commerce or the US Department of the Treasury.

"**Sanctions**" means the economic sanctions laws, regulations, or restrictive measures administered, enacted or enforced by the Sanctions Authorities (including, without limitation, 31 C.F.R., Subtitle B, Chapter V; the Iran Sanctions Act of 1996, as amended; the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010; Executive Order 13590; and the National Defence Authorisation Act for Fiscal Year 2012).

"**Sanctions Authorities**" means (i) the United States government, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury and the United States Department of State; (ii) the United Nations; (iii) the European Union or its Member States, including, without limitation, the United Kingdom, Her Majesty's Treasury, and the Department for Business, Innovation and Skills; or (iv) the respective governmental institutions and agencies of any of the foregoing.

"**Sanctions List**" means the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the US Department of Treasury, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury, the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"**Screen Rate**" means:

(a) in relation to LIBOR, the British Bankers' Association Interest Settlement Rate for the relevant currency and period; and

(b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Parent and the Lenders.

"**Secured Parties**" has the meaning given to it in the Intercreditor Agreement.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Separate Loan**" has the meaning given to that term in Clause 10.1 (*Repayment of Loans*).

"**Specified Time**" means a time determined in accordance with Schedule 11 (*Timetables*).

"**Sponsor Affiliate**" means the Investors and each of their respective Affiliates, any trust of which any of the Investors or any of their respective Affiliates are a trustee, any partnership of any of the Investors or any of their respective Affiliates is a partner and any trust, fund or other entity which is managed by, or is directly or indirectly under the control of, any of the Investors or any of their respective Affiliates *provided that* any such trust partnership fund, or other entity which has been established for at least six (6) Months for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, partnerships, funds, or other entities managed or controlled by any of the Investors or any of their respective Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate.

"**SSRCF LTV Ratio**" has the meaning given to it in Clause 26.2 (*Financial definitions*).

"**Structural Debt Document**" means any document or agreement evidencing the terms of any Structural Liabilities.

"**Structural Liabilities**" has the meaning given to it in the Intercreditor Agreement.

"**Subordinated Liabilities**" has the meaning given to that term in the Intercreditor Agreement.

"**Subsidiary**" means in relation to any person, any entity which is controlled directly or indirectly by that person and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time, and "control" for this purpose means the direct or indirect ownership of the majority of the

voting share capital of such entity or the right or ability to determine the composition of a majority of the board of directors (or like board) of such entity, in each case whether by virtue of ownership of share capital, contract or otherwise.

"**Super Majority Lenders**" means, at any time a Lender or Lenders whose Commitments aggregate 85 per cent. or more of the Total Commitments or, if the Total Commitments have been reduced to zero, aggregate 85 per cent. or more of the Total Commitments immediately prior to that reduction.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**Tax**" or "**Taxes**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty, interest or other additional amount payable in connection with any failure to pay or any delay in paying any of the same).

"**Term**" means each period determined under this Agreement for which the Issuing Bank is under a liability under a Letter of Credit.

"**Term Debt**" means on any date, Financial Indebtedness with a scheduled maturity date 12 Months or more from the date on which such Financial Indebtedness was incurred (and for the avoidance of doubt excluding the Facilities and any Ancillary Facility).

"**Termination Date**" means the fifth anniversary of the Closing Date.

"**Total Commitments**" means the aggregate of the Commitments, being £85,000,000 at the date of this Agreement.

"**Transaction Documents**" means the Finance Documents, the Note Documents, the Structural Debt Documents and the Constitutional Documents.

"**Transaction Security**" means the Security created or expressed to be created in respect of the obligations of any of the Obligors under any of the Finance Documents pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means each of the documents listed as being a Transaction Security Document in Part III of Schedule 2 (*Conditions Precedent*), any document required to be delivered to the Agent under paragraph 11 of Part II of Schedule 2 (*Conditions Precedent*) together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Parent.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

"**Treasury Transactions**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**Unrestricted Subsidiary**" has the meaning given to it in Schedule 15 (*Restrictive Covenants*).

"**U.S. dollars**", "**$**" and dollars denote lawful currency of the United States of America.

"**USA PATRIOT Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States.

"**Utilisation**" means a Loan or a Letter of Credit.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made or the relevant Letter of Credit is to be issued.

"**Utilisation Request**" means a notice substantially in the relevant form set out in Part I or Part II of Schedule 3 (*Requests and Notices*).

"**VAT**" means value added tax as provided for in Council Directive 2006/112/EC, as amended, on the common system of value added tax and any other tax of a similar nature (including goods and services tax) wherever imposed.

1.2 **Construction**

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Agent**", any "**Arranger**", any "**Finance Party**", any "**Issuing Bank**", any "**Lender**", any "**Hedge Counterparty**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

(ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Parent and the Agent;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(v) "**guarantee**" means (other than in Clause 23 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a Lender's "**participation**" in relation to a Letter of Credit, shall be construed as a reference to the relevant amount that is or may be payable by a Lender in relation to that Letter of Credit;

(viii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(ix) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law (but if not having the force of law, which is binding or customarily complied with)) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(x) a provision of law is a reference to that provision as amended or re-enacted;

(xi) a time of day is a reference to London time; and

(xii) "the date hereof", "the date of this Agreement" and other like expressions is to 20 September 2012.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Borrower providing "**cash cover**" for a Letter of Credit or an Ancillary Facility means a Borrower paying an amount in the currency of the Letter of Credit (or, as the case may be, the Ancillary Facility) to an interest-bearing account in the name of the Borrower and the following conditions being met:

(i) the account is with the Security Agent or with the Issuing Bank or Ancillary Lender for which that cash cover is to be provided;

(ii) subject to paragraph (b) of Clause 7.5 (*Cash cover by Borrower*), until no amount is or may be outstanding under that Letter of Credit or Ancillary Facility, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this Agreement in respect of that Letter of Credit or Ancillary Facility; and

(iii) the Borrower has executed a security document over that account, in form and substance satisfactory to the Security Agent or the Issuing Bank or Ancillary Lender with which that account is held, creating a first ranking security interest over that account.

(e) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived. An Event of Default is "**continuing**" if it has not been remedied or waived.

(f) A Borrower "**repaying**" or "**prepaying**" a Letter of Credit or Ancillary Outstandings means:

(i) that Borrower providing cash cover for that Letter of Credit or in respect of the Ancillary Outstandings;

(ii) the maximum amount payable under the Letter of Credit or Ancillary Facility being reduced or cancelled in accordance with its terms; or

(iii) the Issuing Bank or Ancillary Lender being satisfied that it has no further liability under that Letter of Credit or Ancillary Facility,

and the amount by which a Letter of Credit is, or Ancillary Outstandings are repaid or prepaid under paragraphs (f)(i) and (f)(ii) above is the amount of the relevant cash cover or reduction.

(g) An amount borrowed includes any amount utilised by way of Letter of Credit or under an Ancillary Facility.

(h) A Lender funding its participation in a Utilisation includes a Lender participating in a Letter of Credit.

(i) An outstanding amount of a Letter of Credit at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Letter of Credit at that time.

(j) A Letter of Credit is completely cancelled, discharged and released in accordance with its terms:

(i) upon the Issuing Bank having paid the amount available under the Letter of Credit;

(ii) upon return of the original Letter of Credit to the Issuing Bank together with the beneficiary's letter of release, or, if such original Letter of Credit has been lost, stolen, mutilated or destroyed, confirmation from the beneficiary of such Letter of Credit that this is the case and indemnities are provided satisfactory to the Issuing Bank from the beneficiary and other satisfactory assurances are provided as the Issuing Bank may require; or

(iii) upon lapse of its Expiry Date and no demand having been received by the Issuing Bank on or before such Expiry Date.

(k) Unless specifically provided to the contrary, a reference to a Subsidiary or Material Subsidiary of a member of the Restricted Group excludes each Unrestricted Subsidiary.

1.3 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.4 **Intercreditor Agreement**

Other than in respect of paragraphs (f) to (h) of Clause 42.3 (*Exceptions*), this Agreement is subject to the Intercreditor Agreement and in the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

2. THE FACILITY

2.1 **The Facility**

(a) Subject to the terms of this Agreement, the Lenders make available a multicurrency revolving credit facility in an aggregate amount the Base Currency Amount of which is equal to the Total Commitments.

(b) Subject to the terms of this Agreement and the Ancillary Documents, an Ancillary Lender may make available an Ancillary Facility to any of the Borrowers in place of all or part of its Commitment.

2.2 **Increase**

(a) The Parent may by giving prior notice to the Agent by no later than the date falling 20 Business Days after the effective date of a cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with Clause 11.6 (*Right of cancellation in relation to a Defaulting Lender*); or

(ii) the Commitments of a Lender in accordance with Clause 11.1 (*Illegality*), Clause 12.1 (*Exit*) or Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*),

request that the Total Commitments be increased (and the Total Commitments shall be so increased) in an aggregate amount of up to the amount of the Available Commitments or Commitments so cancelled as follows:

(iii) the increased Commitment will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Increase Lender**") selected by the Parent (each of which shall not be a Sponsor Affiliate or a member of the Restricted Group and which is further acceptable to the Agent (acting reasonably)) and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;

(iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;

(v) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

(vi) the Commitments of the other Lenders shall continue in full force and effect; and

(vii) any increase in the Total Commitments shall take effect on the date specified by the Parent in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Total Commitments will only be effective on:

(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;

(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:

(A) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and

(B) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to the Parent, the Increase Lender and the Issuing Bank; and

(iii) the Issuing Bank consenting to that increase.

(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.

(d) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, the Parent shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee of £2,000 and the Parent shall promptly on demand pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.2.

(e) The Parent may pay to the Increase Lender a fee in the amount and at the times agreed between the Parent and the Increase Lender in a Fee Letter.

(f) Clause 30.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "**New Lender**" were references to that "**Increase Lender**"; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "transfer" and "assignment".

2.3 **Accordion Increase in Commitments**

(a) Subject to this Clause 2.3, the Parent may at any time and from time to time following the Closing Date, request an increase in the Total Commitments (such increase, the "**Additional Commitments**") by delivering to the Agent a duly completed Additional Commitment Increase Notice not later than 10 Business Days' (or such shorter period as the Agent and the Parent may

agree) prior to the proposed date for the commencement of the availability period in respect of the Additional Commitments so requested.

(b) Each Additional Commitment Increase Notice shall specify the following matters:

(i) the identity of each Lender or other bank, financial institution, trust, fund or other entity (each, an "**Additional Commitment Lender**") selected by the Parent (each of which shall not be a Sponsor Affiliate or a member of the Restricted Group) that is willing to assume all of the obligations of a Lender corresponding to an Additional Commitment;

(ii) the aggregate amount of the Additional Commitments requested (the "**Request Amount**"), which amount must comply with the Additional Commitment Restrictions;

(iii) the proposed availability period in respect of the requested Additional Commitments, which period must comply with the Additional Commitment Restrictions;

(iv) the proposed Margin (and any applicable proposed Margin ratchet), each of which must comply with the Additional Commitment Restrictions;

(v) the identities of the Borrower(s) in respect of the requested Additional Commitments; and

(vi) the currency or currencies in which the Additional Commitments may be drawn,

and shall be validly delivered only if executed by the Parent, the Borrower in relation to the Additional Commitment, and each applicable Additional Commitment Lender.

(c) No existing Lender shall (unless otherwise agreed by that Lender) be obliged to provide any Additional Commitment but the Original Lenders (if at that time still a Lender) and DNB Bank ASA (or any of its Affiliates) shall be given the option to provide Additional Commitments before other potential lenders are approached.

(d) The Parent may request Additional Commitments in the following amounts:

(i) subject to paragraph (ii) below, Additional Commitments not exceeding £10,000,000 in aggregate since the Closing Date; or

(ii) in the case that the Parent has delivered a certificate to the Agent at the end of a Month certifying that ERC as at the date of that certificate is greater than £600,000,000 (an "**Uplift Certificate**"), Additional Commitments not exceeding the sum of:

(A) £10,000,000; *plus*

(B) the uplift portion, being an amount equal to the lesser of:

(1) **provided that** such amount is not less than zero, 10 per cent. of ERC (as at the date of the relevant Uplift Certificate, *pro forma* for any Permitted Acquisitions that the Parent specifically identifies in such Uplift Certificate as being acquisitions that the Parent intends to fund making in whole or in part with the proceeds of a Utilisation of such Additional Commitments (such Permitted Acquisitions being "**Specified Permitted Acquisitions**"), as certified in such Uplift Certificate) *minus* £60,000,000; and

(2) £15,000,000; *less*

(C) the aggregate of all other Additional Commitments introduced since the Closing Date pursuant to this Clause 2.3 (to the extent that they have not been cancelled).

(e) At no time shall the Total Commitments be increased under this Clause 2.3 so as to be more than:

(i) in the case that after the date of this Agreement the Total Commitments have been increased as a result of a Structural Change, the Structural Change Base *plus* £25,000,000; and

(ii) in any other case, £75,000,000,

the "**Accordion Cap**".

For the purposes of this Clause 2.3, the "**Structural Change Base**" means the amount that is the sum of £50,000,000 (being the Total Commitment as at the date of this Agreement) *plus* the amount of such increases effected by any Structural Changes from time to time.

(f) The Parties hereby acknowledge that by virtue of (i) the Additional Commitments requested and provided pursuant to the consent letter from the Parent, the Original Borrower and Carat UK Bidco Limited as an Investor to the Finance Parties dated 14 June 2013 and (ii) the Structural Change pursuant to an amendment and restatement agreement to this Agreement dated 28 June 2013 effecting an increase of the Total Commitments by £10,000,000, no further Additional Commitments may be requested pursuant to this Clause 2.3.

(g) All Additional Commitments shall be made available on the same terms (including as to ranking, *pro rata* sharing and security, but save only in respect of any margin and/or fees, availability period and termination date) as the Facility and the Additional Commitments may not enjoy the benefit of any more onerous financial or other undertakings than apply to the Facility generally.

(h) Following the delivery of a valid Additional Commitment Increase Notice, the requested Additional Commitments shall become effective on the later of:

(i) the execution by the Agent of the Additional Commitment Increase Notice. The Agent shall, subject to paragraph (ii)(B) below, as soon as reasonably practicable after receipt by it of a duly completed Additional Commitment Increase Notice appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Additional Commitment Increase Notice; and

(ii) in relation to an Additional Commitment Lender which is not a Lender immediately prior to the relevant increase, the later of:

(A) the Additional Commitment Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement as a Lender under this Agreement; and

(B) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption by the Additional Commitment Lender of the relevant Additional Commitments, the completion of which the Agent shall promptly notify to the Parent, the Additional Commitment Lender and the Issuing Bank (if any).

(i) The introduction of Additional Commitments pursuant to this Clause 2.3 shall occur as follows:

(i) each Additional Commitment will be assumed by the relevant Additional Commitment Lender, each of whom confirms its willingness to assume and does assume all of the obligations of a Lender corresponding to that part of the Additional Commitments which it is to assume, as if it had been an Original Lender, subject to paragraph (j) below;

(ii) each of the Obligors and each Additional Commitment Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Additional Commitment Lender would have assumed and/or acquired had the Additional Commitment Lender been an Original Lender, subject to paragraph (j) below;

(iii) to the extent not already a Party as a Lender, each Additional Commitment Lender shall become a Party as a Lender and each Additional Commitment Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Additional Commitment Lender and those Finance Parties would have assumed and/or acquired had the Additional Commitment Lender been an Original Lender, subject to paragraph (j) below;

(iv) the Commitments of the other Lenders shall continue in full force and effect; and

(v) the increase in the Total Commitments shall take effect on the Additional Commitment Increase Date.

(j) At the time of the implementation of the Additional Commitment Increase, if the Facility is not drawn and the terms of the Additional Commitment Increase are the same as those of the Facility, the amount of the Commitments shall be increased by the amount of the Additional Commitments. If at the time of the implementation of the Additional Commitment Increase, the Borrower has made a Utilisation under the Facility which is outstanding or if the terms of the Additional Commitment Increase are not the same as those of the Facility, each Additional Commitment Lender, by executing the Additional Commitment Increase Notice, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in order to implement the Additional Commitment Increase.

(k) The Parent shall promptly on demand pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.3.

(l) The Parent may, subject to the Additional Commitment Restrictions, pay to an Additional Commitment Lender a fee in the amount and at the times agreed between the Parent and that Additional Commitment Lender in a Fee Letter.

(m) On and from the Additional Commitment Increase Date this Agreement shall be amended, read and construed as if the Additional Commitment Lender were party hereto with a Commitment or Commitments as detailed in the Additional Commitment Increase Notice.

(n) Any amounts payable to the Lenders by any Obligor on or before an Additional Commitment Increase Date (including, without limitation, all interest, fees and commission payable up to (but excluding) that Additional Commitment Increase Date) in respect of any period ending on or prior to that Additional Commitment Increase Date shall be for the account of the Lenders prior to such Additional Commitment Increase Date and no Additional Commitment Lender shall have any interest in, or any rights in respect of, any such amount (save in respect of their Commitments up to (but excluding) that Additional Commitment Increase Date).

(o) Each Lender authorises the Agent to execute on its behalf:

(i) any Additional Commitment Increase Notice delivered to it pursuant to this Clause 2.3; and

(ii) any amendments required to the Finance Documents that are consequential on, incidental to or required to implement or reflect the introduction of Additional Commitments pursuant to this Clause 2.3.

2.4 **ERC uplifts and Available Commitments**

(a) If, following the introduction of Additional Commitments pursuant to Clause 2.3 (*Accordion Increase in Commitments*) in circumstances where the Additional Commitments were determined in accordance with paragraph (d)(ii) of Clause 2.3 (*Accordion Increase in Commitments*) and any part of the uplift portion was determined in accordance with subparagraph (B)(1) by reference to ERC that related to any Specified Permitted Acquisition (a "**Specified Permitted Acquisition-Supported Increase**"), that Specified Permitted Acquisition is not completed within the time period originally proposed by the Parent (acting reasonably) in the relevant Uplift Certificate, the Additional Commitments of the Additional Commitment Lenders participating in that Specified Permitted Acquisition-Supported Increase (to the extent that they related solely to that Specified Permitted Acquisition) shall be immediately and automatically cancelled.

(b) If at any time following the introduction of Additional Commitments pursuant to Clause 2.3 (*Accordion Increase in Commitments*) the Monthly Financial Statements most recently delivered to the Agent in accordance with paragraph (c) of Clause 25.1 (*Financial statements*) (the "**Trigger Statement**") document that ERC as at the last day of the month in respect of which the relevant Monthly Financial Statement was issued (adjusted *pro forma* for any Specified Permitted Acquisition that the Parent certifies to the Agent it is contractually committed to complete or has board approval to complete prior to delivery of the next Monthly Financial Statements, but which has not yet been completed) was less than the amount of x to be calculated as follows:

$$x = (£50{,}000{,}000 + A) \times 10$$

where:

A means the greater of (i) £10,000,000 and (ii) the aggregate of all Additional Commitments introduced pursuant to this Clause 2.3 from (but excluding) the Closing Date up to and including the date that the Trigger Statement was delivered (to the extent that they have not been cancelled)

then:

(A) the Available Commitments shall be immediately and automatically reduced on a *pro rata* basis between the Lenders by an amount equal to *y* to be calculated as follows:

$$y = A - £10{,}000{,}000 - U$$

where:

A has the meaning given above

U means the ERC-supported uplift portion, being an amount equal to the amount to be calculated as follows (but, in all cases, not less than zero):

$$U = \frac{ERC}{10} - £60{,}000{,}000$$

where:

ERC means ERC as at the last day of the month in respect of which the Trigger Statement relates (and as documented in the Trigger Statement)

on a temporary basis until such time(s) as the Parent delivers a certificate within 10 Business Days of any Month to the Agent certifying that ERC as at the date of that certificate is (having regard to the calculations above) sufficient to support the reinstatement of some or all of the Available Commitments so reduced in which case the amount of the Available Commitment to be reintroduced shall be the amount certified by the Parent in such certificate together with supporting calculations and signed off by the Agent; and

(B) to the extent necessary as a result of such reduction in paragraph (A) above, the Parent shall ensure that the Borrowers prepay Utilisations (together with all interest and other amounts accrued in respect of such prepaid Utilisation) within 10 Business Days, in the order of application contemplated by Clause 12.4 (*Application of mandatory prepayments*).

(c) In any Utilisation Request for a drawdown of an Additional Commitment, the Borrower shall specify the total amount of the Additional Commitments and the amount that it has utilised up to and including the date of that Utilisation Request.

2.5 **Finance Parties' rights and obligations**

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.6 **Obligors' Agent**

(a) Each Obligor (other than the Parent) by its execution of this Agreement or an Accession Deed irrevocably appoints the Parent to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility, any Letter of Credit issued and any utilisation of any Ancillary Facility towards the general corporate and working capital purposes of the Restricted Group (but not towards (i) the payment of transaction costs, (ii) the purchase or prepayment of the Notes, any Replacement Debt, or any other Term Debt, (iii) the payment of any dividend, redemption, repurchase, defeasement, retirement, repayment, premium or any other distribution in respect of share capital other than a Closing Date Dividend, (iv) to provide any backstop, guarantee, cash collateral or other support in respect of any facilities that exist on the Closing Date or (v) in the case of any utilisation of any Ancillary Facility, towards repayment or prepayment of the Facility or any claims in respect of Letters of Credit).

3.2 **New purpose**

In the event that a Borrower makes a Utilisation under the Facility in order to apply the proceeds of that Utilisation in or towards making a Permitted Acquisition (as identified in the relevant Utilisation Request) and that Permitted Acquisition is abandoned, the Borrower shall promptly notify the Agent and shall specify a new permitted purpose for the application of the Loan.

3.3 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 **Initial conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the Agent has received or is satisfied it will receive all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Parent and the Lenders promptly upon being so satisfied.

4.2 **Further conditions precedent**

Subject to Clause 4.1 (*Initial Conditions Precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*), if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no notice has been given pursuant to Clause 28.19 (*Acceleration*); and

(b) in the case of any other Utilisation, unless the Majority Lenders and the Parent agree otherwise:

(i) no Default is continuing or would result from the proposed Utilisation;

(ii) in relation to the initial Utilisation, all the representations and warranties in Clause 24 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by each Obligor, by reference to the facts and circumstances then existing are true and correct in all material respects (to the extent not already subject to materiality) and will be true and correct in all material respects (to the extent not already subject to materiality) immediately after the making of the relevant Utilisation; and

(iii) no breach of the financial covenants in paragraphs (a) and (b) of Clause 26.1 (*Financial condition*) in the circumstances referred to in paragraph (c)(ii) of Clause 26.1 (*Financial condition*) is continuing or would result from the making of the relevant Utilisation (calculated *pro forma* assuming the immediate application of the proceeds of such

Utilisation for the relevant Utilisation and as at the date of the proposed Utilisation).

4.3 **Conditions relating to Optional Currencies**

(a) A currency will constitute an Optional Currency in relation to a Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation; and

(ii) it is in euros or U.S. dollars, or any other currency approved by the Agent (acting on the instructions of all the Lenders).

(b) If the Agent has received a written request from the Parent for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Parent by the Specified Time:

(i) whether or not all Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount for any subsequent Loan in that currency.

4.4 **Maximum number of Utilisations**

(a) A Borrower (or the Parent) may not deliver a Utilisation Request if as a result of the proposed Utilisation 10 or more Loans would be outstanding.

(b) Any Separate Loan shall not be taken into account in this Clause 4.4.

(c) A Borrower (or the Parent) may not request that a Letter of Credit be issued if as a result of the proposed Utilisation more than 5 (or such other number as may be agreed by the Parent, the Issuing Bank and the Agent) Letters of Credit would be outstanding.

4.5 **Lending Affiliates**

(a) Each Lender may discharge its obligations in respect of a Utilisation under this Agreement by nominating one or more branches or affiliates to participate in that Utilisation, **provided that** such branch or affiliate is not incorporated or established, and does not carry on business, in a jurisdiction that is a Sanctioned Country or is a Competitor.

(b) A Lender may nominate a branch or affiliate to participate in one or more Utilisations:

(i) in respect of an Original Lender, in this Agreement; or

(ii) in the Transfer Certificate or Assignment Agreement (as applicable) pursuant to which such Lender becomes party to this Agreement.

(c) Any branch or affiliate nominated by a Lender to participate in a Utilisation shall:

(i) participate in compliance with the terms of this Agreement; and

(ii) be entitled, to the extent of its participation, to all the rights and benefits of a Lender under the Finance Documents provided that such rights and benefits shall be exercised on its behalf by its nominating Lender save where law or regulation requires the branch or affiliate to do so.

(d) Each Lender shall remain liable and responsible for the performance of all obligations assumed by a branch or affiliate on its behalf and non-performance of a Lender's obligations by its branch or affiliate shall not relieve such Lender from its obligations under this Agreement.

(e) Any notice or communication to be made to a branch or an affiliate of a Lender pursuant to this Agreement:

(i) may be served directly upon the branch or affiliate, at the address supplied to the Agent by the nominating Lender pursuant to its nomination of such branch or affiliate, where the Lender or the relevant branch or affiliate requests this; or

(ii) may be delivered to the lending office of the Lender.

(f) If a Lender nominates an affiliate, that Lender and that affiliate:

(i) will be treated as having a single Commitment but for all other purposes other than those referred to in paragraphs (d) and (e)(ii) above will be treated as separate Lenders; and

(ii) will be regarded as a single Lender for the purpose of (A) voting in relation to any matter or (B) compliance with Clause 30 (*Changes to the Lenders*).

4.6 **Option to Extend**

(a) On and from the date that is 12 Months after the date of this Agreement, the Borrower shall be entitled to request an extension of the Facility and the Commitments of each Lender, for an additional period of 364 days, by giving notice to the Agent (the "**Extension Request**") not less than 30 days before the Termination Date (in this Clause 4.6, the "**Original Revolving Termination Date**"). Such notice shall be made in writing, be irrevocable and binding on the Borrower.

(b) The Agent shall forward a copy of the Extension Request to the Lenders as soon as practicable after receipt of it.

(c) If a Lender, in its individual and sole discretion, agrees to the extension requested by the Borrower, it shall give notice to the Agent (a "**Notice of Extension**") no later than 20 days prior to the Original Revolving Termination

Date (or such later date as the Parent and the Agent may agree) and the Agent shall notify the Parent as soon as practicable thereafter. If a Lender does not give such Notice of Extension by such date, then that Lender shall be deemed to have refused that extension.

(d) Each Lender shall use its reasonable endeavours to respond to an Extension Request within 20 days (or such later date as the Parent and the Agent may agree) of its receipt of such Extension Request from the Agent.

(e) Nothing shall oblige a Lender to agree to an Extension Request.

(f) The Original Revolving Termination Date shall be extended if and when either:

(i) all the Lenders have agreed to it by giving a Notice of Extension; or

(ii) one or more Lenders (each a "**Consenting Lender**") have agreed by giving a Notice of Extension,

in which case, in the case of such Consenting Lenders, the Original Revolving Termination Date shall then be extended to the day which is 364 days from (and including) the Original Revolving Termination Date.

(g) If less than all the Lenders give a Notice of Extension, then the Commitments and the share of any outstanding Loans of the Lenders which have not agreed to the extension shall be reduced to zero on the Original Revolving Termination Date (and those Lenders shall cease from that date to be Lenders under this Agreement and the Borrower shall repay any outstanding amounts of the Facility that will at such date be due and payable by the Borrower to those Lenders in accordance with the provisions of this Agreement on the Original Revolving Termination Date) and the amount of the Facility shall be reduced accordingly.

(h) The Agent shall no later than 5 Business Days prior to the Original Revolving Termination Date inform the Parent, each Borrower and each Lender that will continue to provide a Commitment after the Original Revolving Termination Date of the Total Commitments that will apply on and from the Original Revolving Termination Date.

5. UTILISATION – LOANS

5.1 Delivery of a Utilisation Request

A Borrower (or the Parent on its behalf) may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request for Loans

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period;

(ii) the amount and currency of the Utilisation complies with Clause 5.3 (*Currency and Amount*); and

(iii) the proposed Interest Period complies with Clause 15 (*Interest Periods*).

(b) Only one Utilisation may be requested in each Utilisation Request, however no Utilisation Request for a Loan may be made until the date following the Closing Date (save that a Utilisation Request may be made in respect of a Loan to be advanced on the Closing Date for the purposes of funding a Closing Date Dividend where the proposed Interest Period is 1 Business Day).

5.3 **Currency and amount**

(a) The currency specified in a Utilisation request must be the Base Currency or an Optional Currency.

(b) The amount of the proposed Utilisation must be:

(i) if the currency selected is the Base Currency, a minimum of £1,000,000 or, if less, the Available Facility;

(ii) if the currency selected is euro, a minimum of EUR1,000,000 or, if less, the Available Facility;

(iii) if the currency selected is U.S. dollars, a minimum of USD1,000,000 or, if less, the Available Facility; and

(iv) if the currency selected is any other Optional Currency, the minimum amount specified by the Agent pursuant to paragraph (b) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

5.4 **Lenders' participation**

(a) If the conditions set out in this Agreement have been met, and subject to Clause 10.1 (*Repayment of Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Base Currency Amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in cash by the Specified Time.

5.5 **Limitations on Utilisations**

The maximum aggregate amount of all Letters of Credit outstanding together with the amount of the Ancillary Commitments shall not at any time exceed 50% of the Total Commitments.

5.6 **Cancellation of Commitment**

(a) The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

(b) The Commitments shall be cancelled in full in the event that the Closing Date does not occur on or before the date that is seven (7) Business Days after the date of this Agreement.

5.7 **Clean down**

The Parent shall ensure that the aggregate of:

(a) all Loans;

(b) any cash loan element of the Ancillary Outstandings under all the Ancillary Facilities; and

(c) (to the extent not included within paragraphs (a) and (b) above), any cash loans made to a member of the Restricted Group covered by a Letter of Credit or an Ancillary Facility;

LESS

(d) any amount of cash and Cash Equivalent Investments held by members of the Restricted Group,

(as confirmed in a certificate signed by two (2) authorised signatories of the Parent provided to the Agent within 15 Business Days after the end of each Financial Year) shall be equal to or less than 90 per cent. of the Total Commitments for a period of not less than 3 successive Business Days (a "**Clean Down Period**") in each of its Financial Years. Not less than three (3) Months shall elapse between Clean Down Periods.

6. **UTILISATION - LETTERS OF CREDIT**

6.1 **The Facility**

(a) The Facility may be utilised by way of Letters of Credit.

(b) Other than Clause 5.5 (*Limitations on Utilisations*) and Clause 5.7 (*Clean down*), Clause 5 (*Utilisation - Loans*) does not apply to utilisations by way of Letters of Credit.

(c) The Expiry Date of a Letter of Credit shall not fall on a day which is after the Termination Date.

6.2 **Delivery of a Utilisation Request for Letters of Credit**

(a) A Borrower (or the Parent on its behalf) other than the Parent may request a Letter of Credit to be issued (for its own, or another member of the Restricted Group's, obligations) by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time. On receipt of a duly completed Utilisation Request, the Agent shall promptly deliver such Utilisation Request to the Issuing Bank and each Lender.

(b) The Parent may not request that a Letter of Credit be issued on its own behalf.

6.3 **Completion of a Utilisation Request for Letters of Credit**

Each Utilisation Request for a Letter of Credit is irrevocable and will not be regarded as having been duly completed unless:

(a) it specifies that it is for a Letter of Credit;

(b) it identifies the Borrower of the Letter of Credit;

(c) it identifies the Issuing Bank that is to issue the Letter of Credit;

(d) the proposed Utilisation Date is a Business Day within the Availability Period;

(e) the amount and currency of the Letter of Credit complies with Clause 6.4 (*Currency and Amount*);

(f) the form of Letter of Credit is attached;

(g) the Expiry Date of the Letter of Credit falls on or before the Termination Date in respect of the relevant Facility;

(h) the Term of the Letter of Credit is 12 Months or less (or such longer period agreed with the Issuing Bank);

(i) the delivery instructions for the Letter of Credit are specified; and

(j) the beneficiary of the Letter of Credit is identified and the Issuing Bank is able to comply with all applicable laws and regulations which it is legally required to comply with in relation to the jurisdiction of incorporation and identity of the beneficiary and in relation to any beneficiary of any Letter of Credit which is not an Obligor, such beneficiary satisfies the Issuing Bank's normal internal Letter of Credit issuing policies, including without limitation that the beneficiary is not a Restricted Party.

6.4 **Currency and amount**

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) Subject to Clause 5.5 (*Limitations on Utilisations*), the amount of the proposed Letter of Credit must be an amount whose Base Currency Amount is not more than the Available Facility and which is:

(i) if the currency selected is the Base Currency, a minimum of £1,000,000 (or such other amount agreed by the Parent and the Issuing Bank) or, if less, the Available Facility; or

(ii) if the currency selected is euro, a minimum of EUR1,000,000 (or such other amount agreed by the Parent and the Issuing Bank) or, if less, the Available Facility;

(iii) if the currency selected is U.S. dollars, a minimum of USD1,000,000 (or such other amount agreed by the Parent and the Issuing Bank) or, if less, the Available Facility; and

(iv) if the currency selected is any other Optional Currency, the minimum amount specified by the Agent pursuant to paragraph (b) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

6.5 **Issue of Letters of Credit**

(a) If the conditions set out in this Agreement have been met, the Issuing Bank shall issue the Letter of Credit on the Utilisation Date.

(b) Subject to Clause 4.1 (*Initial conditions precedent*), the Issuing Bank will only be obliged to comply with paragraph (a) above in relation to a Letter of Credit, if on the date of the Utilisation Request or Renewal Request and on the proposed Utilisation Date:

(i) in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 (*Renewal of a Letter of Credit*) no Event of Default has occurred and is continuing under Clause 28.7 (*Insolvency*) or Clause 28.8 (*Insolvency proceedings*) in respect of the proposed Borrower of the Letter of Credit and no notice has been given pursuant to Clause 28.19 (*Acceleration*); and

(ii) in the case of any other Utilisation in respect of a Letter of Credit:

(A) no Default is continuing or would result from the proposed Utilisation;

(B) in relation to any Utilisation on the Closing Date, all the representations and warranties in Clause 24 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by each Obligor by reference to the facts and circumstances then existing are true in all material respects (to the extent not already subject to materiality) and will be true and correct in all material respects (to the extent not already subject to materiality) immediately after the making of the relevant Utilisation; and

(C) no breach of the financial covenants in paragraphs (a) and (b) of Clause 26.1 (*Financial condition*) in the circumstances referred to in paragraph (c)(ii) of Clause 26.1 (*Financial condition*) is continuing or would result from the making of the relevant Utilisation (calculated *pro forma* assuming the immediate application of the proceeds of such Utilisation for the relevant Utilisation and as at the date of the proposed Utilisation).

(c) The amount of each Lender's participation in each Letter of Credit will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to the issue of the Letter of Credit.

(d) The Agent shall determine the Base Currency Amount of each Letter of Credit which is to be issued in an Optional Currency and shall notify the Issuing Bank and each Lender of the details of the requested Letter of Credit and its participation in that Letter of Credit by the Specified Time.

(e) The Issuing Bank must notify the relevant Borrower promptly if it becomes aware that:

(i) it is unlawful in any jurisdiction for the Issuing Bank to perform any of its obligations under a Finance Document or to have outstanding any Letter of Credit; or

(ii) a Letter of Credit has, since the date of its issue, become connected with:

(A) a state or territory which is on a Sanctions List as being subject to a Sanction; or

(B) a Restricted Party.

(f) After notification under paragraph (e) above:

(i) the relevant Borrower must use all reasonable endeavours to ensure the release of the liability of the Issuing Bank under each outstanding Letter of Credit if that release would result in paragraph (e) above no longer being applicable;

(ii) failing this, the Relevant Borrower must repay or prepay the L/C Proportion of each Lender in each Letter of Credit requested by it on the date specified in paragraph (g) below if such repayment or prepayment would result in paragraph (e) above no longer being applicable; and

(iii) no further Letter of Credits will be issued in the relevant jurisdiction until the Issuing Bank (acting reasonably) is satisfied that the reason for the notification under paragraph (e) above is no longer applicable.

(g) The date for repayment or prepayment of a Lender's share in a Letter of Credit will be the date specified by the Issuing Bank in the notification under

paragraph (e) above and which must not be earlier than (i) the last day of any applicable grace period allowed by law and (ii) the date that is 5 Business Days after the date of that notice.

6.6 **Renewal of a Letter of Credit**

(a) A Borrower (or the Parent on its behalf) may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Agent of a Renewal Request in substantially similar form to a Utilisation Request for a Letter of Credit by the Specified Time. On receipt of a Renewal Request, the Agent shall promptly deliver such Renewal Request to the Issuing Bank and each Lender.

(b) The Finance Parties shall treat any Renewal Request in the same way as a Utilisation Request for a Letter of Credit except that the condition set out in paragraph (f) of Clause 6.3 (*Completion of a Utilisation Request for Letters of Credit*) shall not apply.

(c) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:

(i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and

(ii) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.

(d) If the conditions set out in this Agreement have been met, the Issuing Bank shall amend and re-issue any Letter of Credit pursuant to a Renewal Request.

6.7 **Reduction of a Letter of Credit**

(a) If, on the proposed Utilisation Date of a Letter of Credit, any of the Lenders under the Facility to be utilised is a Non-Acceptable L/C Lender and:

(i) that Lender has failed to provide cash collateral to the Issuing Bank in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*); and

(ii) either:

(A) the Issuing Bank has not required the relevant Borrower to provide cash cover pursuant to Clause 7.5 (*Cash cover by Borrower*); or

(B) the relevant Borrower has failed to provide cash cover to the Issuing Bank in accordance with Clause 7.5 (*Cash cover by Borrower*),

the Issuing Bank may reduce the amount of that Letter of Credit by an amount equal to the amount of the participation of that Non-Acceptable L/C Lender in

respect of that Letter of Credit and that Non-Acceptable L/C Lender shall be deemed not to have any participation (or obligation to indemnify the Issuing Bank) in respect of that Letter of Credit for the purposes of the Finance Documents.

(b) The Issuing Bank shall notify the Agent, the Parent and the Lenders of each reduction made pursuant to this Clause 6.7.

(c) This Clause 6.7 shall not affect the participation of each other Lender in that Letter of Credit.

6.8 **Revaluation of Letters of Credit**

(a) If any Letters of Credit are denominated in an Optional Currency, the Agent shall on the last day of each Quarter Date recalculate the Base Currency Amount of each Letter of Credit by notionally converting into the Base Currency the outstanding amount of that Letter of Credit on the basis of the Agent's Spot Rate of Exchange on the date of calculation.

(b) A Borrower (or the Parent on its behalf) shall, if requested by the Agent within 10 days of any calculation under paragraph (a) above, ensure that within three Business Days sufficient Utilisations are prepaid to prevent the Base Currency Amount of the Utilisations exceeding the Total Commitments (after deducting the total Ancillary Commitments) following any adjustment to a Base Currency Amount under paragraph (a) above.

7. LETTERS OF CREDIT

7.1 Immediately payable

If a Letter of Credit or any amount outstanding under a Letter of Credit is expressed to be immediately payable, the Borrower that requested (or on behalf of which the Parent requested) the issue of that Letter of Credit shall repay or prepay that amount immediately.

7.2 Claims under a Letter of Credit

(a) Each Borrower irrevocably and unconditionally authorises the Issuing Bank to pay any claim made or purported to be made under a Letter of Credit requested by it (or requested by the Parent on its behalf) and which appears on its face to be in order (in this Clause 7, a "**claim**").

(b) Each Borrower shall within three (3) Business Days of demand (or, if such claim is being funded by way of a Utilisation, within five (5) Business Days of demand) pay to the Agent for the Issuing Bank an amount equal to the amount of any claim.

(c) Each Borrower acknowledges that the Issuing Bank:

(i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and

(ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

(d) The obligations of a Borrower under this Clause 7 will not be affected by:

(i) the sufficiency, accuracy or genuineness of any claim or any other document; or

(ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

(e) Without prejudice to the relevant obligations under the Letter of Credit, the Issuing Bank confirms to the Lenders that before making any payment in respect of a claim it will conduct such checks as it considers reasonable and necessary to ensure that any payment made would not contravene regulatory or statutory restrictions or any internal policy applicable to it and in relation to any beneficiary of any Letter of Credit which is not an Obligor, such beneficiary satisfies the Issuing Bank's normal internal Letter of Credit issuing policies, including without limitation that the beneficiary is not a Restricted Party.

7.3 **Indemnities**

(a) Each Borrower shall immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Letter of Credit requested by (or on behalf of) that Borrower.

(b) Each Lender shall (according to its L/C Proportion) immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Letter of Credit (unless the Issuing Bank has been reimbursed by an Obligor pursuant to a Finance Document) **provided that** the Issuing Bank shall apply any cash cover that it holds for itself in respect of that Letter of Credit to the extent that it is able to do so. If it is prevented from applying such cash cover in respect of that Letter of Credit then clause 35.1(b) (*Payments to Lenders*) shall not apply for the duration of such prevention.

(c) If any Lender is not permitted (by its constitutional documents or any applicable law) to comply with paragraph (b) above, then that Lender will not be obliged to comply with paragraph (b) and shall instead be deemed to have taken, on the date the Letter of Credit is issued (or if later, on the date the Lender's participation in the Letter of Credit is transferred or assigned to the Lender in accordance with the terms of this Agreement), an undivided interest and participation in the Letter of Credit in an amount equal to its L/C Proportion of that Letter of Credit. On receipt of demand from the Agent, that Lender shall pay to the Agent (for the account of the Issuing Bank) an amount equal to its L/C Proportion of the amount demanded.

(d) The Borrower which requested (or on behalf of which the Parent requested) a Letter of Credit shall immediately on demand reimburse any Lender for any payment it makes to the Issuing Bank under this Clause 7.3 in respect of that Letter of Credit.

(e) The obligations of each Lender or Borrower under this Clause 7.3 are continuing obligations and will extend to the ultimate balance of sums payable by that Lender or Borrower in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.

(f) The obligations of any Lender or Borrower under this Clause 7.3 will not be affected by any act, omission, matter or thing which, but for this Clause 7.3, would reduce, release or prejudice any of its obligations under this Clause 7.3 (without limitation and whether or not known to it or any other person) including:

(i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;

(ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Restricted Group;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Letter of Credit or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;

(v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit or any other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or

(vii) any insolvency or similar proceedings.

7.4 **Cash collateral by Non-Acceptable L/C Lender**

(a) If, at any time, a Lender is a Non-Acceptable L/C Lender, the Issuing Bank may, by notice to that Lender, request that Lender to pay and that Lender shall pay, on or prior to the date falling three (3) Business Days after the request by the Issuing Bank, an amount equal to that Lender's L/C Proportion of the outstanding amount of a Letter of Credit and in the currency of that Letter of Credit to an interest-bearing account held in the name of that Lender with the Issuing Bank.

(b) The Non-Acceptable L/C Lender to whom a request has been made in accordance with paragraph (a) above shall enter into a security document or other form of collateral arrangement over the account, in form and substance satisfactory to the Issuing Bank, as collateral for any amounts due and payable under the Finance Documents by that Lender to the Issuing Bank in respect of that Letter of Credit.

(c) Until no amount is or may be outstanding under that Letter of Credit, withdrawals from the account may only be made to pay to the Issuing Bank amounts due and payable to the Issuing Bank by the Non-Acceptable L/C Lender under the Finance Documents in respect of that Letter of Credit.

(d) Each Lender shall notify the Agent and the Parent:

(i) on the date of this Agreement or on any later date on which it becomes such a Lender in accordance with Clause 2.2 (*Increase*) or Clause 30 (*Changes to the Lenders*) whether it is a Non-Acceptable L/C Lender; and

(ii) as soon as practicable upon becoming aware of the same, that it has become a Non-Acceptable L/C Lender,

and an indication in Schedule 1 (*The Original Parties*), in a Transfer Certificate, in an Assignment Agreement or in an Increase Confirmation to that effect will constitute a notice under paragraph (d)(i) to the Agent and, upon delivery in accordance with Clause 30.7 (*Copy of Transfer Certificate or Assignment Agreement to Parent*), to the Parent.

(e) Any notice received by the Agent pursuant to paragraph (d) above shall constitute notice to the Issuing Bank of that Lender's status and the Agent shall, upon receiving each such notice, promptly notify the Issuing Bank of that Lender's status as specified in that notice.

(f) If a Lender who has provided cash collateral in accordance with this Clause 7.4:

(i) ceases to be a Non-Acceptable L/C Lender; and

(ii) no amount is due and payable by that Lender in respect of a Letter of Credit,

that Lender may, at any time it is not a Non-Acceptable L/C Lender, by notice to the Issuing Bank request that an amount equal to the amount of the cash provided by it as collateral in respect of that Letter of Credit (together with any accrued interest) standing to the credit of the relevant account held with the Issuing Bank be returned to it and the Issuing Bank shall pay that amount to the Lender within three (3) Business Days after the request from the Lender (and shall cooperate with the Lender in order to procure that the relevant security or collateral arrangement is released and discharged).

(g) For the purposes of this Clause 7.4, each Party to this Agreement acknowledges that each Original Lender is at all times an Acceptable Bank and shall not, at any time, be deemed to be a Non-Acceptable L/C Lender.

7.5 **Cash cover by Borrower**

(a) If a Lender which is a Non-Acceptable L/C Lender fails to provide cash collateral (or notifies the Issuing Bank that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender*) and the Issuing Bank notifies the Obligors' Agent (with a copy to the Agent) that it requires the Borrower of the relevant Letter of Credit or proposed Letter of Credit to provide cash cover to an account with the Issuing Bank in an amount equal to that Lender's L/C Proportion of the outstanding amount of that Letter of Credit and in the currency of that Letter of Credit then that Borrower shall do so within three (3) Business Days after the notice is given.

(b) Notwithstanding paragraph (d) of Clause 1.2 (*Construction*), the Issuing Bank may agree to the withdrawal of amounts up to the level of that cash cover from the account if:

(i) it is satisfied that the relevant Lender is no longer a Non-Acceptable L/C Lender;

(ii) the relevant Lender's obligations in respect of the relevant Letter of Credit are transferred to a New Lender in accordance with the terms of this Agreement; or

(iii) an Increase Lender has agreed to undertake the obligations in respect of the relevant Lender's L/C Proportion of the Letter of Credit.

(c) To the extent that a Borrower has complied with its obligations to provide cash cover in accordance with this Clause 7.5, the relevant Lender's L/C Proportion in respect of that Letter of Credit will remain (but that Lender's obligations in relation to that Letter of Credit may be satisfied in accordance with paragraph (d)(ii) of Clause 1.2 (*Construction*)). However, the relevant Borrower's obligation to pay any Letter of Credit fee in relation to the relevant Letter of Credit to the Agent (for the account of that Lender) in accordance with paragraph (b) of Clause 17.4 (*Fees payable in respect of Letters of Credit*) will be reduced proportionately as from the date on which it complies with that obligation to provide cash cover (and for so long as the relevant amount of cash cover continues to stand as collateral).

(d) The relevant Issuing Bank shall promptly notify the Agent of the extent to which a Borrower provides cash cover pursuant to this Clause 7.5 and of any change in the amount of cash cover so provided.

7.6 **Rights of contribution**

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 7.

8. OPTIONAL CURRENCIES

8.1 Selection of currency

A Borrower (or the Parent on its behalf) shall select the currency of a Utilisation in a Utilisation Request.

8.2 Unavailability of a currency

If before the Specified Time on any Quotation Day:

(a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or

(b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower or Parent to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 8.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

8.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

9. ANCILLARY FACILITIES

9.1 Type of Facility

An Ancillary Facility may be by way of:

(a) an overdraft facility;

(b) a guarantee, bonding, documentary or stand-by letter of credit facility;

(c) a short term loan facility;

(d) a derivatives facility;

(e) a foreign exchange facility; or

(f) any other facility or accommodation required in connection with the business of the Restricted Group and which is agreed by the Parent with an Ancillary Lender.

9.2 **Availability**

(a) If the Parent and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide an Ancillary Facility on a bilateral basis in place of all or part of that Lender's unutilised Commitment (which shall (except for the purposes of determining the Majority Lenders and of Clause 42.4 (*Replacement of Lender*)) be reduced by the amount of the Ancillary Commitment under that Ancillary Facility).

(b) An Ancillary Facility shall not be made available unless, not later than five (5) Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Parent:

(i) a notice in writing of the establishment of an Ancillary Facility and specifying:

(A) the proposed Borrower(s) which may use the Ancillary Facility;

(B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;

(C) the proposed type of Ancillary Facility to be provided;

(D) the proposed Ancillary Lender;

(E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility and, if the Ancillary Facility is an overdraft facility comprising more than one account its maximum gross amount (that amount being the "**Designated Gross Amount**") and its maximum net amount (that amount being the "**Designated Net Amount**");

(F) the proposed currency;

(G) the purpose of the Ancillary Facility to be provided; and

(H) any other information which the Agent may reasonably request in connection with the Ancillary Facility.

The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 9). In such a case, the provisions of this Agreement with regard to amendments and waivers will apply.

(c) Subject to compliance with paragraph (b) above:

(i) the Lender concerned will become an Ancillary Lender; and

(ii) the Ancillary Facility will be available,

with effect from the date agreed by the Parent and the Ancillary Lender.

9.3 **Terms of Ancillary Facilities**

(a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Parent.

(b) However, those terms:

(i) must be based upon normal commercial terms at that time (except as varied by this Agreement);

(ii) may allow only Borrowers (or Affiliates of Borrowers nominated pursuant to Clause 9.9 (*Affiliates of Borrowers*)) to use the Ancillary Facility;

(iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;

(iv) may not allow the Ancillary Commitment of a Lender to exceed the Available Commitment of that Lender (excluding for these purposes any reduction in the Available Commitments attributable to such Ancillary Commitment); and

(v) must require that the Ancillary Commitment is reduced to nil, and that all Ancillary Outstandings are repaid (or cash cover provided in respect of all the Ancillary Outstandings) not later than the Termination Date (or such earlier date as the Commitment of the relevant Ancillary Lender is reduced to zero).

(c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for (i) Clause 39.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility; (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts; and (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.

(d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 17.5 (*Interest, commission and fees on Ancillary Facilities*).

9.4 **Repayment of Ancillary Facility**

(a) An Ancillary Facility shall cease to be available on the Termination Date or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.

(b) If an Ancillary Facility expires or is cancelled (in whole or in part) in accordance with its terms or by agreement between the parties thereto, the Ancillary Commitment of the Ancillary Lender shall be reduced accordingly (and its Commitment shall be increased accordingly).

(c) No Ancillary Lender may demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility (except where the Ancillary Facility is provided on a net limit basis to the extent required to bring any gross outstandings down to the net limit) unless:

(i) the Total Commitments have been cancelled in full, or all outstanding Utilisations have become due and payable in accordance with the terms of this Agreement, or the Agent has declared all outstanding Utilisations immediately due and payable, or the expiry date of the Ancillary Facility occurs; or

(ii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility; or

(iii) the Ancillary Outstandings (if any) under that Ancillary Facility can be refinanced by a Utilisation and the Ancillary Lender gives sufficient notice to enable a Utilisation to be made to refinance those Ancillary Outstandings.

(d) For the purposes of determining whether or not the Ancillary Outstandings under an Ancillary Facility mentioned in paragraph (c)(iii) above can be refinanced by a Utilisation:

(i) Commitment of the Ancillary Lender will be increased by the amount of its Ancillary Commitment; and

(ii) the Utilisation may (so long as paragraph (c)(i) above does not apply) be made irrespective of whether a Default is outstanding or any other applicable condition precedent is not satisfied (but only to the extent that the proceeds are applied in refinancing those Ancillary Outstandings) and irrespective of whether Clause 4.4 (*Maximum number of Utilisations*) or paragraph (a)(ii) of Clause 5.2 (*Completion of a Utilisation Request for Loans*) applies.

(e) On the making of a Utilisation to refinance Ancillary Outstandings:

(i) each Lender will participate in that Utilisation in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Utilisations then outstanding bearing the same proportion to the aggregate amount of the Utilisations then outstanding as its Commitment bears to the Total Commitments; and

(ii) the relevant Ancillary Facility shall be cancelled to the extent of such refinancing.

(f) In relation to an Ancillary Facility which comprises an overdraft facility where a Designated Net Amount has been established, the Ancillary Lender providing that Ancillary Facility shall only be obliged to take into account for the purposes of calculating compliance with the Designated Net Amount those credit balances which it is permitted to take into account by the then current law and regulations in relation to its reporting of exposures to applicable regulatory authorities as netted for capital adequacy purposes.

9.5 **Ancillary Outstandings**

Each Borrower and each Ancillary Lender agrees with and for the benefit of each Lender that:

(a) the Ancillary Outstandings under any Ancillary Facility provided by that Ancillary Lender shall not exceed the Ancillary Commitment applicable to that Ancillary Facility and where the Ancillary Facility is an overdraft facility comprising more than one account, Ancillary Outstandings under that Ancillary Facility shall not exceed the Designated Net Amount in respect of that Ancillary Facility; and

(b) where all or part of the Ancillary Facility is an overdraft facility comprising more than one account, the Ancillary Outstandings (calculated on the basis that the words in brackets starting 'net of' and ending 'under that Ancillary Facility' of the definition of that term were deleted) shall not exceed the Designated Gross Amount applicable to that Ancillary Facility.

9.6 **Adjustment for Ancillary Facilities upon acceleration**

(a) In this Clause 9.6:

"**Outstandings**" means, in relation to a Lender, the aggregate in the Base Currency of (i) its participation in each Utilisation then outstanding (together with the aggregate amount of all accrued interest, fees and commission owed to it as a Lender), and (ii) if the Lender is also an Ancillary Lender, the Ancillary Outstandings in respect of Ancillary Facilities provided by that Ancillary Lender (together with the aggregate amount of all accrued interest, fees and commission owed to it as an Ancillary Lender in respect of the Ancillary Facility).

"**Total Outstandings**" means the aggregate of all Outstandings.

(b) If a notice is served under paragraphs (i), (ii) or (iv) of Clause 28.19 (*Acceleration*) each Lender and each Ancillary Lender shall promptly adjust by corresponding transfers (to the extent necessary) their claims in respect of amounts outstanding to them under the Facility and each Ancillary Facility to ensure that after such transfers the Outstandings of each Lender under the Facility bear the same proportion to the Total Outstandings as such Lender's

Commitment bears to the Total Commitments, each as at the date such notice is served under Clause 28.19 (*Acceleration*).

(c) If an amount outstanding under an Ancillary Facility is a contingent liability and that contingent liability becomes an actual liability or is reduced to zero after the original adjustment is made under paragraph (b) above, then each Lender and Ancillary Lender will make a further adjustment by corresponding transfers (to the extent necessary) to put themselves in the position they would have been in had the original adjustment been determined by reference to the actual liability or, as the case may be, zero liability and not the contingent liability.

(d) Prior to the application of the provisions of paragraph (b) of this Clause 9.6, an Ancillary Lender that has provided an overdraft comprising more than one account under an Ancillary Facility shall set-off any liabilities owing to it under such overdraft facility against credit balances on any account comprised in such overdraft facility.

(e) All calculations to be made pursuant to this Clause 9.6 shall be made by the Agent based upon information provided to it by the Lenders and Ancillary Lenders.

9.7 **Information**

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

9.8 **Affiliates of Lenders as Ancillary Lenders**

(a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, (other than for the purposes of Clause 18 (*Tax gross up and indemnities*)) the Lender and its Affiliate shall be treated as a single Lender whose Commitment is the amount set out opposite the relevant Lender's name in Part II of Schedule 1 (*The Original Parties*) and/or the amount of any Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement. For the purposes of calculating the Lender's Available Commitment, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Commitments of its Affiliates.

(b) The Parent shall specify any relevant Affiliate of a Lender in any notice delivered by the Parent to the Agent pursuant to paragraph (b)(i) of Clause 9.2 (*Availability*).

(c) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to the Intercreditor Agreement as an Ancillary Lender and any person which so accedes to the Intercreditor Agreement shall, at the same time, become a party

to this Agreement as an Ancillary Lender in accordance with clause 19.11 (*New Ancillary Lender*) of the Intercreditor Agreement.

(d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender (as defined in Clause 29 (*Changes to the Lenders*)), its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.

(e) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

9.9 **Affiliates of Borrowers**

(a) Subject to the terms of this Agreement:

(i) (for the purpose of any cash management program (including, without limitation, any zero balance cash pooling arrangement) to which an existing Borrower and the Affiliate of such Borrower is also a party) an Affiliate of a Borrower; and

(ii) an Affiliate of a Borrower which is incorporated in the same jurisdiction as an existing Borrower,

may with the approval of the relevant Lender become a Borrower with respect to an Ancillary Facility.

(b) The Parent shall specify any relevant Affiliate of a Borrower in any notice delivered by the Parent to the Agent pursuant to paragraph (b)(i) of Clause 9.2 (*Availability*).

(c) If a Borrower ceases to be a Borrower under this Agreement in accordance with Clause 32.3 (*Resignation of a Borrower*), its Affiliate shall cease to have any rights under this Agreement or any Ancillary Document.

(d) Where this Agreement or any other Finance Document imposes an obligation on a borrower under an Ancillary Facility and the relevant borrower is an Affiliate of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Affiliate.

(e) Any reference in this Agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Affiliate of that Borrower being under no obligations under any Finance Document or Ancillary Document.

9.10 **Commitment amounts**

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Commitment is not less than:

(a) its Ancillary Commitment; and

(b) the Ancillary Commitment of its Affiliate,

in each case, excluding for these purposes any reduction in such Lender's Commitment attributable to such Ancillary Commitment.

10. REPAYMENT

10.1 **Repayment of Loans**

(a) Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

(b) Each Borrower which has utilised a Letter of Credit which is then still outstanding shall repay that Letter of Credit on the Termination Date.

(c) Without prejudice to each Borrower's obligation under paragraph (a) above, if one or more Loans are to be made available to a Borrower:

(i) on the same day that a maturing Loan is due to be repaid by that Borrower;

(ii) in the same currency as the maturing Loan; and

(iii) in whole or in part for the purpose of refinancing the maturing Loan;

the aggregate amount of the new Loans shall be treated as if applied in or towards repayment of the maturing Loan so that:

(A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

(1) the relevant Borrower will only be required to pay an amount in cash equal to that excess; and

(2) each Lender's participation (if any) in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the maturing Loan and that Lender will not be required to make its participation in the new Loans available in cash; and

(B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

(1) the relevant Borrower will not be required to make any payment in cash; and

(2) each Lender will be required to make its participation in the new Loans available in cash only to the extent that its participation (if any) in the new Loans exceeds that Lender's participation (if any) in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan.

(d) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the Termination Date and will be treated as separate Loans (the "**Separate Loans**") denominated in the currency in which the relevant participations are outstanding.

(e) A Borrower to whom a Separate Loan is outstanding may prepay that Separate Loan by giving five (5) Business Days prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (e) to the Defaulting Lender concerned as soon as practicable on receipt.

(f) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Defaulting Lender on the last day of each Interest Period of that Separate Loan.

(g) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (d) to (f) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

11. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

11.1 Illegality

If after the date of this Agreement (or, if later, the date the relevant Lender becomes a Party) it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

(a) that Lender, shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Parent, the Commitment of that Lender will be immediately cancelled; and

(c) each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Parent or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

11.2 **Illegality in relation to Issuing Bank**

If after the date of this Agreement (or, if later, the date on which the relevant Letter of Credit is issued) it becomes unlawful for an Issuing Bank to issue or leave outstanding any Letter of Credit, then:

(a) that Issuing Bank shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Parent, the Issuing Bank shall not be obliged to issue any Letter of Credit;

(c) to the extent it would be unlawful for any such Letter of Credit to remain outstanding, the Parent shall procure that the relevant Borrower shall use all reasonable endeavours to procure the release of each Letter of Credit issued by that Issuing Bank and outstanding at such time; and

(d) until any other Lender has agreed to be an Issuing Bank pursuant to the terms of this Agreement, Facility A shall cease to be available for the issue of Letters of Credit.

11.3 **Voluntary cancellation**

The Parent may, if it gives the Agent not less than five (5) Business Days (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of £1,000,000 and an integral multiple of £1,000,000) of the Available Facility. Any cancellation under this Clause 11.3 shall reduce the Commitments of the Lenders rateably under that Facility.

11.4 **Voluntary prepayment of Utilisations**

A Borrower to which a Utilisation has been made may, if it or the Parent gives the Agent not less than five (5) Business Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of that Utilisation (but, if in part, being an amount that reduces that Utilisation by a minimum amount of £1,000,000 and an integral multiple of £1,000,000).

11.5 **Right of cancellation and repayment in relation to a single Lender or Issuing Bank**

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 18.2 (*Tax gross up*) or paragraph 3 of Schedule 4 (*Mandatory Cost Formula*);

(ii) any Lender or Issuing Bank claims indemnification from the Parent or an Obligor under Clause 18.3 (*Tax indemnity*) or Clause 19.1 (*Increased costs*); or

(iii) a Lender or the Agent does not consent to an Amendment (as defined in paragraph (e) of Clause 42.3 (*Exceptions*)) pursuant to paragraph (e) of Clause 42.3 (*Exceptions*); or

(iv) a Lender or the Agent does not provide their consent pursuant to Clause 32.6 (*Changes to the Obligors – FATCA*)

the Parent may, whilst the circumstance giving rise to the requirement for that increase, indemnification or consent continues, give the Agent notice:

(A) (if such circumstances relate to a Lender) of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations; or

(B) (if such circumstances relate to the Issuing Bank) of any outstanding Letter of Credit issued by it and cancellation of its appointment as an Issuing Bank under this Agreement in relation to any Letters of Credit to be issued in the future.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Parent has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Parent in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

11.6 **Right of cancellation in relation to a Defaulting Lender**

(a) If any Lender becomes a Defaulting Lender, the Parent may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent five (5) Business Days notice of cancellation of each Available Commitment of that Lender.

(b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.

(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

12. MANDATORY PREPAYMENT

12.1 **Exit**

(a) Upon the Parent becoming aware that (i) a Change of Control or (ii) the sale of all or substantially all of the assets of the Restricted Group whether in a single

transaction or a series of related transactions may occur, the Parent shall promptly notify the Agent of that event.

(b) Subject to Clause 12.2 (*Exit Discussions*) upon the occurrence of (i) a Change of Control or (ii) the sale of all or substantially all of the assets of the Restricted Group whether in a single transaction or a series of related transactions:

(i) a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan) and an Ancillary Lender shall not be obliged to fund a utilisation of an Ancillary Facility; and

(ii) if a Lender so requires and informs the Agent within 60 days of the occurrence of a Change of Control, the Agent shall, promptly notify the Parent and five Business Days thereafter, the Facility shall be cancelled insofar as it is made available by that Lender and that Lender's participation in outstanding Utilisations and Ancillary Outstandings shall, together with accrued interest, and all other amounts accrued to that Lender under the Finance Documents be immediately due and payable, and full cash cover in respect of each letter of credit under an Ancillary Facility shall become immediately due and payable, whereupon on the date so specified by the Agent the Facility insofar as made available by that Lender will be cancelled and all such outstanding amounts will become immediately due and payable and for those Lenders who do not require such a cancellation within 60 days of the occurrence of a Change of Control, the definition of Investors shall include the new investor after such Change of Control.

(c) Sub-paragraph (b)(i) above shall only apply where a Lender has required cancellation within 60 days of the occurrence of a Change of Control as more particularly set out in sub-paragraph (b)(ii) above.

12.2 **Exit Discussions**

(a) Notwithstanding Clause 12.1 (*Exit*) above, the Investors shall be permitted to approach each Lender in advance of a proposed Change of Control to seek each such Lender's consent to a waiver of the provisions of Clause 12.1 (*Exit*) in connection with such proposed Change of Control (the "**Successor Transfer**"). The Investors shall approach each Lender more than 30 days before a Successor Transfer. Each Lender and the Investors shall then consult for a period of not more than 30 days in respect of the Successor Transfer (the "**Discussion Period**").

(b) Prior to the expiry of the Discussion Period, each Lender shall give written confirmation to the Investors of its decision, acting reasonably (in the sole determination of each Lender), to: (i) consent to the Successor Transfer (the "**Positive Decision**"); or (ii) not consent to the Successor Transfer (the "**Negative Decision**").

(c) For the avoidance of doubt, any Lender that delivers a Negative Decision shall not be obliged to disclose its reasons for such Negative Decision, **provided that** where a Lender fails to disclose its reasons for a Negative Decision, a duly authorised signatory of such Lender shall, at the request of the Parent, certify in writing that its consent to the Successor Transfer is not being unreasonably withheld (in the sole discretion of that Lender), taking into account the Lender and its Affiliates.

(d) In the event that any Lender provides a Positive Decision, no Change of Control shall occur for the purposes of Clause 12.1 (*Exit*) and this Agreement generally in relation to the Commitments and participations of that Lender and, for the purposes of those Lenders providing a Positive Decision only, the definition of Investors shall include the new investor after any Successor Transfer has occurred.

(e) In the event of a Negative Decision by any Lender:

(i) on and from the date of that Change of Control that Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan) and if that Lender is an Ancillary Lender, it shall not be obliged to fund a utilisation of an Ancillary Facility; and

(ii) the Agent shall, promptly notify the Parent and with effect from the date that is 75 days after the Change of Control, cancel the Facility insofar as made available by that Lender and declare that Lender's participation in outstanding Utilisations and Ancillary Outstandings, together with accrued interest and all other amounts accrued to that Lender under the Finance Documents due and payable on or (at the Parent's election subject to Break Costs) before the date that is 75 days after the Change of Control, and full cash cover in respect of each Letter of Credit and any letter of credit under any Ancillary Facility shall become due and payable on or (at the Parent's election subject to Break Costs) before the date that is 75 days after the Change of Control.

(f) Following a Negative Decision, the Parent shall have the right (but not the obligation) to treat the relevant Lender as if it were a Non-Consenting Lender and require the transfer of such Lender's commitments in accordance with Clause 42.4 (*Replacement of Lender*).

12.3 **Disposal Proceeds and Insurance Proceeds**

(a) For the purposes of this Clause 12.3, Clause 12.4 (*Application of mandatory prepayments*) and Clause 12.5 (*Mandatory Prepayment Accounts*):

"**Asset Disposition**" has the meaning given to it in Schedule 15 (*Restrictive Covenants*).

"**Disposal Proceeds**" means the consideration received by any member of the Restricted Group (including any amount receivable in repayment of intercompany debt) for any Asset Disposition made by any member of the

Restricted Group on arms length terms except for Excluded Disposal Proceeds and after deducting:

(i) any reasonable expenses which are incurred by any member of the Restricted Group with respect to that Asset Disposition to persons who are not members of the Restricted Group; and

(ii) any Tax incurred and required to be paid by the seller in connection with that Asset Disposition (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"**Excluded Disposal Proceeds**" means:

(i) any proceeds of any Asset Dispositions which the Parent notifies the Agent are, or are to be, applied in accordance with the Note Indenture **provided that** such proceeds are subsequently applied in accordance with Section 4.10 of the Note Indenture; and

(ii) any proceeds of any Asset Dispositions applied towards the prepayment, purchase, defeasement, redemption, acquisition or retirement of the Notes, Replacement Debt or Term Debt, in each case in accordance with the terms of Clause 27.22 (*Note Purchase Condition*).

"**Excluded Insurance Proceeds**" means:

(i) any net proceeds of an insurance claim which (x) relates to any insurance for business interruption or third party liability or (y) the Parent notifies the Agent are, or are to be, applied:

(A) to meet a third party claim;

(B) to cover operating losses in respect of which the relevant insurance claim was made;

(C) in the replacement, reinstatement and/or repair of the assets or to the purchase of replacement assets useful to the business or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made; or

(D) which are, or are to be, applied or reinvested in substantially similar assets used in the Restricted Group's business,

in each case within 364 days, or such longer period as the Majority Lenders may agree, after receipt by any member of the Restricted Group or the Security Agent (as the case may be); or

(ii) any net proceeds of an insurance claim to the extent that the aggregate of the Insurance Proceeds of all claims received in such Financial Year of the Parent are no more than (calculated as at the date of receipt of

the last Insurance Proceeds) £5,000,000 (or its equivalent) in such Financial Year.

"**Insurance Proceeds**" means the net proceeds of any insurance claim under any insurance maintained by any member of the Restricted Group except for Excluded Insurance Proceeds and after deducting any reasonable costs and expenses in relation to that claim which are incurred by any member of the Restricted Group to persons who are not members of the Restricted Group.

(b) The Parent shall ensure that the Disposal Proceeds are applied to cancel Commitments and, if applicable, prepay Utilisations at the times and in the order of application contemplated by Clause 12.4 (*Application of mandatory prepayments*).

(c) The Parent shall ensure that the Borrowers offer to cancel Commitments and, if applicable, prepay Utilisations in the amount of any Insurance Proceeds at the times and in the order of application contemplated by Clause 12.4 (*Application of mandatory prepayments*).

12.4 **Application of mandatory prepayments**

(a) Subject to paragraph (b) below, a cancellation and, if applicable, a prepayment made under Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*) or Clause 27.22 (*Note Purchase Condition*) shall be applied in the following order:

(i) first, in cancellation of Available Commitments;

(ii) secondly, in prepayment of Utilisations (in such order as the Parent may elect **provided that** outstanding Loans will be prepaid before outstanding Letters of Credit); and

(iii) thirdly, in repayment and cancellation of the Ancillary Outstandings and Ancillary Commitments.

(b) Unless the Parent makes an election under paragraph (c) below, the Borrowers shall cancel Commitments and, if applicable, prepay Utilisations at the following times:

(i) in the case of any prepayment relating to Insurance Proceeds, promptly upon receipt of those proceeds; and

(ii) in the case of Disposal Proceeds, on (A) the Asset Disposition Purchase Date (as defined in the Note Indenture) relating to those Disposal Proceeds, (B) if no such Asset Disposition Purchase Date applies because of any applicable *de minimis* threshold under the Note Indenture, the 366th day following the later of the date of the relevant Asset Disposition and the receipt of those Disposal Proceeds or (C) if an Asset Disposition Offer (as defined in the Note Indenture) is made but is not taken up by any creditor on the expiry of the relevant Asset Disposition Offer Period (as defined in the Note Indenture),

(c) Subject to paragraph (d) below, the Parent may, by giving the Agent not less than two (2) Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, elect that any cancellation and, if applicable, prepayment (and corresponding cancellation) due under Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*) be made on the last day of the Interest Period relating to the Utilisation. If the Parent makes that election then an amount of the Utilisation equal to the amount of the relevant prepayment will be cancelled and, if applicable, be due and payable on the last day of its Interest Period.

(d) If the Parent has made an election under paragraph (c) above but an Event of Default has occurred and is continuing, if so directed by the Majority Lenders, that election shall no longer apply and a proportion of the Utilisation in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable.

(e) The Parent and each other Obligor shall use all reasonable endeavours to ensure that any transaction giving rise to a prepayment obligation or obligation to provide cash cover is structured in such a way that it will not be unlawful for the Obligors to move the relevant proceeds received between members of the Restricted Group to enable a mandatory prepayment to be lawfully made, cash cover lawfully provided and the proceeds lawfully applied as provided under Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*). If, however after the Parent and each such Obligor has used all such reasonable endeavours and taken such reasonable steps, it will still:

(i) be unlawful (including, without limitation, by reason of financial assistance, corporate benefit restrictions on upstreaming cash intra-group and the fiduciary and statutory duties of the directors of any member of the Restricted Group) for such a prepayment to be made and/or cash cover to be provided and the proceeds so applied; and

(ii) be unlawful (including, without limitation, by reason of financial assistance, corporate benefit restrictions on upstreaming cash intra-group and the fiduciary and statutory duties of the directors of any member of the Restricted Group) to make funds available to a member of the Restricted Group that could make such a prepayment and/or provide such cash cover,

then such prepayment and/or provision of cash cover shall not be required to be made (and, for the avoidance of doubt, the relevant amount shall be available for the general corporate purposes of the Restricted Group and shall not be required to be paid to a Mandatory Prepayment Account or any other blocked account) **provided always that** if the restriction preventing such payment/provision of cash cover or giving rise to such liability is subsequently removed, any relevant proceeds will immediately be applied in prepayment and/or the provision of cash cover in accordance with Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*) at the end of the relevant Interest Period(s) to the extent that such payment has not otherwise been made or the proceeds otherwise used.

12.5 **Mandatory Prepayment Accounts**

(a) The Parent shall ensure that amounts in respect of which the Parent has made an election under paragraph (c) of Clause 12.4 (*Application of mandatory prepayments*) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a member of the Restricted Group.

(b) The Parent and each Borrower irrevocably authorise the Agent to apply amounts credited to the Mandatory Prepayment Account to pay amounts due and payable under Clause 12.4 (*Application of mandatory prepayments*) and otherwise under the Finance Documents.

(c) A Lender, Security Agent or Agent with which a Mandatory Prepayment Account is held acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to those accounts and that the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account) unless a Default is continuing and (ii) each such account is subject to the Transaction Security.

12.6 **Excluded proceeds**

Where Excluded Disposal Proceeds and Excluded Insurance Proceeds include amounts which are intended to be used for a specific purpose within a specified period (as set out in the definition of Excluded Disposal Proceeds or Excluded Insurance Proceeds), the Parent shall (a) ensure that those amounts are used for that intended purpose (or a suitable replacement specific purpose within that specified period) and, if requested to do so by the Agent, shall promptly deliver a certificate to the Agent at the time of such application and at the end of such period confirming the amount (if any) which has been so applied within the requisite time periods provided for in the relevant definition, or (b) promptly ensure that those amounts are applied in cancellation and prepayment of the Facility at the times and in the manner set out in Clause 12.4 (*Application of mandatory prepayments*).

13. **RESTRICTIONS**

13.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 11 (*Illegality, voluntary prepayment and cancellation*) shall (subject to the terms of that Clause) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

13.2 **Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

13.3 **Reborrowing of a Facility**

Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

13.4 **Prepayment in accordance with Agreement**

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

13.5 **No reinstatement of Commitments**

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

13.6 **Agent's receipt of Notices**

If the Agent receives a notice under Clause 11 (*Illegality, voluntary prepayment and cancellation*), it shall promptly forward a copy of that notice or election to either the Parent or the affected Lender or Issuing Bank, as appropriate.

14. **INTEREST**

14.1 **Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) LIBOR or, in relation to any Loan in euro, EURIBOR; and

(c) Mandatory Cost, if any.

14.2 **Payment of interest**

(a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six (6) Months, on the dates falling at six (6) Monthly intervals after the first day of the Interest Period).

(b) If the Annual Financial Statements and related Compliance Certificate received by the Agent show a higher or lower Margin should have applied during a certain period then the Parent shall (or shall ensure that the relevant Borrower shall) promptly pay to the Agent (or the next succeeding interest payment under the relevant Facility(ies) shall be reduced by) any amounts necessary to put the Agent and the Lenders in the position they should have been in had the appropriate rate of Margin been applied during such period (**provided that** any such reduction shall only apply to the extent the Lender

which received the overpayment of interest remains a Lender as at the date of such adjustment).

14.3 **Default interest**

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 1 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 14.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 1 per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

14.4 **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the relevant Borrower (or the Parent) of the determination of a rate of interest under this Agreement.

15. INTEREST PERIODS

15.1 **Selection of Interest Periods**

(a) A Borrower (or the Parent on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.

(b) Subject to this Clause 15, a Borrower (or the Parent) may select an Interest Period of one (1), two (2), three (3) or six (6) Months or any other period agreed between the Parent and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan) and, in the case of a Loan to be advanced on the Closing Date to fund a Closing Date Dividend only, of 1 Business Day.

(c) An Interest Period for a Loan shall not extend beyond the Termination Date.

(d) A Loan has one Interest Period only.

15.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar Month (if there is one) or the preceding Business Day (if there is not).

16. CHANGES TO THE CALCULATION OF INTEREST

16.1 **Absence of quotations**

Subject to Clause 16.2 (*Market disruption*), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Base Reference Banks but a Base Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Base Reference Banks.

16.2 **Market disruption**

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling three (3) Business Days after the Quotation Day (or, if earlier, on the date falling three (3) Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in the Loan.

(b) If:

(i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than LIBOR or, in relation to any Loan in euro, EURIBOR; or

(ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR or, in relation to any Loan in euro, EURIBOR.

(c) In this Agreement:

"**Market Disruption Event**" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Base Reference Banks supplies a rate to the Agent to determine LIBOR or if applicable, EURIBOR for the relevant currency and Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of LIBOR or, if applicable, EURIBOR.

16.3 **Alternative basis of interest or funding**

(a) If a Market Disruption Event occurs and the Agent or the Parent so requires, the Agent and the Parent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Parent, be binding on all Parties.

16.4 **Break Costs**

(a) Each Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, together with any demand by the Agent, provide to the Agent (with a copy to the Parent) a certificate confirming the amount of its Break Costs (giving reasonable details of the calculation of its Break Costs) for any Interest Period in which they accrue.

17. FEES

17.1 Arrangement Fee

The Parent shall pay (or procure the payment) to the Arrangers (for their own account) an arrangement fee in the amount and at the times agreed in a Fee Letter.

17.2 Commitment fee

(a) The Parent shall pay (or procure the payment) to the Agent (for the account of each Lender) a fee at the rate of 40 per cent. of the Margin applicable to the Facility from time to time on that Lender's Available Commitment for the Availability Period.

(b) The accrued commitment fee is payable on the last day of each successive Financial Quarter which ends during the relevant Availability Period, on the last day of the relevant Availability Period and on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

(d) No commitment fee is payable hereunder if the Closing Date does not occur.

17.3 **Agency fee**

The Parent shall pay (or procure the payment) to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

17.4 **Fees payable in respect of Letters of Credit**

(a) The Parent or the relevant Borrower shall pay to the Agent for the Issuing Bank a fronting fee at a percentage rate per annum agreed between the relevant Borrower (or the Parent) and the Issuing Bank (and notified to the Agent) (the "**Fronting Fee**") on the outstanding amount which is counter-indemnified by the other Lenders (excluding, for the avoidance of doubt, the amount which is counter-indemnified by the Issuing Bank, or an Affiliate thereof, in its capacity as a Lender and excluding any amount in respect of which cash cover has been provided) of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date.

(b) The Parent or the relevant Borrower shall pay to the Agent for the account of each Lender, a Letter of Credit fee (computed at the rate equal to the applicable Margin) on the outstanding amount of each Letter of Credit (excluding, for the avoidance of doubt, any amount in respect of which cash cover has been provided) requested by it for the period from the issue of that Letter of Credit until its Expiry Date), each such fee being a "**Letter of Credit Fee**". Each Letter of Credit Fee shall be distributed according to each Lender's L/C Proportion of that Letter of Credit.

(c) The accrued Fronting Fee and each Letter of Credit Fee shall be payable on the last day of each Financial Quarter (or such shorter period as shall end on the Expiry Date for that Letter of Credit) starting on the date of issue of that Letter of Credit. The accrued Fronting Fee and Letter of Credit Fee is also payable to the Agent on the cancelled amount of any Lender's Commitment under that Facility calculated to the time the cancellation is effective if that Commitment is cancelled in full and the Letter of Credit is prepaid or repaid in full.

(d) The Parent or the relevant Borrower shall pay to the Issuing Bank (for its own account) an issuance/administration fee in the amount and at the times specified in a Fee Letter.

17.5 **Interest, commission and fees on Ancillary Facilities**

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

18. TAX GROSS UP AND INDEMNITIES

18.1 Definitions

In this Agreement:

"**Borrower DTTP Filing**" means an HMRC Form DTTP2 duly completed and filed by the relevant Borrower, which:

(a) where it relates to a Treaty Lender that is an Original Lender, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name in Part II of Schedule 1 (*The Original Parties*), and

  (i) where the Borrower is an Original Borrower, is filed with HMRC within 30 days of the date of this Agreement; or

  (ii) where the Borrower is an Additional Borrower, is filed with HMRC within 30 days of the date on which that Borrower becomes an Additional Borrower; or

(b) where it relates to a Treaty Lender that is a New Lender or an Increase Lender, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the relevant Transfer Certificate, Assignment Agreement or Increase Confirmation, and

  (i) where the Borrower is a Borrower as at the relevant Transfer Date or date on which the increase in the Commitments described in the relevant Increase Confirmation takes effect, is filed with HMRC within 30 days of that Transfer Date or date on which the increase in the Commitments described in the relevant Increase Confirmation takes effect; or

  (ii) where the Borrower is not a Borrower as at the relevant Transfer Date or date on which the increase in the Commitments described in the relevant Increase Confirmation takes effect, is filed with HMRC within 30 days of the date on which that Borrower becomes an Additional Borrower.

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document (other than any Hedging Agreement).

"**Qualifying Lender**" means:

(a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:

(i) a Lender:

(A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or

(B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance.

(ii) a Lender which is:

(A) a company resident in the United Kingdom for United Kingdom tax purposes;

(B) a partnership each member of which is:

(1) a company so resident in the United Kingdom; or

(2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;

(C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

(iii) a Treaty Lender; or

(b) a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Finance Document).

"**Tax Confirmation**" means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction (other than any Hedging Agreement).

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 18.2 (*Tax gross up*) or a payment under Clause 18.3 (*Tax indemnity*).

"**Treaty Lender**" means a Lender which:

(a) is treated as a resident of a Treaty State for the purposes of the Treaty;

(b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and

(c) meets all other conditions in the relevant Treaty for full exemption from tax on interest, except that for this purpose it shall be assumed that the following conditions (if applicable) are satisfied:

(i) any condition which relates (expressly or by implication) to there being a special relationship between the Borrowers and the Lender or between both of them and another person, or to the amounts or terms of any Loan or the Finance Documents; and

(ii) any necessary procedural formalities.

"**Treaty State**" means a jurisdiction having a double taxation agreement with the United Kingdom (a "**Treaty**") which makes provision for full exemption from tax imposed by the United Kingdom on interest.

"**UK Non-Bank Lender**" means, where a Lender becomes a Party after the day on which this Agreement is entered into, a Lender which gives a Tax Confirmation in the Assignment Agreement, Transfer Certificate or Increase Confirmation which it executes on becoming a Party.

Unless a contrary indication appears, in this Clause 18 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

18.2 **Tax gross up**

(a) Each Obligor shall, and shall cause each other person making payment on behalf of such Obligor to, make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Parent shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives any such notification from a Lender it shall notify the Parent and the relevant Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor from a payment, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) An Obligor is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction in respect of Tax imposed by the United Kingdom, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Lender is a Qualifying Lender solely by reason of falling within paragraph (a)(B) of the definition of Qualifying Lender and:

(A) an officer of HMRC has given (and not revoked) a direction (a "**Direction**") under section 931 of the ITA which relates to the payment and that Lender has received from the Obligor making

the payment of from the Parent a certified copy of that Direction; and

(B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(iii) the relevant Lender is a Qualifying Lender solely by reason of falling within paragraph (a)(B) of the definition of Qualifying Lender and:

(A) the relevant Lender has not given a Tax Confirmation to the Parent; and

(B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Parent, on the basis that the Tax Confirmation would have enabled the Parent to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or

(iv) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) or (h) (as applicable) below.

(e) If an Obligor is required to make a Tax Deduction that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g)

(i) Subject to paragraph (g)(ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

(ii)

(A) A Treaty Lender which becomes a Party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Part II of Schedule 1 (*The Original Parties*); and

(B) a New Lender or Increase Lender that is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Transfer Certificate, Assignment Agreement or Increase Confirmation which it executes,

and, having done so, that Lender shall be under no obligation pursuant to paragraph (i) above.

(h) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii) above and:

(a) a Borrower making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or

(b) a Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:

(A) that Borrower DTTP Filing has been rejected by HMRC; or

(B) HMRC has not given the Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing;

and in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a Tax Deduction.

(i) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (g)(ii) above, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Utilisation unless the Lender otherwise agrees.

(j) A Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Agent for delivery to the relevant Lender.

(k) A Lender which is a New Lender or an Increase Lender shall, if relevant, give a Tax Confirmation in the Assignment Agreement, Transfer Certificate or Increase Confirmation which it executes.

(l) A Lender that has given a Tax Confirmation to the Parent shall promptly notify the Parent and the Agent if there is any change in the position set out in that Tax Confirmation.

18.3 **Tax indemnity**

(a) The Parent shall (within three (3) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that

Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 18.2 (*Tax gross up*);

(B) would have been compensated for by an increased payment under Clause 18.2 (*Tax gross up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 18.2 (*Tax gross up*) applied; or

(C) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Parent.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 18.3, notify the Agent.

18.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

18.5 **Lender Status Confirmation**

(a) Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement or Increase Confirmation which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

(i) not a Qualifying Lender;

(ii) a Qualifying Lender (other than a Treaty Lender); or

(iii) a Treaty Lender.

(b) Where a Lender nominates a branch or affiliate that is not an Existing Lender to participate in this Facility under Clause 4.5 (*Lending Affiliates*) that Lender shall notify the Agent and the Agent shall notify the Parent of the location of the branch or (as the case may be) the jurisdiction of residence of the affiliate which will participate and shall confirm in writing to the Agent (who shall send a copy of such notification to the Parent), for the benefit of the Agent and without liability to any Obligor, which of the following categories the nominee falls in:

(i) not a Qualifying Lender;

(ii) a Qualifying Lender (other than a Treaty Lender); or

(iii) a Treaty Lender.

(c) If a New Lender, Increase Lender, branch or affiliate (nominated under Clause 4.5 (*Lending Affiliates*) fails to indicate its status in accordance with this Clause 18.5 then such New Lender, Increase Lender, branch or affiliate shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Parent). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement or Increase Confirmation shall not be invalidated by any failure of a Lender to comply with this Clause 18.5.

18.6 **Stamp taxes**

The Parent shall pay and, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that such Finance Party incurs in relation to all stamp duty, documentary, property transfer, registration and other similar Taxes payable in respect of any Finance Documents save for any Taxes payable in respect of an assignment or transfer pursuant to Clause 29 (*Changes to the Lenders*) and except regarding Luxembourg registration duties payable due to a registration, submission or filing by a Secured Party of any Finance Document where

such registration submission or filing is or was not required to maintain or preserve the rights of the Secured Parties under the Finance Documents.

18.7 **VAT**

(a) All amounts expressed to be payable under a Finance Document (other than any Hedging Agreement) by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document (other than any Hedging Agreement) and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document (other than any Hedging Agreement), and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document (other than any Hedging Agreement) to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall at the same time reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Clause 18.7 (*VAT*) to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994.

(e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party shall promptly provide such Finance Party with details of that Party's VAT registration and any such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

18.8 **FATCA Information**

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party; and

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA (including its applicable passthru percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.

(b) If a Party confirms to another Party pursuant to 18.8(a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any policy of that Finance Party;

(iii) any fiduciary duty; or

(iv) any duty of confidentiality.

(d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:

(i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and

(ii) if that Party failed to confirm its applicable passthru percentage then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,

until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

18.9 **FATCA Deduction**

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Parent, the Agent and the other Finance Parties.

19. INCREASED COSTS

19.1 **Increased costs**

(a) Subject to Clause 19.3 (*Exceptions*) the Parent shall, within three (3) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any Change in Law (or in the interpretation, administration or application of any law or regulation) or (ii) compliance with any law or regulation made after the date of this Agreement (or, if later, the date it became a Party to this Agreement).

(b) In this Agreement "**Increased Costs**" means:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document or Letter of Credit.

19.2 **Increased cost claims**

(a) A Finance Party intending to make a claim pursuant to Clause 19.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Parent.

(b) Each Finance Party shall, with a demand by the Agent, provide a certificate (giving reasonable details of the circumstances giving rise to such claim and the calculation of the Increased Cost) confirming the amount of its Increased Costs.

19.3 **Exceptions**

(a) Clause 19.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 18.3 (*Tax indemnity*) (or would have been compensated for under Clause 18.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 18.3 (*Tax indemnity*) applied);

(iv) compensated for by the payment of the Mandatory Cost;

(v) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(vi) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (or, if later, the date it became a Party to this Agreement) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates) (**provided that** if such Increased Costs attributable to Basel II are incurred as a result of the implementation or application of, or compliance with, the Basel III Standards, this paragraph (vi) shall not apply to the extent that such implementation, application or compliance differs from that which has been implemented or required already as at the date of this Agreement by Basel II as determined without reference to the Basel III Standards).

For the avoidance of doubt, a Lender which is not bound to comply with Basel II either at the date of this Agreement (or, if later, the date it became a Party to this Agreement) or as at the date of a claim under this Clause 19 shall be entitled to make a claim for all Increased Costs incurred by it as a result of the implementation or application of, or compliance with, the Basel III Standards

(to the extent that such Lender is bound to comply with the Basel III Standards) without reference to paragraph (vi) above.

(b) In this Clause 19.3:

(i) reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 18.1 (*Definitions*); and

(ii) "**Basel III Standards**" means the Basel Committee on Banking Supervision's (the "**Committee**") revised rules relating to capital requirements set out in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Guidance for national authorities operating the countercyclical capital buffer" and "Basel III: International framework for liquidity risk measurement, standards and monitoring" published by the Committee in December 2010, "Revisions to the Basel II market risk framework" published by the Committee in February 2011 and any other documents published by the Committee in connection with these rules.

20. OTHER INDEMNITIES

20.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify the Arranger and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

20.2 Other indemnities

The Parent shall (or shall procure that an Obligor will), within three (3) Business Days of demand, indemnify the Arranger and each other Secured Party against any cost, loss or liability incurred by it as a result of:

(a) the occurrence of any Event of Default;

(b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 35 (*Sharing among the Lenders*);

(c) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);

(d) issuing or making arrangements to issue a Letter of Credit requested by the Parent or a Borrower in a Utilisation Request but not issued by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of a Finance Party's gross negligence or wilful misconduct); or

(e) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Parent.

20.3 **Indemnity to the Agent**

The Parent shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

21. MITIGATION BY THE LENDERS

21.1 **Mitigation**

(a) Each Finance Party shall, in consultation with the Parent, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 11.1 (*Illegality*) (or, in respect of the Issuing Bank, Clause 11.2 (*Illegality in relation to Issuing Bank*)), Clause 18 (*Tax gross up and indemnities*), Clause 19 (*Increased Costs*) or paragraph 3 of Schedule 4 (*Mandatory Cost Formula*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

21.2 **Limitation of liability**

(a) The Parent shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 21.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 21.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

22. COSTS AND EXPENSES

22.1 Transaction expenses

The Parent shall within ten (10) Business Days of demand pay (or procure payment) to the Agent, the Arrangers, the Issuing Bank and the Security Agent the amount of all out-of-pocket costs and expenses (including legal fees subject to agreed caps (if any)) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the date of this Agreement.

22.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 36.10 (*Change of currency*), the Parent shall, within ten (10) Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees subject to agreed caps (if any)) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

22.3 Enforcement and preservation costs

The Parent shall, within ten (10) Business Days of demand, pay (or procure the payment) to the Arrangers and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

23. GUARANTEE AND INDEMNITY

23.1 Guarantee and indemnity

Each Guarantor and CCML irrevocably and unconditionally, jointly and severally:

(a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due (allowing for any applicable grace period) under or in connection with any Finance Document, that Guarantor or, in the case of

CCML, CCML shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor or CCML under this indemnity will not exceed the amount it would have had to pay under this Clause 23 if the amount claimed had been recoverable on the basis of a guarantee.

23.2 **Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

23.3 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 23 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

23.4 **Waiver of defences**

The obligations of each Guarantor and CCML under this Clause 23 will not be affected by an act, omission, matter or thing which, but for this Clause 23, would reduce, release or prejudice any of its obligations under this Clause 23 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Restricted Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

23.5 **Guarantor Intent**

Without prejudice to the generality of Clause 23.4 (*Waiver of defences*), each Guarantor and CCML expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

23.6 **Immediate recourse**

Each Guarantor and CCML waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor or CCML under this Clause 23. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

23.7 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor or CCML shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or CCML or on account of any Guarantor's or CCML's liability under this Clause 23.

23.8 **Deferral of Guarantors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor or CCML will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 23:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor or CCML has given a guarantee, undertaking or indemnity under Clause 23.1 (*Guarantee and indemnity*);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor or CCML receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 36 (*Payment mechanics*).

23.9 **Release of Guarantors' right of contribution**

If any Guarantor or CCML (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor or any Holding Company of that Retiring Guarantor, then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor and CCML (as applicable) from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor or CCML (as applicable) arising by reason of the performance by any other Guarantor or CCML of its obligations under the Finance Documents; and

(b) each other Guarantor and CCML (as applicable) waives any rights it may have by reason of the performance of its obligations under the Finance Documents

to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

23.10 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

23.11 **Guarantee Limitations**

The guarantee created under this Clause 23 does not apply to any liability to the extent that it would result in the guarantee being illegal and with respect to any Additional Guarantor is subject to the limitations set out in the Accession Deed applicable to such Additional Guarantor.

23.12 **Guarantee Limitations – Luxembourg**

(a) Notwithstanding anything to the contrary in this Agreement, the aggregate obligations and liabilities of the Luxembourg Guarantor under this Clause 23 for the obligations of any Obligor which is not a direct or indirect subsidiary of such Luxembourg Guarantor shall be limited to an aggregate amount not exceeding the higher of:

(i) 95% of such Luxembourg Guarantor's capitaux propres (as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the commercial register and annual accounts) determined as at the date on which a demand is made under the Guarantee, increased by the amount of any Intra-Group Liabilities (without double counting); and

(ii) 95% of such Luxembourg Guarantor's capitaux propres (as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the commercial register and annual accounts) determined as at the date of this Agreement, increased by the amount of any Intra-Group Liabilities (without double counting).

(b) For the purposes of sub-paragraph (a) above, "**Intra-Group Liabilities**" shall mean any amounts owed by the Luxembourg Guarantor to any other member of the Restricted Group that have not been financed (directly or indirectly) by a borrowing under the Finance Documents.

(c) The guarantee limitation specified in sub-paragraph (a) above shall not apply to (i) any amounts borrowed by the Luxembourg Guarantor under the Finance Documents and (ii) any amounts borrowed under the Finance Documents and on-lent to the Luxembourg Guarantor (in any form whatsoever).

24. REPRESENTATIONS

(a) Each Obligor makes the representations and warranties set out in this Clause 24 to each Finance Party at the times specified in Clause 24.30 (*Times when*

representations made) only and the Parent acknowledges that the Finance Parties have entered into this Agreement in reliance on these representations and warranties.

(b) CCML makes the representations and warranties set out in Clauses 24.1 (*Status*) to 24.6 (*Governing law and enforcement*) with respect to itself only and to each Finance Party only at the times specified in Clause 24.30 (*Times when representations made*) and the Parent acknowledges that the Finance Parties have entered into this Agreement in reliance on these representations and warranties.

24.1 **Status**

(a) It and each of the Material Companies is a limited liability company or, as the case may be, limited partnership, duly incorporated or organised (as applicable), validly existing and in good standing (as applicable) under the law of its jurisdiction of incorporation or organisation.

(b) It and each of the Material Companies has the power and authority to own its assets and carry on its business as it is being conducted.

24.2 **Binding obligations**

Subject to the Legal Reservations and Perfection Requirements:

(a) the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and

(b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

24.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security do not conflict with:

(a) any law or regulation applicable to it in any material respect;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or constitute a default or termination event (however described) under any such agreement or instrument to an extent which has or is reasonably expected to have a Material Adverse Effect.

24.4 **Power and authority**

(a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction

Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

(b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

24.5 **Validity and admissibility in evidence**

(a) All Authorisations required:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect, subject to the Legal Reservations and Perfection Requirements.

(b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of members of the Restricted Group have been obtained or effected and are in full force and effect except to the extent that the failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

24.6 **Governing law and enforcement**

(a) The choice of the governing law of each Finance Documents will be recognised and enforced in its jurisdiction of incorporation subject to the Legal Reservations.

(b) Subject to the Legal Reservations, any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

24.7 **Insolvency**

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 28.8 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 28.9 (*Creditors' process*),

has been taken or, to the knowledge of the Parent, threatened in relation to a Material Company and none of the circumstances described in Clause 28.7 (*Insolvency*) applies to a Material Company.

24.8 **No filing or stamp taxes**

Under the laws of its Relevant Jurisdiction it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except any filing, recording or enrolling or any tax or fee payable in connection with the Transaction Security which will be made or paid promptly after the date of the relevant Finance Document, **provided that**, for the avoidance of doubt, this Clause 24.8 shall not apply in respect of any stamp duty, registration or similar tax payable in respect of an assignment or transfer by a Lender of any of its rights or obligations under a Finance Document, and **provided further that** in the case of court proceedings in a Luxembourg court of the presentation of the Finance Documents – either directly or by way of reference – to an *autorité constituée*, such court or *autorité constituée* may require registration of all or part of the Finance Documents with the *Administration de l'Enregistement et des Domaines* in Luxembourg, which may result in registration duties, at a fixed rate of EUR 12 or an ad valorem rate which depends on the nature of the registered document, becoming due and payable.

24.9 **No default**

(a) No Event of Default and, on the date of this Agreement and the Closing Date, no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) To the best of its knowledge after due enquiry, no event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Restricted Subsidiaries or to which its (or any of its Restricted Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

24.10 **No misleading information**

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement (or, in relation to the Offering Memorandum, prior to the date of the Offering Memorandum or, in relation to the delivery of any written information under paragraph (e) below, prior to or at the same time as the delivery of such information):

(a) all material factual information relating to the Restricted Group (taken as a whole) contained in the Offering Memorandum was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given;

(b) the Initial ERC and the ERC Model Output have been prepared on the basis of recent historical information, are based on assumptions believed by the Parent

to be fair and reasonable and have been approved by the board of directors of the Parent;

(c) the expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of the Offering Memorandum were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were believed by the Parent to be fair and based on reasonable grounds at the time expressed;

(d) as at the date of approval by the Parent of the Offering Memorandum, no event or circumstance has occurred or arisen and no information has been omitted from the Offering Memorandum and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Offering Memorandum (taken as a whole) being untrue or misleading in any material respect; and

(e) all other written information provided after the date of this Agreement by any member of the Restricted Group (including its advisers) to a Finance Party (save for any written information that is expressly provided on an information only basis pursuant to paragraph (c) of Clause 27.6 (*Acquisitions*) was true, complete and accurate and is not misleading, in each case in all material respects as at the date it was provided (or, in the case of any report or document that relates to historical matters and is expressed to be accurate as at a particular date, as at the date so expressed therein) and, in the case of a report or document prepared by a third party was, true, complete and accurate and is not misleading, in each case, to the best of its knowledge and belief of the relevant member of the Restricted Group in all material respects as at the date it was prepared.

24.11 **Financial Statements**

(a) Its Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied.

(b) Its unaudited Original Financial Statements fairly represent (subject to customary year-end adjustments) its financial condition and results of operations for the relevant period to which they relate.

(c) Its audited Original Financial Statements give a true and fair view of its financial condition and results of operations during the relevant financial year.

(d) There has been no material adverse change in the assets, business or financial condition of the Restricted Group taken as a whole since the date of the Original Financial Statements.

(e) Its most recent financial statements delivered pursuant to Clause 25.1 (*Financial statements*):

(i) subject to paragraph (b) of Clause 25.3 (*Requirements as to financial statements*) have been prepared in accordance with the Accounting

Principles as applied to the Original Financial Statements (save in the case of the Luxembourg Guarantor); and

(ii) give a true and fair view of (if audited) or fairly present (subject to customary year-end adjustments) (if unaudited) its consolidated (if applicable) financial condition as at the end of, and consolidated (if applicable) results of operations for, the period to which they relate.

(f) There has been no material adverse change in the assets, business or financial condition of the Restricted Group taken as a whole since the date of the most recent financial statements delivered pursuant to Clause 25.1 (*Financial statements*).

(g) The budgets delivered under Clause 25.4 (*Budget*) were arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions believed by the Parent to be reasonable as at the date they were prepared and supplied.

24.12 **No proceedings**

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief having made due and careful enquiry) been started or threatened against it or any of its Subsidiaries.

24.13 **No breach of laws**

(a) It has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

(b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Restricted Group which have or are reasonably likely to have a Material Adverse Effect.

24.14 **Environmental laws**

No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Restricted Group where that claim has or is reasonably likely, if determined against that member of the Restricted Group, to have a Material Adverse Effect.

24.15 **Taxation**

(a) It (and each member of the Restricted Group) has duly and punctually filed all income and all other material tax returns (together with all necessary information relating thereto) and has paid and discharged all taxes imposed upon it or its assets (in each case within the time period allowed and before the imposition of any interest or penalties), save, in each case, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or against any member of the Restricted Group) with respect to Taxes, which would have, or would reasonably be expected to have, a Material Adverse Effect.

(c) In respect of a Borrower, it is resident for Tax purposes only in the jurisdiction of its incorporation.

24.16 **Security and Financial Indebtedness**

(a) No Security or Quasi Security exists over all or any of the present or future assets of any member of the Restricted Group other than as permitted by this Agreement.

(b) No member of the Restricted Group has any actual or contingent Financial Indebtedness outstanding other than as permitted by this Agreement.

24.17 **Ranking**

The payment obligations of each Obligor under each of the Finance Documents rank and will at all times rank at least *pari passu* in right and priority of payment with all its other present and future unsecured and unsubordinated indebtedness (actual or contingent) except indebtedness preferred by laws of general application.

24.18 **Good title to assets**

It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted where failure to do so would have, or could be reasonably expected to have, a Material Adverse Effect.

24.19 **Legal and beneficial ownership**

It and each of the Obligors is the sole legal and beneficial owner of the respective material assets over which it purports to grant Security.

24.20 **Shares**

(a) The shares of any member of the Restricted Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights.

(b) Other than any mandatory provisions required by law, the constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security.

(c) There are no agreements in force or corporate resolutions passed which provide for the issue or allotment of, or grant any person the right (whether conditional or otherwise) to call for the issue or allotment of, any share or loan capital of any member of the Restricted Group (including any option or right of pre-emption or conversion).

24.21 **Intellectual Property**

It and each of its Subsidiaries:

(a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted to the extent that failure be so or do so would reasonably be expected to have a Material Adverse Effect.

(b) does not (nor does any of its Subsidiaries), in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and

(c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it where failure to do so would reasonably be expected to have a Material Adverse Effect.

24.22 **Group Structure Chart**

As of the date of this Agreement, the Group Structure Chart is true, complete and accurate in all material respects.

24.23 **Obligors**

(a) All Material Companies which are members of the Restricted Group are Guarantors.

(b) The aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) and the aggregate gross assets (excluding goodwill) of the Guarantors (calculated on an unconsolidated basis and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group) exceeds on the Closing Date, 85 per cent. of Consolidated EBITDA) and consolidated gross assets (excluding goodwill) of the Restricted Group.

24.24 **Accounting reference date**

The Accounting Reference Date of each member of the Restricted Group is 31 December.

24.25 **Centre of main interests and establishments**

(a) The Centre of Main Interest of each Obligor incorporated in the European Union is situated in its jurisdiction of incorporation.

(b) The Luxembourg Guarantor does not have an "establishment" (as that term is used in Article 2(h) of The Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings) in any jurisdiction.

24.26 **Pensions**

To the best knowledge and belief of each Obligor, having made due enquiry:

(a) no member of the Restricted Group has any material liability in respect of any pension scheme and there are no circumstances which would give rise to such a liability, which in each case would reasonably be expected to have a Material Adverse Effect; and

(b) each member of the Restricted Group is in compliance in all material respects with all applicable laws and regulations relating to, and the governing provisions of any of its pension schemes maintained by or for the benefit of any member of the Restricted Group and/or its employees, where failure to be so in compliance would reasonably be expected to have a Material Adverse Effect.

24.27 **Holding Company**

Except:

(a) as may arise under the Transaction Documents; or

(b) as permitted under Clause 27.9 (*Holding Companies*) (ignoring for this purpose the references to Transaction Security in paragraph (b) thereof),

on or prior to the Closing Date, the Parent has not traded or incurred any material liabilities or commitments (actual or contingent, present or future).

24.28 **Money Laundering Act**

(a) Each Borrower hereby confirms to each Lender that all Utilisations made by it under this Agreement will be made solely for its own account or for the account of the Restricted Group.

(b) No Obligor, and to the best of the Parent's knowledge, none of its Affiliates:

(i) is a Restricted Party;

(ii) to the best of its knowledge has received funds or other property from a Restricted Party; or

(iii) to the best of its knowledge is in breach of or is the subject of any action or investigation under Sanctions.

(c) Each Obligor and each of its Affiliates have taken reasonable measures to ensure compliance with the Sanctions.

(d) Each Obligor and its Affiliates' operations are and have been conducted in compliance with all applicable anti-money laundering laws and financial record keeping and reporting requirements, rules, regulations and guidelines (the "**Money Laundering Laws**") and no claim, action, suit, proceeding or investigation by or before any court or governmental agency, authority or

body or any arbitrator involving it or its Affiliates with respect to Money Laundering Laws is pending and, to the best of its knowledge, no such claims, actions, suits, proceedings or investigations are threatened in each case in any relevant jurisdiction.

24.29 **Domiciliation**

The Luxembourg Guarantor is in full compliance with the amended Luxembourg law dated 31 May 1999 on the domiciliation of companies (and the relevant regulations).

24.30 **Times when representations made**

(a) All the representations and warranties in this Clause 24 are made by each Original Obligor on the date of this Agreement.

(b) All the representations and warranties in this Clause 24 are deemed to be made by each Obligor on the Closing Date.

(c) The Repeating Representations are deemed to be made by each Obligor and to the extent applicable by CCML, on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

(d) The Repeating Representations and the representations set out in Clause 24.19 (*Legal and beneficial ownership*) and Clause 24.20 (*Shares*) are deemed to be made by each Additional Obligor in respect of itself on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor.

(e) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

25. INFORMATION UNDERTAKINGS

The undertakings in this Clause 25 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 25:

"**Annual Financial Statements**" means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 25.1 (*Financial statements*).

"**Monthly Financial Statements**" means the financial statements delivered pursuance to paragraph (c) of Clause 25.1 (*Financial statements*).

"**Quarterly Financial Statements**" means the financial statements delivered pursuant to paragraph (b) of Clause 25.1 (*Financial statements*).

25.1 **Financial statements**

The Parent shall supply to the Agent in sufficient copies for all the Lenders:

(a) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years:

(i) its audited consolidated financial statements for that Financial Year; and

(ii) the audited (to the extent required by law to be audited) financial statements (to the extent required by law to be produced) (consolidated if appropriate) of each Obligor for that Financial Year;

(b) as soon as they are available, but in any event within 60 days after the end of each Financial Quarter of each of its Financial Years its consolidated financial statements for that Financial Quarter; and

(c) as soon as they are available, but in any event within 30 days after the end of each month its financial statements on a consolidated basis for that month (to include cumulative management accounts for the Financial Year to date).

25.2 **Provision and contents of Compliance Certificate**

(a) The Parent shall supply a Compliance Certificate to the Agent with each set of its audited consolidated Annual Financial Statements and each set of its consolidated Quarterly Financial Statements and as otherwise required pursuant to this Agreement.

(b) A Compliance Certificate delivered in accordance with paragraph (a) above shall, amongst other things, set out (in reasonable detail) computations as to compliance with Clause 26 (*Financial Covenants*), ERC relied upon to calculate compliance in respect of the relevant Quarter Date together with a certification that:

(i) in respect of any Compliance Certificate delivered with the consolidated Annual Financial Statements and the consolidated Quarterly Financial Statements and subject to paragraph (b)(iii) of Clause 25.3 (*Requirements as to financial statements*) below, ERC as at the last day of the period to which the relevant financial statements relate is identical to the gross amount used as the basis for the calculation of the purchased asset value as reported in the balance sheet of the relevant financial statements (together with a calculation showing how ERC has been used in calculating the purchased asset value for the relevant balance sheet date);

(ii) subject to paragraph (b)(iii) of Clause 25.3 (*Requirements as to financial statements*) below, there has been no material changes to the methodology used to calculate ERC in respect of the Portfolio Accounts compared to the methodology set out in the ERC Model and as applied when calculating the Initial ERC;

(iii) ERC has been prepared on the basis of recent historical information and based on assumptions believed by the Parent to be fair and reasonable; and

(iv) in respect of the Compliance Certificate delivered with the consolidated Annual Financial Statements only, confirm compliance with Clause 27.19 (*Guarantors*) and identifying which members of the Restricted Group that are Material Companies.

(c) Each Compliance Certificate shall be signed by two directors of the Parent (one of which being the chief financial officer of the Parent) and, if required to be delivered with the consolidated Annual Financial Statements of the Parent, shall be reported on by the Parent's Auditors (**provided that** the Parent's Auditors are prepared to provide such a report) in the form agreed by the Parent and the Majority Lenders.

25.3 **Requirements as to financial statements**

(a) The Parent shall procure that each set of Annual Financial Statements, Quarterly Financial Statements and Monthly Financial Statements includes a balance sheet, profit and loss account, cashflow statement and ERC and financial covenant calculations as at the last day of the period to which the relevant financial statements relate. In addition the Parent shall procure that:

(i) each set of Annual Financial Statements shall be audited by the Auditors;

(ii) each set of Quarterly Financial Statements is accompanied by a statement by the directors of the Parent commenting on the performance of the Restricted Group for the Financial Quarter to which the financial statements relate and the Financial Year to date and any other material developments or proposals affecting the Restricted Group or its business; and

(iii) each set of Monthly Financial Statements is accompanied by a statement by the directors of the Parent commenting on the performance of the Restricted Group for the Month to which the financial statements relate and the Financial Year to date, including the management board pack detailing such key performance indicators of the business, strategy, market updates and any other indicators as the directors of the Parent routinely use to describe the performance of the Restricted Group together with any portfolio collections performance data broken down monthly by portfolio, including the actual performance versus the forecasts.

(b) Each set of financial statements delivered pursuant to Clause 25.1 (*Financial statements*):

(i) shall be certified by a director of the relevant company as giving a true and fair view of (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), subject to

customary year end adjustments, its financial condition and operations as at the date as at which those financial statements were drawn up and, in the case of the Annual Financial Statements, shall be accompanied by any letter addressed to the management of the relevant company by the Auditors and accompanying those Annual Financial Statements;

(ii) in the case of Annual Financial Statements and the Quarterly Financial Statements shall be accompanied by a statement by the directors of the Parent comparing actual performance for the period to which the financial statements relate to:

(A) the projected performance for that period set out in the Budget; and

(B) the actual performance for the corresponding period in the preceding Financial Year of the Group; and

(iii) shall be prepared in accordance with the Accounting Principles or, in the respect of ERC, the ERC Model, unless, in relation to any set of financial statements or ERC, the Parent notifies the Agent that (1) there has been a change in the Accounting Principles or the accounting practices of the Restricted Group (for the avoidance of doubt, including any change to the manner in which ERC is used as the basis for calculation of the purchased asset value for the purposes of the Annual Financial Statements or the Quarterly Financial Statements) and its Auditors delivers to the Agent the information referred to in the following subparagraphs (A) and (B) as appropriate, or (2) there has been a material change in the methodology used to calculate ERC compared to the methodology as applied when calculating the Initial ERC and arising as a result of a change determined by the Restricted Group's portfolio valuation committee or accounting practices and the Parent delivers to the Agent the information referred to in the following subparagraphs (A) and (B) below as appropriate:

(A) a description of any change necessary for (1) those financial statements to reflect the Accounting Principles or, as the case may be, that Obligor's Original Financial Statements were prepared, or (2) ERC to reflect the determination of the Restricted Group's portfolio valuation committee or accounting practices; and

(B) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 26 (*Financial Covenants*) has been complied with, to determine the Margin as set out in the definition of "Margin" and to make an accurate comparison between the financial position indicated in (1) those financial statements and the Original Financial Statements, and (2) the relevant ERC and the Initial ERC.

Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

(c) If the Parent notifies the Agent of a change in accordance with paragraph (b)(iii) above, the Parent and the Agent shall enter into negotiations in good faith with a view to agreeing any amendments to this Agreement which are necessary as a result of the change. These amendments will be such as to ensure that the change does not result in any material alteration in the commercial effect of the obligations contained in this Agreement. If any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms (subject to the Agent receiving the prior consent of the Majority Lenders).

(d) At any time whilst:

(i) an Event of Default is continuing; and/or

(ii) the Majority Lenders reasonably suspect:

(A) a potential or actual breach of Clause 26.1 (*Financial condition*);

(B) a potential or actual default under Clause 28.1 (*Non-payment*); and/or

(C) a potential non compliance of financial statements or management accounts with the requirements of the Accounting Principles or the applicable accounting practices and financial reference periods,

the Agent may:

(iii) notify the Parent, stating the questions or issues (and a brief background thereto) which the Agent wishes to discuss with the Auditors (or another firm of accountants auditing the Annual Financial Statements of the relevant company). If the Parent has not responded to such notification in a manner reasonably satisfactory to the Majority Lenders within five (5) Business Days after the receipt of such notification from the Agent, the Parent must ensure that the Auditors (or, as the case may be, the relevant other firm of accountants auditing the Annual Financial Statements of the relevant company) are authorised:

(A) to discuss (and the Parent shall be entitled to participate in any such discussions) the financial position of each member of the Restricted Group with the Agent on request from the Agent (acting on instructions of the Majority Lenders); and

(B) to disclose to the Agent (with a copy to the Parent) for the Finance Parties any information which the Agent may reasonably request; and/or

(iv) to the extent permitted by any obligations or duties of confidentiality or restrictions as to the disclosure of information (in each case whether contractual, by reason of any law or regulation, fiduciary, or otherwise) applying to a member of the Group, require that each member of the Restricted Group permits the Agent and/or the Security Agent access during regular business hours and at times reasonably convenient to the management and on reasonable notice to inspect the premises and assets, and to take copies and extracts from the books, accounts and records, of each member of the Restricted Group and meet and discuss matters with senior management of the Restricted Group (and each Obligor undertakes that it shall permit such access, and the Parent undertakes that it shall ensure that each member of the Restricted Group will permit such access) (together with the rights in paragraph (d)(iii) the "**Access Rights**"),

and, in each case, reasonably incurred fees and expenses shall be for the account of the Parent, save that in the case of the Agent's exercise of its Access Rights solely in reliance on paragraph (d)(ii) above reasonably incurred fees and expenses shall be for the account of the Parent only:

(A) if the event(s) referred to in paragraphs (d)(ii)(A), (d)(ii)(B) or (d)(ii)(C) above and relied upon by Majority Lenders to instruct the Agent to exercise its Access Rights constitute a Default; or

(B) in the case that the event(s) referred to in paragraphs (d)(ii)(A), (d)(ii)(B) or (d)(ii)(C) above and relied upon by Majority Lenders to instruct the Agent to exercise its Access Rights do not constitute a Default, in respect of the Agent's first exercise of its Access Rights solely in reliance on paragraph (d)(ii) above. Any fees or expenses incurred in connection with any subsequent exercise by the Agent of its Access Rights solely in reliance on paragraph (d)(ii) above that is not covered by paragraph (A) above shall be for the account of the Finance Parties.

(v) The Parent and each relevant member of the Restricted Group shall only be required to comply with the requirements of paragraph (d)(iv) above if:

(A) the Agent or the Security Agent (as the case may be) has first communicated its concerns and its request for information or explanation to the Parent;

(B) the Parent and the Agent or Security Agent (as the case may be) have discussed in good faith the issues arising and the Parent has supplied such further information and explanation as it is reasonably able; and

(C) having taken the steps in paragraphs (A) and (B) above, the Agent or Security Agent (as the case may be) acting reasonably is not satisfied with the information and/or explanations provided,

((A), (B) and (C) together being the "**Discussion Process**").

(vi) If the Agent and/or the Security Agent exercises its rights under paragraph (d)(iv) above, it will use all reasonable endeavours to make the scope and nature of the enquiry undertaken no more extensive than is necessary for the purpose of investigating the source and/or consequences of the Default (or events having triggered it) which has triggered the exercise of such rights and to maintain the cost to the Group of that enquiry at a reasonable level, and all information obtained as a result of such access shall be subject to the confidentiality restrictions set out in Clause 43 (*Confidentiality*).

(vii) Notwithstanding paragraphs (v) and (vi) above, each Party agrees that they shall act promptly during the Discussion Process and without prejudice to this paragraph (d), if the Discussion Process has not been completed within ten Business Days of the Agent or Security Agent first communicating its concerns, then the Agent shall be entitled to exercise any of its rights that it has in paragraph (d)(iv) above.

25.4 **Budget**

(a) The Parent shall supply to the Agent in sufficient copies for all the Lenders, as soon as the same becomes available but in any event within 30 days of the start of each of its Financial Years, an annual Budget for that financial year.

(b) The Parent shall ensure that each Budget:

(i) includes a monthly projected consolidated profit and loss, balance sheet and cashflow statement for the Group and projected financial covenant calculations;

(ii) is accompanied by a reasonably detailed commentary from the senior management of the Group explaining the main drivers of the Budget on a revenue, cost and cashflow basis;

(iii) includes a monthly breakdown of projections for each month of that Financial Year including projections of ERC;

(iv) subject to paragraph (b) of Clause 25.3 (*Requirements as to financial statements*), is prepared in accordance with the Accounting Principles and the accounting practices and financial reference periods applied to financial statements under Clause 25.1 (*Financial statements*); and

(v) has been approved by the board of directors of the Parent.

(c) If the Parent materially updates or changes the Budget, it shall promptly following (but in any event not later than ten (10) Business Days of) the

update or change being made deliver to the Agent, in sufficient copies for each of the Lenders, such updated or changed Budget together with a written explanation of the main changes in that Budget.

25.5 **Group companies**

The Compliance Certificate supplied with its Annual Financial Statements shall confirm which members of the Restricted Group are Material Companies and that the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA, as defined in Clause 26 (*Financial Covenants*)), and aggregate gross assets (excluding goodwill) of the Guarantors in each case (calculated on an unconsolidated basis and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group) exceeds 85 per cent. of Consolidated EBITDA (as defined in Clause 26 (*Financial Covenants*)) and aggregate gross assets (excluding goodwill) of the Restricted Group.

25.6 **Presentations**

(a) At least two of the directors of the Parent (one of whom shall be the chief financial officer) will give a presentation to the Finance Parties in every Financial Year (or at the reasonable request of the Agent if an Event of Default has occurred and is continuing) about the on-going business and financial performance of the Restricted Group.

(b) The Parent will invite the Lenders to any public call held for holders of any of the Notes and give the Lenders reasonable notice of such calls, **provided that** no Lender may speak during such calls other than to register its attendance.

25.7 **Year-end**

No member of the Restricted Group shall change its Accounting Reference Date.

25.8 **Unrestricted Subsidiaries**

If any Subsidiaries of the Parent have been designated as Unrestricted Subsidiaries, the information delivered under Clauses 25.1 (*Financial statements*), 25.2 (*Provision and contents of Compliance Certificate*) and 25.4 (*Budget*) will include reasonably detailed information as to the financial condition of the Restricted Group separate from that of the Unrestricted Subsidiaries.

25.9 **Information: miscellaneous**

The Parent shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) at the same time as they are dispatched, copies of all documents required by law to be dispatched by the Parent or any Obligors to its creditors generally (or any class of them);

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or

pending against any member of the Restricted Group, and which, if adversely determined, are reasonably likely to have Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any labour disputes which are current, threatened or pending against any member of the Restricted Group and which, if adversely determined, are reasonably likely to have a Material Adverse Effect;

(d) promptly, details of any material acquisition by, or any disposal, merger or voluntary liquidation or Permitted Reorganisation of any Material Company or any other material change to the structure of the Restricted Group;

(e) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;

(f) promptly upon becoming aware of them, the details of any Environmental Claim which is current, threatened or pending against any member of the Restricted Group, together with copies of all environmental reports and investigations in relation to such Environmental Claim, which has or is reasonably likely to have a Material Adverse Effect;

(g) at the same time as they are dispatched, copies of all documents and other information provided to the holders of the Notes (or the Notes Trustee on their behalf);

(h) to the extent that the aggregate Insurance Proceeds including Excluded Insurance Proceeds (each as defined in Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*) in any Financial Year exceed £5,000,000 (or its equivalent), promptly upon becoming aware of them, details of any such insurance claims in respect of those Insurance Proceeds;

(i) promptly upon becoming aware of them and only to the extent permitted by any obligations or duties of confidentiality or restrictions as to the disclosure of information (in each case whether contractual, by reason of any law or regulation, fiduciary, or otherwise) applying to a member of the Group, details of any regulatory investigations that could reasonably be expected to have a Material Adverse Effect;

(j) promptly upon becoming aware of them, details of the written information provided on an information only basis, pursuant to paragraph (c) of Clause 27.6 (*Acquisitions*) being not materially true, complete and accurate or being materially misleading; and

(k) promptly on request, such further information regarding the financial condition, assets and operations of the Restricted Group and/or any member of the Restricted Group (including any requested amplification or explanation of any item in the financial statements, budgets or other material provided by any Obligor under this Agreement) and any changes to senior management of the Parent as any Finance Party through the Agent may reasonably request.

25.10 **Notification of default**

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon its becoming aware of such Default (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) If the Agent has reasonable grounds for believing that a Default has occurred and is continuing, it may request, and promptly upon such request by the Agent, the Parent shall supply to the Agent, a certificate signed by two of its directors or senior officers on its behalf certifying, to the best of the knowledge and belief of the directors and/or senior officers, that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

25.11 "**Know your customer**" **checks**

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with know your customer or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations, including the USA PATRIOT Act, pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Parent shall, by not less than ten (10) Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Restricted Subsidiaries becomes an Additional Obligor pursuant to Clause 32 (*Changes to the Obligors*).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with know your customer or similar identification procedures in circumstances where the necessary information is not already available to it, the Parent shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations pursuant to the accession of such Restricted Subsidiary to this Agreement as an Additional Obligor.

25.12 **Audit Right**

The Agent, once every six Months (and no less than 6 Months after the previous such appointment), shall have the right to request that any firm that falls within the definition of "Auditors", Grant Thornton, or in each case a firm of similar standing, in each case as is agreed with the Parent (acting reasonably) be appointed to prepare a cash reconciliation of collections against the forecasts in the business and the ERC outputs of the model linked to actual performance and following consultation with the Parent to answer any reasonable queries that the Agent may have in relation to such audit. Subject to agreeing a cap (all parties acting reasonably), the Parent shall pay any reasonable costs of that firm directly incurred in connection with such audit.

26. FINANCIAL COVENANTS

26.1 Financial condition

(a) The Parent shall ensure that on each Quarter Date the LTV Ratio does not exceed 0.75.

(b) The Parent shall ensure that at all times the SSRCF LTV Ratio does not exceed 0.25.

(c) If the Parent does not comply with the financial covenants under paragraphs (a) and (b) above as tested in accordance with Clause 26.3 (*Financial testing*) and such breach has not been cured in accordance with Clause 26.4 (*Equity cure*), the following provisions shall apply:

(i) if such non-compliance has occurred and is continuing at a time when any Utilisation is outstanding under the Facility, such non-compliance shall constitute an Event of Default under Clause 28.2 (*Financial covenants*); and

(ii) if such non-compliance has occurred and is continuing at a time when no Utilisations are outstanding under the Facility, such non-compliance shall not constitute an Event of Default **provided that** the Borrowers shall not be entitled to request any Utilisations under the Facility until the earlier of:

(A) in the case that:

(1) the failure to comply relates to the financial covenant under paragraph (a) above only, the Parent next complies with the financial covenant in paragraph (a) above by reference to the Compliance Certificate delivered in respect of any subsequent Quarter Date;

(2) the failure to comply relates to the financial covenant under paragraph (b) above only, the Parent next complies with the financial covenant in paragraph (b) above by reference to the Monthly Financial Statement delivered in respect of any subsequent Month; or

(3) the failure to comply relates to the financial covenants in paragraphs (a) and (b) above, the Parent next complies with the financial covenant in paragraph (a) above by reference to the Compliance Certificate delivered in respect of any subsequent Quarter Date and the financial covenant in paragraph (b) above by reference to the Monthly Financial Statement delivered in respect of any subsequent Month;

(B) the Parent, within 30 days after the end of one of the two Months immediately following the Quarter Date on which the financial covenants in paragraphs (a) and (b) above was tested in accordance with Clause 26.3 (*Financial testing*) and found to have been breached, delivers to the Agent a revised Compliance Certificate showing the LTV Ratios on the last day of the Month then most recently ended and such revised Compliance Certificate demonstrates that the LTV Ratio does not exceed 0.75 and that the SSRCF LTV Ratio does not exceed 0.25.

(d) Subject to compliance with the conditions set out in paragraph 26.1(c)(ii)(A) or (B) above, the Borrowers shall be entitled to request Utilisations under the Facility subject to the terms and conditions of this Agreement.

26.2 **Financial definitions**

In this Agreement:

"**Additional Shareholder Funding**" means the net cash proceeds received by the Parent directly or indirectly from the Investors after the Closing Date from (i) any subscription in cash for shares of the Parent or capital contribution to the Parent that

does not result in the occurrence of a Change of Control or (ii) any New Shareholder Loan.

"**ERC**" means the aggregate amount of estimated remaining collections projected to be received by the Restricted Group from the Portfolio during the period of 84 Months, as calculated by the ERC Model as at the last day of the Month most recently ended prior to the date of calculation which most accurately reflects the latest performance of the portfolios.

"**ERC Model**" means the models and methodologies that the Parent uses to calculate the value of its loan portfolios and those of its Subsidiaries, consistent with its Original Financial Statements and the Initial ERC.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Restricted Group ending on the Accounting Reference Date in each year.

"**LTV Ratio**" means, in respect of any date of calculation, the aggregate Financial Indebtedness of the Restricted Group less cash and Cash Equivalent Investments held by the Restricted Group as of such date (other than cash or Cash Equivalent Investments in an amount equal to amounts collected by the Restricted Group on behalf of third-party clients and held by the Restricted Group as of such date), divided by ERC.

"**SSRCF LTV Ratio**" means, in respect of any date of calculation, the aggregate drawn amount of the Facility together with any hedging liabilities which under the terms of the Intercreditor Agreement rank *pari passu* with liabilities under the Facility in the application of the proceeds of enforcement of Transaction Security, less cash and Cash Equivalent Investments held by the Restricted Group as of such date (other than cash or Cash Equivalent Investments in an amount equal to amounts collected by the Restricted Group on behalf of third-party clients and held by the Restricted Group as of such date), divided by ERC. In calculating ERC for the purposes of the SSRCF LTV Ratio only, ERC shall not include ERC from members of the Group in respect of which the Lenders do not benefit from a first ranking Security interest over that member of the Group's shares and material assets.

"**Quarter Date**" means each of 31 March, 30 June, 30 September and 31 December.

26.3 **Financial testing**

The financial covenants set out in Clause 26.1 (*Financial condition*) shall be calculated in accordance with the Accounting Principles, wherever appropriate, and tested by reference to each of the financial statements:

(a) in the case of the LTV Ratio, delivered pursuant to paragraphs (a)(i) and (b) of Clause 25.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 25.2 (*Provision and contents of Compliance Certificate*); and

(b) in the case of the SSRCF LTV Ratio, delivered pursuant to paragraph (c) of Clause 25.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 25.2 (*Provision and contents of Compliance Certificate*).

26.4 **Equity cure**

(a) Subject to the terms of this Clause 26.4, if (i) in the case of the LTV Ratio, on the date of the delivery of a Compliance Certificate in accordance with Clause 25.2 (*Provisions and contents of Compliance Certificate*), and (ii) in the case of the SSRCF LTV Ratio on the date of delivery of the Monthly Financial Statements, the Parent is in breach of its obligations under Clause 26.1 (*Financial condition*) for the Quarter Date being reported on in that Compliance Certificate or for the Month on which the Monthly Financial Statements relate to (the "**Breach**"), the Parent shall be entitled to remedy the Breach by giving notice to the Agent (the "**Cure Notice**") and receiving the proceeds of Additional Shareholder Funding no later than 20 Business Days after the due date for delivery to the Agent of such Compliance Certificate or Monthly Financial Statement (the "**Cure Date**") **provided that** the Parent may not apply the proceeds of Additional Shareholder Funding provided pursuant to this Clause 26.4:

(i) more than three times during the life of the Facilities or in respect of any two consecutive Financial Quarters; or

(ii) for other purpose under the Finance Documents or Note Documents other than a cure of a breach of obligations under Clause 26.1 (*Financial condition*).

(b) Immediately following the receipt of the Additional Shareholder Funding in accordance with paragraph (a) above, the financial covenants in Clause 26.1 (*Financial condition*) shall be retested and the result of the retesting shall apply for determining whether there has been a breach of this Agreement.

(c) If the Parent remedies a breach of its obligations under Clause 26.1 (*Financial condition*) in accordance with paragraph (a) before the Cure Date, the relevant Cure Notice shall be accompanied by a revised Compliance Certificate indicating compliance with the financial covenants in Clause 26.1 (*Financial condition*).

(d) If at any time after a Quarter Date or the last day of the relevant Month but prior to the date of delivery of (i) the Compliance Certificate in respect of such Quarter Date (or, if earlier, the date that such Compliance Certificate should have been delivered), or (ii) the Monthly Financial Statement in respect of such Month or, if earlier, the date that such Monthly Financial Statement should have been delivered, the Parent:

(i) determines that it is likely to be in breach of its obligations under Clause 26.1 (*Financial condition*) upon delivery of a Compliance Certificate in respect of such Quarter Date or Monthly Financial Statement in respect of such Month (as applicable);

(ii) receives Additional Shareholder Funding before delivery of that Compliance Certificate or Monthly Financial Statement (as applicable) or, if earlier, the date that such Compliance Certificate or Monthly Financial Statement (as applicable) should have been delivered; and

(iii) designates (by written notice to the Agent) such Additional Shareholder Funding as being provided pursuant to this Clause 26.4,

such Additional Shareholder Funding shall be treated as referred to above in this Clause 26.4 and will be subject to the requirements and restrictions in this Clause 26.4, except that no breach shall occur.

27. GENERAL UNDERTAKINGS

The undertakings in this Clause 27 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

27.1 Restrictive Covenants

Each Obligor shall comply with the covenants set out in Schedule 15 (*Restrictive Covenants*).

27.2 Authorisations

Each Obligor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation (other than as may be no longer required pursuant to a Permitted Reorganisation) required under any applicable law or regulation:

(a) of a Relevant Jurisdiction to enable it to perform its obligations under the Transaction Documents to which it is a party;

(b) of a Relevant Jurisdiction to ensure, subject to the Legal Reservations and the Perfection Requirements, the legality, validity, enforceability or admissibility in evidence of any Transaction Document to which it is a party; and

(c) of a Relevant Jurisdiction or any jurisdiction where it conducts its business to carry on its business except to the extent that failure to obtain or comply with those Authorisations could not reasonably be expected to have a Material Adverse Effect.

27.3 Compliance with laws

(a) Each Obligor shall (and the Parent shall ensure that each member of the Restricted Group will) comply in all respects with all laws and regulations to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

(b) Each Obligor shall (and the Parent shall ensure that each member of the Restricted Group will) not, and shall not permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise

make available, all or any part of the proceeds of the Facility to fund any trade, business or other activities: (i) involving or for the benefit of any Restricted Party, or (ii) in any other manner that could result in any Obligor or its Affiliates, or any Lender being in breach of any Sanctions or becoming a Restricted Party.

27.4 **Taxation**

(a) Each Obligor shall (and the Parent shall ensure that each member of the Restricted Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith by appropriate proceedings;

(ii) adequate reserves established in accordance with the Accounting Principles are being maintained for such Taxes and the costs required to contest them; and

(iii) such payment can be lawfully withheld and failure to pay such Taxes is not reasonably likely to have a Material Adverse Effect.

(b) No Obligor may change its residence for Tax purposes.

27.5 **Change of business**

Other than pursuant to a Permitted Reorganisation, the Parent shall procure that no substantial change is made to the general nature of the business of the Obligors or the Restricted Group taken as a whole from that carried on by the Restricted Group at the date of this Agreement.

27.6 **Acquisitions**

(a) Except as permitted under paragraph (b) below, no Obligor shall (and the Parent shall ensure that no other member of the Restricted Group will) undertake the acquisition of:

(i) a company or any shares or equivalent ownership interest or securities or a business or undertaking (or, in each case, any interest in any of them); or

(ii) Portfolio Accounts.

(b) Paragraph (a) above does not apply to:

(i) an acquisition of a company or any shares or equivalent ownership interest or securities or a business or undertaking (or, in each case, any interest in any of them) which is a Permitted Acquisition or Permitted Joint Venture;

(ii) an acquisition of a Portfolio Account which is a Permitted Acquisition;

(iii) the acquisition or incorporation of a newly formed company;

(iv) an acquisition by a member of the Restricted Group from another member of the Restricted Group **provided that** such acquisition is permitted by the provisions of Schedule 15 (*Restrictive Covenants*);

(v) Permitted Reorganisations; or

(vi) an acquisition of securities that are Cash Equivalent Investments.

(c) In the case of making a Permitted Acquisition that constitutes a "Business Acquisition" as defined in the definition of "Permitted Acquisition", the Parent shall deliver (or shall procure that the relevant member of the Group delivers) to the Agent (on an information only basis and without any liability including without limitation for the content therein) the most recent audited accounts of, and management information with respect to, the acquired business.

27.7 **Joint Ventures**

(a) No Obligor shall (and the Parent shall ensure that no member of the Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in a Joint Venture; or

(ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to a Joint Venture (or agree to do any of the foregoing),

if that Joint Venture is established, or carries on its principal business in a country that is a Sanctioned Country.

27.8 **Intra-Group Transfers**

Notwithstanding any other provision of this Agreement:

(a) no Obligor may transfer, assign or otherwise dispose of any asset to any non-Obligor if, as a result of such transfer, assignment or disposition, the test in paragraph (a)(ii) of Clause 27.19 (*Guarantors*) would not be met if tested on a *pro forma* basis taking into account such transfer, assignment or disposition;

(b) no Obligor may transfer, assign or otherwise dispose of any asset that is subject to the Transaction Security to any other Obligor, where Transaction Security will not upon or immediately following such transfer be in place in respect of such asset following the assignment, transfer or disposition; and

(c) the Parent may not designate any member of the Restricted Group as an Unrestricted Subsidiary if, as a result of such designation, the test in paragraph (a)(ii) of Clause 27.19 (*Guarantors*) would not be met if tested on a *pro forma* basis taking into account such designation.

27.9 **Holding Companies**

No Holdco shall trade, carry on any business, own any assets or incur any liabilities except for:

(a) the holding of shares in Subsidiaries and Joint Ventures not prohibited by this Agreement;

(b) the ownership of intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalent Investments but (subject to the Agreed Security Principles) only if those credit balances, cash and Cash Equivalent Investments are subject to the Transaction Security;

(c) the making of Intra-Group Loans or loans to the extent that (subject to the Agreed Security Principles) such loans are subject to Transaction Security;

(d) Security and guarantees (or similar) permitted under Schedule 15 (*Restrictive covenants*);

(e) the entry into and performance of its obligations (and incurrence of liabilities) under the Transaction Documents and Notes Documents to which it is a party;

(f) the granting of Transaction Security to the Finance Parties in accordance with the terms of the Finance Documents;

(g) the provision of administrative, managerial, financial statement accounting and legal services to other members of the Restricted Group of a type customarily provided by a Holding Company to its Subsidiaries and the ownership of assets necessary to provide such services;

(h) subject to the Intercreditor Agreement, the making of or receipt of any Permitted Payment; and

(i) general corporate administration and compliance activities including without limitation those relating to entering into engagements and other service contracts on behalf of the Group, paying overhead costs and filing fees and other ordinary course expenses (such as audit fees and Taxes), other related activities and periodic reporting requirements.

27.10 **Preservation of assets**

Each Obligor shall (and the Parent shall ensure that each member of the Restricted Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business where failure to do so would reasonably be expected to have a Material Adverse Effect.

27.11 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those

creditors whose claims are mandatorily preferred by laws of general application to companies.

27.12 **Insurance**

(a) Each Obligor shall (and the Parent shall ensure that each member of the Restricted Group will) maintain insurances on and in relation to its material business and assets of an insurable nature against those risks and to the extent as is usual for companies carrying on the same or substantially similar business, where failure to do so would reasonably be expected to have a Material Adverse Effect.

(b) All insurances must be with reputable independent insurance companies or underwriters.

27.13 **Change of Auditors**

No Obligor shall appoint any auditors other than PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte Touche (and their Affiliates) or any other accounting firm that is recognised as one of the leading three domestic firms of auditors in its respective jurisdiction or any amalgamation of the same or their successor or such other accounting firm of international standing as may be agreed between the Agent and the Parent.

27.14 **Pensions**

The Parent shall ensure that all pension schemes operated by or maintained for the benefit of any member of the Restricted Group and/or any of their employees are fully funded to the extent required by their terms and applicable laws where failure to do so would reasonably be expected to have a Material Adverse Effect.

27.15 **Intellectual Property**

Each Obligor shall (and the Parent shall procure that each Restricted Group member will):

(a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Restricted Group member;

(b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;

(c) make registrations and pay all registration fees and Taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Restricted Group to use such property; and

(e) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (a), (b) and (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, is other than in the ordinary course of day to day business and is reasonably likely to have a Material Adverse Effect.

27.16 **Share capital**

No Obligor shall (and the Parent shall ensure no member of the Restricted Group will) issue any shares except:

(a) by the Parent to its direct Holding Company, paid for in full upon issue and which by their terms are not redeemable before the Termination Date and where such issue does not lead to a Change of Control of the Parent;

(b) shares by a member of the Restricted Group to another member of the Restricted Group (other than the Parent (save in the case of Cabot Financial Holdings Group Limited, who may issue to the Parent)) and/or pro-rata to its minority shareholder(s) where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares held by the member of the Restricted Group also become subject to the Transaction Security on the same terms; or

(c) in connection with a Permitted Joint Venture.

27.17 **Amendments**

No Obligor shall (and the Parent shall ensure that no member of the Restricted Group will) amend, vary, novate, supplement, supersede, waive or terminate any term of the Note Documents which brings forward the maturity or any amortisation of the Notes.

27.18 **Treasury Transactions**

No Obligor shall (and the Parent will procure that no members of the Restricted Group will) enter into any Treasury Transaction, other than:

(a) the hedging transactions documented by the Hedging Agreements;

(b) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and

(c) any Treasury Transaction entered into in the ordinary course of business for the hedging of actual or projected real exposures arising in the ordinary course of a member of the Restricted Group's commercial activities and not for speculative purposes, including for the avoidance of doubt, the Existing Cap.

27.19 **Guarantors**

(a) The Parent shall ensure that subject to the Agreed Security Principles and paragraphs (b) and (c) below:

(i) all Material Companies which are members of the Restricted Group, and any member of the Restricted Group that is or becomes a guarantor in respect of the Notes, are Guarantors (in the case of any member of the Restricted Group that is or becomes a guarantor in respect of the Notes, before or simultaneously to becoming a guarantor in respect of the Notes); and

(ii) the aggregate of the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of the Guarantors for each Financial Year and the aggregate gross assets (excluding goodwill) of the Guarantors (in each case calculated on an unconsolidated basis and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group) represents not less than 85 per cent. of Consolidated EBITDA for the corresponding Financial Year and consolidated gross assets (excluding goodwill) of all members of the Restricted Group, respectively, in each case calculated by reference to the most recently delivered set of Annual Financial Statements of the Group delivered under Clause 25.1 (*Financial Statements*) and adjusted to give *pro forma* effect to any acquisitions (including through mergers or consolidations) and dispositions that have taken place prior to the date on which the Financial Year ends.

(b) Each Obligor must use, and must procure that the relevant person uses, all reasonable endeavours lawfully available to avoid any unlawfulness or personal liability. This includes agreeing to a limit on the amount guaranteed. The Agent may (but shall not be obliged to) agree to such a limit if, in its opinion, to do so would avoid the relevant unlawfulness or personal liability.

(c) Subject to the Agreed Security Principles, any member of the Restricted Group that becomes a Material Company and any Material Company acquired in accordance with this Agreement after the Closing Date shall become a Guarantor and grant Security as the Agent may require (acting reasonably) and shall accede to the Intercreditor Agreement as soon as practicable and in any event within 45 days of delivery of any Annual Financial Statements delivered under Clause 25.1 (*Financial Statements*) or within (i) in the case of any Material Company established or incorporated in England and Wales, as soon as is reasonably practicable and in any event, 60 days of its acquisition or (ii) in the case of any other Material Company, as soon as is reasonably practicable and in any event, 90 days of its acquisition, as the case may be.

27.20 **Unrestricted Subsidiaries**

(a) Subject to paragraph (c) of Clause 27.8 (*Intra-Group Transfers*), nothing in this Agreement shall restrict the Parent from designating any of its Subsidiaries as being Unrestricted Subsidiaries **provided that** such Subsidiary

meets the requirements for such designation set out in Schedule 15 (*Restrictive Covenants*).

(b) If a member of the Restricted Group is designated as an Unrestricted Subsidiary, each Obligor will (i) ensure that the Unrestricted Subsidiary does not (and will, for so long as it is an Unrestricted Subsidiary, not) legally or beneficially own shares in any Restricted Subsidiary; and (ii) use its reasonable endeavours to ensure that no member of the Restricted Group has any material liabilities (including pension, environmental and Tax liabilities) to or in respect of the Unrestricted Subsidiary and if any such material liability arises the Parent will promptly notify the Agent and procure that the Unrestricted Subsidiary becomes a Restricted Subsidiary as soon as reasonably practicable and in any event within 20 Business Days of the first date on which the Parent is aware of the material liability.

27.21 **Further assurance**

(a) Each Obligor shall (and the Parent shall procure that each member of the Restricted Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or

(iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.

(b) Each Obligor shall (and the Parent shall procure that each member of the Restricted Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

(c) Paragraphs (a) and (b) above shall be subject to the Agreed Security Principles in relation to any Security granted after the date of this Agreement. Each Obligor must use, and must procure that any other member of the Restricted

Group that is a potential provider of Transaction Security uses, all reasonable endeavours lawfully available to avoid or mitigate the legal constraints on the provision of Security provided for in the Agreed Security Principles.

27.22 **Note Purchase Condition**

(a) For the purposes of this Clause 27.22:

"**Pari Debt Amount**" shall mean the total principal amount of the Notes, Replacement Debt and Term Debt issued by the Restricted Group on (or, in the case of any Notes, Replacement Debt or Term Debt issued by the Restricted Group the proceeds of which were not applied in the prepayment, purchase, defeasement or redemption (or other retirement) of any Notes, Replacement Debt or Term Debt, after) the Closing Date; and

"**Repurchase**" shall mean a prepayment, purchase, defeasement or redemption (or otherwise retirement for value) of any Notes, Replacement Debt or Term Debt **provided that** prepayment, purchase, defeasement or redemption (or other retirement) of any Notes, Replacement Debt or Term Debt made solely with the proceeds of Additional Indebtedness (as defined in the Intercreditor Agreement) permitted to be incurred under the Intercreditor Agreement shall not be a "**Repurchase**".

(b) Members of the Restricted Group may Repurchase any Notes, Replacement Debt or Term Debt:

(i) if the aggregate principal amount of all Notes, Replacement Debt and Term Debt Repurchased since the Closing Date does not exceed 35 per cent. of the Pari Debt Amount;

(ii) to the extent that the aggregate principal amount of all Notes, Replacement Debt and Term Debt Repurchased since the Closing Date exceeds 35 per cent. but is 50 per cent. or less of the Pari Debt Amount, if the Parent ensures that such Repurchase is matched by a simultaneous cancellation of the Commitments so that the Commitments are reduced by the same proportion as that by which the aggregate principal amount of the Notes, Replacement Debt and Term Debt being Repurchased corresponds to the Pari Debt Amount and (to the extent necessary as a result of such cancellation) prepayment of outstanding Utilisations, in the order of application contemplated by Clause 12.4 (*Application of mandatory prepayments*); and

(iii) to the extent that the aggregate principal amount of all Notes, Replacement Debt and Term Debt Repurchased since the Closing Date exceeds 50 per cent. of the Pari Debt Amount, if the Parent ensures that such Repurchase is matched by a simultaneous cancellation of the Commitments so that the Commitments are reduced by the same amount as that by which the Notes, Replacement Debt and Term Debt are being Repurchased and (to the extent necessary as a result of such cancellation) prepayment of outstanding Utilisations, in the order of

application contemplated by Clause 12.4 (*Application of mandatory prepayments*).

(c) No Repurchase may be made:

(i) while an Event of Default is continuing or would result from such Repurchase; or

(ii) if the Restricted Group would not be in compliance with the financial covenants set out in Clause 26.1 (*Financial condition*) on a *pro forma* basis after taking into account such Repurchase and to be certified in a Compliance Certificate delivered prior to the making of the Repurchase (amended to set out calculations in respect of the LTV Ratio and SSRCF Ratio only and as calculated by reference to the last day of the most recently ended calendar Month).

27.23 **ERC Model**

Each Obligor shall ensure that the terms of the ERC Model are not amended, modified or waived, without the prior written consent of the Agent (acting reasonably) other than where (i) such amendments, modifications or waivers relate to reporting format changes for internal management purposes which would not affect the Lenders or (ii) changes are made in accordance with sub-paragraph (b)(iii) of Clause 25.3 (*Requirements as to financial statements*).

27.24 **Bank Accounts**

(a) Each Obligor's bank accounts (and the Parent shall procure that each member of the Restricted Group's bank accounts) save, in each case, for any Excluded Bank Accounts, are held with a Lender, an Affiliate of a Lender or an Acceptable Bank.

(b) Each Obligor (and the Parent shall procure that each member of the Restricted Group) shall keep any monies held on trust for third parties segregated from monies belonging to it in separate bank accounts.

27.25 **Conditions Subsequent**

The Parent shall procure that Macrocom (948) Limited and Apex Collections Limited accede to the Intercreditor Agreement as an Intra-Group Lender as soon as practicable and in any event within 30 days of the date of this Agreement.

28. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 28 is an Event of Default (save for Clause 28.19 (*Acceleration*)).

28.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) in respect of any payments of principal or Interest, its failure to pay is caused by administrative or technical error or a Disruption Event and payment is made within three (3) Business Days of its due date; and

(b) in respect of any other payment (which does not fall within paragraph (b) above), payment is made within five (5) Business Days of its due date.

28.2 **Financial covenants**

The Parent does not comply with the provisions of paragraphs (a) and (b) of Clause 26.1 (*Financial condition*) and the circumstances referred to in paragraph (c)(i) of Clause 26.1 (*Financial condition*) apply, subject to Clause 26.4 (*Equity cure*).

28.3 **Financial statements**

(a) An Obligor does not comply with the provisions of Clauses 25.1 (*Financial statements*), 25.2 (*Provision and contents of Compliance Certificate*) and paragraphs (a) and (b) of Clause 25.3 (*Requirements as to financial statements*).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within five (5) Business Days of the earlier of (i) the Agent giving notice to the Parent or relevant Obligor (as the case may be) and (ii) the Parent or an Obligor (as the case may be) becoming aware of the failure to comply.

28.4 **Other obligations**

(a) An Obligor does not comply with any provision of the Finance Documents to which it is a party (other than those referred to in Clause 28.1 (*Non-payment*), Clause 28.2 (*Financial covenants*) and Clause 28.3 (*Financial statements*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of (i) the Agent giving notice to the Parent or the relevant Obligor, as the case may be, and (ii) the Parent or an Obligor, as the case may, be becoming aware of the failure to comply.

28.5 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents to which it is a party or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document to which it is a party is or proves to have been incorrect or misleading (in the case of any statement or representation which is not subject to a materiality threshold in accordance with its terms, in any material respect) when made or deemed to be made

and, if the circumstances causing such misrepresentation are capable of remedy within such period, such Obligor shall have failed to remedy such circumstances within fifteen (15) Business Days of the earlier of (i) the Agent giving notice to the Parent or the relevant Obligor, as the case may be, and (ii) the Parent or the relevant Obligor, as the case may be, becoming aware of the failure to comply.

28.6 **Cross default**

(a) Any Financial Indebtedness of any member of the Restricted Group is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any member of the Restricted Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any member of the Restricted Group is cancelled or suspended by a creditor of any member of the Restricted Group as a result of an event of default (however described).

(d) Any creditor or note trustee or other representative of any member of the Restricted Group becomes entitled to declare any Financial Indebtedness of any member of the Restricted Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 28.6 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than £5,000,000 (or its equivalent in any other currency or currencies) and excluding in any case any Financial Indebtedness to the extent owed by one member of the Restricted Group to another member of the Restricted Group.

28.7 **Insolvency**

The occurrence of any of the following:

(a) An Obligor or a Material Company is unable or admits inability to pay its debts as they fall due or is deemed (other than as a result of its assets being less that its liabilities) to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (other than in respect of the Finance Documents) with a view to rescheduling any of its indebtedness.

(b) A moratorium is declared in respect of any indebtedness of any Obligor or Material Company.

28.8 **Insolvency proceedings**

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Material Company;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Material Company;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or Material Company or any of its assets;

(iv) enforcement of any Security over any assets of any Obligor or Material Company,

and in particular, as regards the Luxembourg Guarantor, no "*faillite*", "*gestion controlee*", "*suspension des paiements*", "*concordat judiciaire*" or "*liquidation judiciaire*".

(b) Paragraph (a) shall not apply to:

(i) any winding-up petition, case or proceeding which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen (14) days of commencement; or

(ii) any Permitted Reorganisation.

28.9 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor or a Material Company having an aggregate value of £10,000,000 and is not discharged within twenty (20) Business Days.

28.10 **Unlawfulness and invalidity**

(a) It is or becomes unlawful for any person (other than a Finance Party) that is a party to a Finance Document to perform any of its obligations thereunder or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful, ineffective or unenforceable, in each case in a manner which materially adversely affects the interests of the Lenders under the Finance Documents.

(b) Any obligation or obligations of any person (other than a Finance Party) under any Finance Documents are not (subject to the Legal Reservations) or cease to

be legal, valid, binding or enforceable and the cessation materially adversely affects the interests of the Lenders under the Finance Documents.

28.11 **Intercreditor Agreement**

Any member of the Restricted Group or any Structural Creditor (as defined in the Intercreditor Agreement) that is party to the Intercreditor Agreement fails to comply in any material respect with the provisions of, or does not perform its obligations under, the Intercreditor Agreement and if the non-compliance or failure to perform is capable of remedy, it is not remedied within fifteen (15) Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or failure to perform.

28.12 **Change of ownership**

(a) After the Closing Date, an Obligor (other than the Parent) ceases to be a wholly-owned Subsidiary of the Parent other than as a result of a Permitted Reorganisation or transaction permitted under this Agreement; or

(b) An Obligor ceases to own at least the same percentage of shares in a Material Company as on the Closing Date, except as a result of a Permitted Reorganisation or transaction permitted under this Agreement.

28.13 **Audit qualification**

The Auditors of the Restricted Group qualify the audited annual consolidated financial statements of the Parent:

(a) on the grounds that the Auditors are unable to prepare those financial statements on a going concern basis (other than such qualification which arises solely because of a potential breach of the covenant set out it Clause 26.1 (*Financial condition*));

(b) where that qualification is otherwise in terms or as to issues which would be reasonably likely to materially and adversely affect the interests of the Finance Parties taken as a whole under the Finance Documents; or

(c) on the basis of non-disclosure or inaccurate disclosure.

28.14 **Expropriation**

The authority or ability of any member of the Restricted Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Restricted Group or its respective assets which has or is reasonably likely to have a Material Adverse Effect.

28.15 **Repudiation and rescission of agreements**

(a) An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security to which it is a party.

(b) Any Obligor rescinds or purports to rescind or repudiates or purports to repudiate any Note Document in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents taken as a whole.

28.16 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any member of the Restricted Group or its respective assets which has or is reasonably likely to have a Material Adverse Effect.

28.17 **Material adverse change**

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

28.18 **Cessation of business**

An Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

28.19 **Acceleration**

(a) On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Parent:

(i) cancel the Total Commitments and/or Ancillary Commitments at which time they shall immediately be cancelled;

(ii) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;

(iii) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

(iv) declare that cash cover in respect of each Letter of Credit is immediately due and payable at which time it shall become immediately due and payable;

(v) declare that cash cover in respect of each Letter of Credit is payable on demand at which time it shall immediately become due and payable on demand by the Agent on the instructions of the Majority Lenders;

(vi) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable;

(vii) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

(viii) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

(b) Following the occurrence of an Event of Default under Clause 28.1 (*Non-payment*) as a result of non-payment or non cash cover of an amount which has fallen due to be paid to any Lender in accordance with paragraph (e)(ii) of Clause 12.2 (*Exit Discussions*) or paragraph (b)(ii) of Clause 12.1 (*Change in Control*), if the Majority Lenders have not exercised their right of acceleration under paragraph (a) above, the relevant Lender or Lenders who have given a Negative Decision, shall be deemed to constitute the Majority Lenders and shall have the right to direct the Agent to exercise any of the rights listed in sub-paragraphs (i) to (viii) in paragraph (a) above.

29. INVESTMENT GRADE STATUS

29.1 For so long as the Notes (or any Permitted Financial Indebtedness issued by a member of the Restricted Group to refinance or replace the Notes or in exchange for the Notes) have an Investment Grade Status (the "**Suspense Period**"), the following clauses of this Agreement shall not apply:

(a) Clauses 25.6 (*Presentations*) and 25.7 (*Year-end*);

(b) Clauses 27.12 (*Insurance*), 27.14 (*Pensions*), 27.16 (*Share capital*) and 27.18 (*Treasury Transaction*).

29.2 Any obligations arising under the Clauses specified in Clause 29.1 above (including, without limitation, obligations with respect to any Compliance Certificate required to be delivered during or with respect to any period that ends during a Suspense Period insofar as those obligations concern the certification of matters that are no longer applicable as a result of this Clause 29), and, in the case that a Suspense Period ceases to apply, any events or circumstances properly taken at any time during a Suspense Period (and not taken in contemplation of the Suspense Period coming to an end) that would but for this Clause 29 have given rise to a misrepresentation, breach, Default or Event of Default and which would as a result of the Suspense Period ceasing to apply constitute a misrepresentation, breach, Default or Event of Default, shall be deemed not to give rise to a misrepresentation, breach, Default or Event of Default.

30. CHANGES TO THE LENDERS

30.1 Assignments and transfers by the Lenders

Subject to this Clause 29 and to Clause 31 (*Restriction on Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

30.2 Conditions of assignment or transfer

(a) Subject to paragraph (b) below, an Existing Lender must consult with the Parent for five (5) Business Days before it may make an assignment or transfer in accordance with Clause 30.1 (*Assignments and transfers by the Lenders*) unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender;

(ii) to any bank or financial institution on the Approved List; or

(iii) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender; or

(iv) made at a time when an Event of Default is continuing.

(b) Notwithstanding anything else in this Agreement, in no circumstances may an Existing Lender make an assignment or transfer to, or enter into any sub-participation with, a person:

(i) that is incorporated or established, or carries on business, in a jurisdiction that is a Sanctioned Country; or

(ii) is a Competitor,

unless that person is already a Lender, and any assignment or transfer purported to be made other than in compliance with this condition shall be void *ab initio*.

(c) The Approved List may be amended at any time and from time to time with the prior written consent of the Agent (acting on the instruction of the Majority Lenders) and the Parent.

(d) The consent of the Issuing Bank is required for any assignment or transfer by an Existing Lender of any of its rights and/or obligations under the Facility.

(e) An assignment will only be effective on:

(i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;

(ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and

(iii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(f) The amount of the Existing Lender's Commitment assigned or transferred must be a minimum of £1,000,000 and in integral multiples of £1,000,000 unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender;

(ii) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender;

(iii) made at a time when an Event of Default is continuing; or

(iv) of all of the relevant Existing Lender's Commitment (and not part thereof).

(g) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 30.5 (*Procedure for transfer*) is complied with.

(h) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office or nominates a branch or affiliate that is not an Existing Lender to participate in the Facility under Clause 4.5 (*Lending Affiliates*); and

(ii) as a result of circumstances existing at the date the assignment, transfer, change or nomination, an Obligor would be obliged to make a payment to the New Lender, affiliate or Lender acting through its new Facility Office or branch under Clause 19.1 (*Increased costs*) or Clause 18 (*Tax gross up and indemnities*),

then the New Lender, affiliate or Lender acting through its new Facility Office or branch is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer, change or nomination had

not occurred. This paragraph (h) shall not apply, (i) in respect of an assignment or transfer made in the ordinary course of the primary syndication of the facilities or (ii) in relation to Clause 18.2 (*Tax gross-up*), to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii)(B) of Clause 18.2 (*Tax gross-up*) if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender.

(i) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

(j) The Agent, acting solely for this purpose as an agent of the Parent and Borrowers, shall maintain a copy of each Transfer Certificate, Assignment Agreement and Increase Confirmation delivered to it and a register for the recording of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Utilisations owing or attributable to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Obligors, the Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Parent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

30.3 **Assignment or transfer fee**

Unless the Agent otherwise agrees and excluding an assignment or transfer (i) to an Affiliate of a Lender, (ii) to a Related Fund or (iii) made in connection with primary syndication of the Facilities, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of £2,500.

30.4 **Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 29; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

30.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 30.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 30.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Restricted Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arrangers, the Security Agent, the New Lender, the other Lenders, the Issuing Bank and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers, the Security Agent, any Issuing Bank and any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

30.6 **Procedure for assignment**

(a) Subject to the conditions set out in Clause 30.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 30.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 30.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 30.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 30.2 (*Conditions of assignment or transfer*).

30.7 **Copy of Transfer Certificate or Assignment Agreement to Parent**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, Assignment Agreement or Increase Confirmation send to the Parent a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

30.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 2930, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

30.9 **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 30.5 (*Procedure for transfer*) or any assignment pursuant to Clause 30.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(i) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 30.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

30.10 **Sub-participations**

Nothing in this Agreement shall restrict the ability of a Lender to sub-participate any or all of its rights and/or obligations hereunder, **provided that**:

(a) such Lender remains a Lender under this Agreement with all rights and obligations pertaining thereto and remains liable under this Agreement in relation to those obligations sub-participated; and

(b) such Lender either:

(i) retains the unrestricted right to exercise all voting and similar rights in respect of its Commitments (the "**Voting Rights**"), free of any obligation to act on the instructions of any other person; or

(ii) prior to entering into such sub-participation, provides the Obligors' Agent with details of the proposed sub-participation, and unless the sub-participation is:

(A) to another Lender or an Affiliate of a Lender;

(B) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender;

(C) to any bank or financial institution on the Approved List; or

(D) made at a time when an Event of Default is continuing,

obtains the prior written consent of the Parent (such consent not to be unreasonably withheld or delayed, **provided that** the Parent shall be deemed to have given its consent five (5) Business Days after the Parent is given notice of the request unless it is expressly refused by the Parent within that period).

30.11 **Voting**

If a transfer or sub-participation does not comply with the conditions set out in this Clause 30, the New Lender's (or, in the case of a sub-participation, the Existing Lender's) Commitments and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the Facilities or, as applicable, the relevant Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained.

31. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

31.1 Prohibition on Debt Purchase Transactions by the Group

The Parent shall not, and shall procure that no other member of the Group shall, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction.

31.2 Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates

(a) For so long as a Sponsor Affiliate (i) beneficially owns a Commitment or (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:

(i) in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and

(ii) for the purposes of Clause 42.3 (*Exceptions*), such Sponsor Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender (unless in the case of a person not being a Sponsor Affiliate it is a Lender by

virtue otherwise than by beneficially owning the relevant Commitment).

(b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Sponsor Affiliate (a "**Notifiable Debt Purchase Transaction**"), such notification to be substantially in the form set out in Part I of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).

(c) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:

(i) is terminated; or

(ii) ceases to be with a Sponsor Affiliate,

such notification to be substantially in the form set out in Part II of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).

(d) Each Sponsor Affiliate that is a Lender agrees that:

(i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders.

32. CHANGES TO THE OBLIGORS

32.1 Assignment and transfers by Obligors

No Obligor or any other member of the Restricted Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

32.2 Additional Borrowers

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 25.11 ("*Know your customer" checks*) and Clause 32.6 (*Changes to the Obligors – FATCA*), the Parent may request that any of its wholly owned Subsidiaries becomes a Borrower under a Facility. That Subsidiary shall become a Borrower under that Facility if:

(i) it is incorporated in the same jurisdiction as an existing Borrower or if all the Lenders approve the addition of that Subsidiary;

(ii) the Parent and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed;

(iii) the Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;

(iv) the Parent confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(v) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).

32.3 **Resignation of a Borrower**

(a) In this Clause 32.3, Clause 32.5 (*Resignation of a Guarantor*) and Clause 32.8 (*Resignation and release of security on disposal*), "**Third Party Disposal**" means the disposal of an Obligor or a Holding Company of an Obligor to a person which is not a member of the Group where that disposal is permitted by this Agreement or the Intercreditor Agreement (and the Parent has confirmed this is the case).

(b) If a Borrower is the subject of a Third Party Disposal and subject to Clause 32.6 (*Changes to the Obligors – FATCA*), the Parent may request that such Borrower (other than the Parent) ceases to be a Borrower by delivering to the Agent a Resignation Letter.

(c) The Agent shall accept a Resignation Letter and notify the Parent and the other Finance Parties of its acceptance if:

(i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents; and

(iii) where the Borrower is also a Guarantor (unless its resignation has been or is contemporaneously accepted in accordance with Clause 32.5 (*Resignation of a Guarantor*)), its obligations in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect (subject to the Legal Reservations) and the amount guaranteed by it as a Guarantor is not decreased (and the Parent has confirmed this is the case).

(d) Upon notification by the Agent to the Parent of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall

have no further rights or obligations under the Finance Documents as a Borrower except that the resignation shall not take effect (and the Borrower will continue to have rights and obligations under the Finance Documents) until concurrently with the Third Party Disposal taking effect.

(e) The Agent may, at the reasonable cost and expense of the Parent, require a customary legal opinion from counsel to the Agent confirming the matters set out in paragraph (c)(iii) above and the Agent shall be under no obligation to accept a Resignation Letter until it has obtained such opinion in form and substance satisfactory to it.

32.4 **Additional Guarantors**

(a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 25.11 ("*Know your customer" checks*) and 32.6 (*Changes to the Obligors – FATCA*), the Parent may request that any of its Subsidiaries become a Guarantor.

(b) A member of the Group shall become an Additional Guarantor if:

(i) the Parent and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Deed; and

(ii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(c) The Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).

32.5 **Resignation of a Guarantor**

(a) Subject to 32.6 (*Changes to the Obligors – FATCA*), the Parent may request that a Guarantor (other than the Parent) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:

(i) that Guarantor is being disposed of by way of a Third Party Disposal (as defined in Clause 32.3 (*Resignation of a Borrower*)) or as a result of the disposal of Charged Property that is otherwise permitted by this Agreement or the Intercreditor Agreement or is designated as an Unrestricted Subsidiary to the extent permitted by this Agreement and the Parent has confirmed this is the case; or

(ii) subject to clause 27.2(b) (*Amendments and Waivers: Transaction Security Documents*) of the Intercreditor Agreement, the Super Majority Lenders, have consented to the resignation of that Guarantor.

(b) The Agent shall accept a Resignation Letter and notify the Parent and the Lenders of its acceptance if:

(i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter and the test in paragraph (a)(ii) of Clause 27.19 (*Guarantors*) will be met following acceptance of the Resignation Letter;

(ii) no payment is due from the Guarantor under Clause 23.1 (*Guarantee and indemnity*); and

(iii) where the Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 32.3 (*Resignation of a Borrower*).

(c) The resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal or disposal of Charged Property, or until the confirmation of the Parent referred to in paragraph (b)(i) above is received or the consent referred to in paragraph (a)(ii) above is granted (as applicable), at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

32.6 **Changes to the Obligors – FATCA**

(a) If the Agent or a Lender reasonably believes that the accession of a Subsidiary as an Additional Borrower or an Additional Guarantor, or a Subsidiary ceasing to be a Borrower or Guarantor (a "**Change to the Obligors**") may constitute a "material modification" for the purposes of FATCA that may result (directly or indirectly) in a Party being required to make a FATCA Deduction and the Agent or that Lender (as the case may be) notifies the Parent and the Agent accordingly, that Change to the Obligors may, subject to paragraphs (ii) below, not be effected without the consent of the Agent and all the Lenders.

(b) If the Agent or any Lender does not consent to the relevant Change to the Obligors because it reasonably believes that the Change to Obligors may constitute a "material modification" for the purposes of FATCA, the Change to the Obligors may only occur if the Parent either:

(i) cancels and repays any non-consenting Lender pursuant to Clause 11.5 (*Right of cancellation and repayment in relation to a single Lender or Issuing Bank*), **provided that** if such Change to the Obligors is to be made more than six months before the relevant FATCA Application Date then any such cancellation and repayment shall only be made during the period beginning six months before and ending one month before the relevant FATCA Application Date, and **provided further that** if the Parent has exercised its right under this Clause 32.6(b)(i) to cancel and repay a Lender but has not done so by the date which is one month prior to the relevant FATCA Application Date then the Parent will be deemed to have agreed to pay increased amounts under (ii) below; or

(ii) if a FATCA Deduction is required to be made by an Obligor and/or by a Finance Party from a payment and notwithstanding the terms of Clause 18.2 (*Tax gross up*), procures that the amount of the payment due from that Obligor shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required and/or pays to the relevant Finance Party (within three Business Days of demand by the Agent) an amount equal to the loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered by that Finance Party as a result of another Finance Party making a FATCA Deduction.

32.7 **Repetition of Representations**

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (e) of Clause 24.30 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

32.8 **Resignation and release of security on disposal**

If a Borrower or Guarantor (or Holding Company of a Borrower or Guarantor) is or is proposed to be the subject of a Third Party Disposal, or there is a disposal of Charged Property that is otherwise permitted under Schedule 15 (*Restrictive Covenants*) or the Intercreditor Agreement then:

(a) where that Borrower or Guarantor created Transaction Security over any of its assets or business (or Transaction Security otherwise exists over the Charged Property to be disposed of) in favour of the Security Agent or, as applicable, the Finance Parties, or Transaction Security in favour of the Security Agent or, as applicable, the Finance Parties was created over the shares (or equivalent) of that Borrower or Guarantor, the Security Agent or, as applicable, the Finance Parties shall, at the cost and request of the Parent, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation;

(b) the resignation of that Borrower or Guarantor and related release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that disposal; and

(c) if the disposal of that Borrower or Guarantor or Holding Company of that Borrower or Guarantor is not made, the Resignation Letter of that Borrower or Guarantor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Borrower or Guarantor and the Transaction Security created or intended to be created by or over that Borrower or Guarantor shall continue in such force and effect as if that release had not been effected.

33. ROLE OF THE AGENT, THE ARRANGER, THE ISSUING BANK AND OTHERS

33.1 Appointment of the Agent

(a) Each of the Arranger, the Lenders and the Issuing Bank appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arranger, the Lenders and the Issuing Bank authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

33.2 Duties of the Agent

(a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(b) Without prejudice to Clause 30.7 (*Copy of Transfer Certificate or Assignment Agreement to Parent*) and paragraph (e) of Clause 7.4 (*Cash Collateral by Non-Acceptable L/C Lender*), paragraph (a) above shall not apply to any Transfer Certificate or any Assignment Agreement or any Increase Confirmation.

(c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Arrangers or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.

(f) The Agent shall provide to the Parent within 15 Business Days of a request by the Parent (but no more frequently than once per calendar Month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

(g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

33.3 **Role of the Arranger**

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

33.4 **No fiduciary duties**

(a) Nothing in this Agreement constitutes the Agent, the Arranger and/or the Issuing Bank as a trustee or fiduciary of any other person.

(b) None of the Agent, the Security Agent, the Arranger, any Issuing Bank or any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

33.5 **Business with the Group**

The Agent, the Security Agent, the Arranger, each Issuing Bank and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

33.6 **Rights and discretions**

(a) The Agent and any Issuing Bank may rely on:

(i) any representation, notice or document (including, without limitation, any notice given by a Lender pursuant to paragraph (b) or paragraph (c) of Clause 31.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*)) believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 28.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised;

(iii) any notice or request made by the Parent (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors; and

(iv) no Notifiable Debt Purchase Transaction:

(A) has been entered into;

(B) has been terminated; or

(C) has ceased to be with a Sponsor Affiliate.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Parent and shall disclose the same upon the written request of the Parent or the Majority Lenders.

(g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Arrangers or any Issuing Bank are obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(h) The Agent is not obliged to disclose to any Finance Party any details of the rate notified to the Agent by any Lender for the purpose of paragraph (a)(ii) of Clause 16.2 (*Market disruption*).

33.7 **Majority Lenders' instructions**

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders (or, if appropriate, the Lenders), the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

33.8 **Responsibility for documentation**

None of the Agent, the Arranger, any Issuing Bank or any Ancillary Lender:

(a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Issuing Bank, an Ancillary Lender, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents;

(b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or

(c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

33.9 **Exclusion of liability**

(a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (e) of Clause 36.11 (*Disruption to Payment Systems etc.*)), none of the Agent, any Issuing Bank, or any Ancillary Lender will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Agent, any Issuing Bank or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, any Issuing Bank or any Ancillary Lender, in respect of any claim it might have against the Agent, any Issuing Bank or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent, any Issuing Bank or any Ancillary Lender may rely on this Clause 33.9 (*Exclusion of liability*)

subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

33.10 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 36.11 (*Disruption to Payment Systems etc.*)) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

33.11 **Resignation of the Agent**

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Parent.

(b) Alternatively the Agent may resign by giving 30 days notice to the Lenders and the Parent, in which case the Majority Lenders (after consultation with the Parent) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Parent) may appoint a successor Agent (acting through an office in the United Kingdom).

(d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent)

agree with the proposed successor Agent amendments to this Clause 33 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with the then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 33. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 18.8 (*FATCA Information*) and the Parent or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 18.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Parent and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Parent or a Lender believes that a Party may be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Parent, by notice to the Agent, requires it to resign.

33.12 **Replacement of the Agent**

(a) After consultation with the Parent, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the

Agent by appointing a successor Agent (acting through an office in the United Kingdom).

(b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 33 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

33.13 **Resignation of the Issuing Bank**

(a) The Issuing Bank may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Parent.

(b) Alternatively the Issuing Bank may resign by giving 30 days notice to the Lenders and the Parent, in which case the Majority Lenders (after consultation with the Parent) may appoint a successor Issuing Bank. Any successor Issuing Bank must have an office in the United Kingdom. The Issuing Bank's resignation notice shall take effect immediately upon the earlier of (i) the expiry of such 30 day notice period and (ii) the date on which the successor Issuing Bank notifies all the Parties that it accepts its appointment, unless a successor Issuing Bank has not been appointed in which case such notice shall be ineffective until a successor Issuing Bank has been appointed.

(c) If the Majority Lenders have not appointed a successor Issuing Bank in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Issuing Bank (after consultation with the Parent) may (but shall have no obligation to) appoint a successor Issuing Bank (acting through an office in the United Kingdom).

(d) On giving notification that it accepts its appointment as Issuing Bank the successor Issuing Bank will succeed to the position of the Issuing Bank and the then Issuing Bank will mean the successor Issuing Bank.

(e) The retiring Issuing Bank shall at its own cost (a) make available to any successor Issuing Bank such documents and records and provide such assistance as the successor Issuing Bank may reasonably request for the purposes of performing its functions as Issuing Bank under the Finance Documents and (b) enter into and deliver to the successor Issuing Bank those

documents and effect any registrations as may be required for the transfer or assignment of its rights and benefits under the Finance Documents to the successor Issuing Bank.

(f) Upon the resignation of the Issuing Bank having become effective in accordance with paragraph (b) above, the retiring Issuing Bank shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 33. The retiring Issuing Bank must, whether before or after its resignation becomes effective, pay any claims made or purported to be made under any Letters of Credit issued by it before the date on which its resignation becomes effective.

(g) Any successor Issuing Bank and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor Issuing Bank had been an original Party.

33.14 **Confidentiality**

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arrangers are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

33.15 **Relationship with the Lenders**

(a) Subject to Clause 30.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (*Mandatory Cost Formula*).

(c) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 38.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 38.2 (*Addresses*) and paragraph (a)(iii) of Clause 38.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

33.16 **Credit appraisal by the Lenders, Issuing Bank and Ancillary Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender, Issuing Bank and Ancillary Lender confirms to the Agent, each Arranger, each Issuing Bank and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

33.17 **Base Reference Banks**

If a Base Reference Bank (or, if a Base Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Parent) appoint another Lender or an Affiliate of a Lender to replace that Base Reference Bank.

33.18 **Agent's management time**

(a) Any amount payable to the Agent under Clause 20.3 (*Indemnity to the Agent*), Clause 22 (*Costs and expenses*) and Clause 33.10 (*Lender's indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify in advance to the Parent and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 17 (*Fees*).

(b) Any cost of utilising the Agent's management time or other resources shall include, without limitation, any such costs in connection with Clause 31.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*).

33.19 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

33.20 **Reliance and engagement letters**

Each Finance Party and Secured Party confirms that each of the Arrangers and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arrangers or Agent) the terms of any reliance letter or engagement letters provided in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of such reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

34. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

35. SHARING AMONG THE LENDERS

35.1 Payments to Lenders

(a) Subject to paragraph (b) below, if a Lender (a "**Recovering Lender**") receives or recovers any amount from an Obligor other than in accordance with Clause 36 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

(i) the Recovering Lender shall, within three (3) Business Days, notify details of the receipt or recovery, to the Agent;

(ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Lender would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 36 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(iii) the Recovering Lender shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Lender as its share of any payment to be made, in accordance with Clause 36.6 (*Partial payments*).

(b) Paragraph (a) above shall not apply to any amount received or recovered by an Issuing Bank or an Ancillary Lender in respect of any cash cover provided for the benefit of that Issuing Bank or that Ancillary Lender.

35.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Lenders (other than the Recovering Lender) (the "**Sharing Lenders**") in accordance with Clause 36.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Lenders.

35.3 Recovering Lender's rights

On a distribution by the Agent under Clause 35.2 (*Redistribution of payments*) of a payment received by a Recovering Lender from an Obligor, as between the relevant Obligor and the Recovering Lender, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

35.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Lender becomes repayable and is repaid by that Recovering Lender, then:

(a) each Sharing Lender shall, upon request of the Agent, pay to the Agent for the account of that Recovering Lender an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Lender for its proportion of any interest on the Sharing Payment which that Recovering Lender is required to pay) (the "**Redistributed Amount**"); and

(b) as between the relevant Obligor and each relevant Sharing Lender, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

35.5 **Exceptions**

(a) This Clause 35 shall not apply to the extent that the Recovering Lender would not, after making any payment pursuant to this Clause 35, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Lender is not obliged to share with any other Lender any amount which the Recovering Lender has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Lenders of the legal or arbitration proceedings; and

(ii) the other Lenders had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

35.6 **Ancillary Lenders**

(a) This Clause 35 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to service of notice under Clause 28.19 (*Acceleration*).

(b) Following service of notice under Clause 28.19 (*Acceleration*), this Clause 35 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction from the Designated Gross Amount for an Ancillary Facility to its Designated Net Amount.

36. PAYMENT MECHANICS

36.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for

value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to Euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

36.2 **Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 36.3 (*Distributions to an Obligor*) and Clause 36.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to Euro, in the principal financial centre of a Participating Member State or London).

36.3 **Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 37 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

36.4 **Clawback**

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

36.5 **Impaired Agent**

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 36.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the

Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 36.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 33.12 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this Clause 36.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 35.2 (*Redistribution of payments*).

36.6 **Partial payments**

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) first, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent, the Issuing Bank and the Security Agent under those Finance Documents;

(ii) secondly, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;

(iii) thirdly, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents and any amount due but unpaid under Clause 7.2 (*Claims under a Letter of Credit*) and Clause 7.3 (*Indemnities*); and

(iv) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

36.7 **Set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

36.8 **Business Days**

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar Month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

36.9 **Currency of account**

(a) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(b) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(c) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

36.10 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Parent); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Parent) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

36.11 **Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Parent that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Parent, consult with the Parent with a view to agreeing with the Parent such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Parent in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Parent shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 42 (*Amendments and Waivers*);

(e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 36.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

37. **SET-OFF**

(a) A Finance Party may set-off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

(b) Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

38. NOTICES

38.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

38.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Parent, that identified with its name below;

(b) in the case of each Lender, each Issuing Bank, each Ancillary Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent or the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

38.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 38.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Parent in accordance with this Clause 38.3 will be deemed to have been made or delivered to each of the Obligors.

38.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 38.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

38.5 **Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

38.6 **Electronic communication**

(a) Any communication to be made between the Agent or the Security Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the Security Agent and the relevant Lender:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender or the Security Agent will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.

38.7 **Use of websites**

(a) The Parent may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Parent and the Agent (the "**Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Parent and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Parent and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Parent accordingly and the Parent shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Parent shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Parent and the Agent.

(c) The Parent shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Parent becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Parent notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Parent under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Parent shall at its own cost comply with any such request within ten (10) Business Days.

38.8 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

39. CALCULATIONS AND CERTIFICATES

39.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

39.2 Certificates and determinations

(a) Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

(b) Where any person gives a certificate on behalf of any parties to the Finance Documents pursuant to any provision thereof and such certificate proves to be incorrect, the individual shall incur no personal liability in consequence of such certificate being incorrect save where such individual acted fraudulently or recklessly in giving such certificate (in which case any liability of such individual shall be determined in accordance with applicable law).

39.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

40. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

41. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and

remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

42. AMENDMENTS AND WAIVERS

42.1 Intercreditor Agreement

Subject to Clause 1.4 (*Intercreditor Agreement*) this Clause 42 is subject to the terms of the Intercreditor Agreement.

42.2 Required consents

(a) Subject to Clause 42.3 (*Exceptions*) and Clause 42.2(d), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Parent and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 42.

(c) Each Obligor agrees to any such amendment or waiver permitted by this Clause 42 which is agreed to by the Parent. This includes any amendment or waiver which would, but for this paragraph (c), require the consent of all of the Guarantors.

(d) The Agent shall notify the Lenders reasonably promptly of any amendments or waivers proposed by the Parent.

42.3 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definitions of "Majority Lenders", "Super Majority Lenders" or "Change of Control" in Clause 1.1 (*Definitions*);

(ii) an extension to the date of payment of any amount under the Finance Documents (other than an extension which results from an amendment or waiver in respect of Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*));

(iii) an extension of the Availability Period;

(iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable (save as provided by the operation of the Margin adjustment described in the definition of "Margin" and other than a reduction in the amount of any payment or cancellation which results from an amendment or waiver in respect of Clause 12.3 (*Disposal Proceeds and Insurance Proceeds*));

(v) a change in currency of payment of any amount under the Finance Documents;

(vi) an increase in or an extension of any Commitment or the Total Commitments;

(vii) a change to the Borrowers or Guarantors other than in accordance with Clause 32 (*Changes to the Obligors*);

(viii) any provision which expressly requires the consent of all the Lenders;

(ix) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 27.22 (*Note Purchase Condition*), Clause 30 (*Changes to the Lenders*) or this Clause 42;

(x) Clause 12.1 (*Exit*) and Clause 12.2 (*Exit Discussions*); and

(xi) subject to the terms of the Intercreditor Agreement, any amendment to the order of priority or subordination under the Intercreditor Agreement, or the manner in which the proceeds of enforcement of the Transaction Security are distributed,

shall not be made without the prior consent of all the Lenders, unless it is the result of:

(A) a Structural Change, in which case the provisions of paragraph (c) below shall apply; or

(B) an increase to the Facility pursuant to Clause 2.2 (*Increase*) or Clause 2.3 (*Accordion Increase in Commitments*), in which case no consent of any Lender (other than each Increase Lender and each Additional Commitment Lender as applicable) shall be required for such increase.

(b) For the purposes of this Clause 42.3, "**Structural Change**" means an amendment, waiver or variation of the terms of the Finance Documents that results in:

(i) the introduction of any additional tranche or facility under the Finance Documents that ranks junior to the Facility (and, for the avoidance of doubt, excluding any tranche or facility ranking *pari passu* with or in priority to claims under the Finance Documents); or

(ii) any increase in or addition of any commitment, any extension of a commitment's maturity or availability, the re-denomination of a commitment into another currency and any extension of the date for or redenomination of, or a reduction of, any amount owing under the Finance Documents (other than by way of a waiver of a mandatory prepayment); or

(iii) changes to any Finance Documents that are consequential on, incidental to or required to implement or reflect any of the foregoing,

provided that an increase to the Facility pursuant to Clause 2.2 (*Increase*) or Clause 2.3 (*Accordion Increase in Commitments*) shall not be a "**Structural Change**".

(c) A Structural Change may be approved with the consent of the Super Majority Lenders and of each Lender that is participating in that additional tranche or facility or increasing, extending or re-denominating its commitments or, as applicable, extending or redenominating or reducing any amount due to it.

(d) An amendment or waiver that has the effect of changing or which relates to a change to Clause 26 (*Financial Covenants*) shall not be made without the prior consent of the Majority Lenders and of each Original Hold Lender, where "**Original Hold Lender**" means each Original Lender whose Commitments (together with the Commitments of its Affiliates) as at the date that the request for such amendment or waiver is made are at least equal to the amount set out opposite its name under heading "Commitment" in Part II-A of Schedule 1 (*The Original Parties*) less the amount of any reduction in its Commitment since the date of this Agreement as result of any voluntary cancellation pursuant to Clause 11.3 (*Voluntary cancellation*).

(e)

(i) If the Agent or a Lender reasonably believes that an amendment or waiver or the implementation of the accordion facility or a Structural Change (an "**Amendment**") may constitute a "material modification" for the purposes of FATCA that may result (directly or indirectly) in a Party being required to make a FATCA Deduction and the Agent or that Lender (as the case may be) notifies the Parent and the Agent accordingly, that Amendment may, subject to paragraphs (ii) below, not be effected without the consent of the Agent and all the Lenders.

(ii) If the Agent or any Lender does not consent to the relevant Amendment because it reasonably believes that the Amendment may constitute a "material modification" for the purposes of FATCA, the Parent may only make such Amendment if the Parent either:

(A) cancels and repays any non-consenting Lender pursuant to Clause 11.5 (*Right of cancellation and repayment in relation to a single Lender or Issuing Bank*), **provided that** if such Amendment is to be made more than six months before the relevant FATCA Application Date then any such cancellation and repayment shall only be made during the period beginning six months before and ending one month before the relevant FATCA Application Date, and **provided further that** if the Parent has exercised its right under this Clause 42.3(e)(ii)(A) to cancel and repay a Lender but has not done so by the date which is one month prior to the relevant FATCA Application Date then the Parent will be deemed to have agreed to pay increased amounts under (B) below; or

(B) if a FATCA Deduction is required to be made by an Obligor and/or by a Finance Party from a payment and notwithstanding the terms of Clause 18.2 (*Tax gross up*), procures that the amount of the payment due from that Obligor shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been

due if no FATCA Deduction had been required and/or pays to the relevant Finance Party (within three Business Days of demand by the Agent) an amount equal to the loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered by that Finance Party as a result of another Finance Party making a FATCA Deduction.

(f) Notwithstanding Clause 1.4 (*Intercreditor Agreement*), the release of all or substantially all the Transaction Security (unless such release is provided for under clause 14 of the Intercreditor Agreement) requires the consent of all the Lenders **provided that** the release of all or substantially all the Transaction Security (i) required to effect a Permitted Reorganisation, or (ii) upon final repayment and cancellation of the Facility, shall be promptly granted by the Security Agent and no Lender consents will be required.

(g) Notwithstanding Clause 1.4 (*Intercreditor Agreement*), subject to paragraph (f) above the release of any Transaction Security over any asset under any Transaction Security Document or the amendment to any Transaction Security Document requires the prior consent of the Super Majority Lenders **provided that** the release of any Transaction Security or amendment to any Transaction Security Document (i) required to effect a Permitted Reorganisation, or (ii) in respect of a disposal permitted by the provisions of this Agreement, shall be promptly granted by the Security Agent and no Super Majority Lender consents will be required.

(h) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger, any Issuing Bank, the Security Agent or any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger, that Issuing Bank, the Security Agent or, as the case may be, that Ancillary Lender.

(i) If any Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any of the terms of any Finance Document within 15 Business Days (unless the Parent and the Agent agree to a longer time period in relation to any request) of that request being made, its Commitment and/or participation shall not be included for the purpose of calculating the Total Commitments or participations under the relevant Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

42.4 **Replacement of Lender**

(a) If at any time:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or

(ii) an Obligor becomes obliged to repay any amount in accordance with Clause 11.1 (*Illegality*) or to pay additional amounts pursuant to Clause 19.1 (*Increased Costs*), Clause 18.2 (*Tax gross up*), Clause 18.3

(*Tax indemnity*) or paragraph 3 of Schedule 4 (*Mandatory cost formula*) to any Lender in excess of amounts payable to the other Lenders generally,

then the Parent may, on five (5) Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 30 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Parent (excluding a member of the Group and if such entity is a Sponsor Affiliate, **provided that** such transfer shall be in accordance with Clause 31 (*Restriction on Debt Purchase Transactions*)), and which is acceptable to the Issuing Bank, which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 42.4 shall be subject to the following conditions:

(i) the Parent shall have no right to replace the Agent or Security Agent in their capacity as Agent or Security Agent;

(ii) neither the Agent nor the Lender shall have any obligation to the Parent to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 45 days after the date the Non-Consenting Lender notifies the Parent and the Agent of its failure or refusal to give a consent in relation to, or agree to any waiver or amendment to the Finance Documents requested by the Parent; and

(iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents.

(c) In the event that:

(i) the Parent or the Agent (at the request of the Parent) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of more than the Majority Lenders; and

(iii) the Majority Lenders have consented or agreed to such waiver or amendment,

then any Lender who does not consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

42.5 **Disenfranchisement of Defaulting Lenders**

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.

(b) For the purposes of this Clause 42.5, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

42.6 **Replacement of a Defaulting Lender**

(a) The Parent may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five (5) Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 30 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement; or

(ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 30 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitment of the Lender;

to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Parent, and which is acceptable to the Issuing Bank, which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 42.6 shall be subject to the following conditions:

(i) the Parent shall have no right to replace the Agent or Security Agent in their capacity as Agent or Security Agent;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Parent to find a Replacement Lender;

(iii) the transfer must take place no later than 45 days after the notice referred to in paragraph (a) above; and

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

43. CONFIDENTIALITY

43.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 43.2 (*Disclosure of Confidential Information*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

43.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and it agrees to be bound by the same confidentiality restrictions as the Finance Party who is disclosing the information and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or

any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 33.15 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required by law to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) who is a Party; or

(viii) with the consent of the Parent;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such

Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Parent and the relevant Finance Party;

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

(e) the size and term of the Facility and the name of the Obligors to any investor or a potential investor in a securitisation (or similar transaction of broadly equivalent economic effect) of that Finance Parties' rights or obligations under the Finance Documents.

43.3 **Disclosure to numbering service providers**

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) the names of the Agent and the Arranger;

(vi) date of each amendment and restatement of this Agreement;

(vii) amount of Total Commitments;

(viii) currencies of the Facilities;

(ix) type of Facilities;

(x) ranking of Facilities;

(xi) Termination Date for Facilities;

(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and

(xiii) such other information agreed between such Finance Party and the Parent,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) Each Obligor represents that none of the information set out in paragraphs (i) to (xiii) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall promptly notify the Parent and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

43.4 **Entire agreement**

This Clause 43 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

43.5 **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

43.6 **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Parent:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 43.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 43 (*Confidentiality*).

43.7 **Continuing obligations**

The obligations in this Clause 43 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve Months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

44. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

45. GOVERNING LAW

(a) Subject to paragraph (b) below, this Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed and enforced in accordance with, English law.

(b) Notwithstanding paragraph (a) above, Schedule 15 (*Restrictive Covenants*) shall be interpreted in accordance with New York law.

46. ENFORCEMENT

46.1 **Jurisdiction of English courts**

(a) Subject to paragraph (b) below, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**"). In this regard, the Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(b) Notwithstanding paragraph (a) above, this Clause 46.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

46.2 **Service of process**

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Cabot Financial (Europe) Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and Cabot Financial (Europe) Limited by its execution of this Agreement, accepts that appointment); and

(ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Parent (on behalf of all the Obligors) must immediately (and in any event within ten (10) Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

(c) Each Obligor expressly agrees and consents to the provisions of this Clause 46 and Clause 45 (*Governing law*).

47. WAIVER OF JURY TRIAL

Each Party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, any other Finance Document or the transactions contemplated thereby (whether based on contract, tort or any other theory). Each Party (a) certifies that no representative, agent or attorney or any other party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other Parties have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Clause 47.

48. PATRIOT ACT

Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies each Obligor that, pursuant to the requirements of the USA PATRIOT Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA PATRIOT Act.

49. **POWERS OF ATTORNEY**

If any of the parties to this Agreement is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by English law, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws shall govern the existence and extent of such attorney's authority and the effects of the exercise thereof.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

PART I
THE ORIGINAL OBLIGORS

The Original Borrowers

Name of Original Borrower	Registration number (or equivalent, if any) Jurisdiction of Incorporation
Cabot Financial (UK) Limited	3757424, England & Wales

The Original Guarantors

Name of Original Guarantor	Registration number (or equivalent, if any) Jurisdiction of Incorporation
Cabot Financial (Luxembourg) S.A.	B-171245 Luxembourg
Cabot Financial Limited	5714535, England & Wales
Cabot Financial Holdings Group Limited	4934534, England & Wales
Cabot Credit Management Group Limited	4071551, England & Wales
Cabot Financial Debt Recovery Services Limited	3936134, England & Wales
Cabot Financial (UK) Limited	3757424, England & Wales
Cabot Financial (Europe) Limited	3439445, England & Wales
Financial Investigations and Recoveries (Europe) Limited	3958421, England & Wales
Apex Credit Management Limited	3967099, England & Wales

PART II
THE LENDERS

PART II-A
THE ORIGINAL LENDERS

Name of Original Lender	Commitment	Status (Non-Acceptable L/C Lender: Yes/No)	HMRC DT Treaty Passport scheme reference number and jurisdiction of tax residence (if applicable)
Citibank, N.A., London Branch	5,000,000		
JPMorgan Chase Bank, N.A., London Branch	5,000,000		
Lloyds TSB Bank plc	20,000,000		
The Royal Bank of Scotland plc	20,000,000		
Total	**£50,000,000**		

PART II-B
THE EFFECTIVE DATE LENDERS

Name of Effective Date Lender	Commitment	Status (Non-Acceptable L/C Lender: Yes/No)	HMRC DT Treaty Passport scheme reference number and jurisdiction of tax residence (if applicable)
DNB Bank ASA, London Branch	£20,000,000		
JPMorgan Chase Bank, N.A., London Branch	£ 5,000,000		
Lloyds TSB Bank plc	£35,000,000		
The Royal Bank of Scotland plc	£25,000,000		
Total	**£85,000,000**		

SCHEDULE 2
CONDITIONS PRECEDENT

PART I
CONDITIONS PRECEDENT TO INITIAL UTILISATION

1. **Obligors**

(a) A copy of the constitutional documents of each Original Obligor (other than the Luxembourg Guarantor) and CCML.

(b) If applicable, a copy of a resolution of the board or, if applicable, a committee of the board of directors of each Original Obligor (other than the Luxembourg Guarantor) and CCML:

(i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing the committee referred to in paragraph (b) above.

(d) A copy of a specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.

(e) A copy of a resolution signed by all of the holders of the issued shares in each Original Guarantor and, in respect of CCML, a copy of a resolution signed by the majority holders of its issued shares, approving the terms of, and the transactions contemplated by, the Finance Documents to which such Original Guarantor and CCML, respectively, is a party.

(f) Evidence that the articles of association of each member of the Restricted Group which is subject to the Transaction Security do not contain any transfer or equivalent restrictions.

(g) A certificate of the Parent (signed by a director or authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor (other than the Luxembourg Guarantor) to be exceeded;

(h) A certificate of an authorised signatory of the Parent or other relevant Original Obligor (other than the Luxembourg Guarantor) and CCML certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement; and

(i) A certificate of CCML (signed by a director or authorised signatory) confirming that the guaranteeing or securing, as appropriate, of the Total Commitments would not cause any guarantee, security or similar limit binding on it to be exceeded.

2. **Finance Documents**

(a) This Agreement executed by the members of the Group party to this Agreement.

(b) The Intercreditor Agreement executed by the members of the Group party to that Agreement and the Note Trustee.

(c) The Fee Letters, executed by the members of the Group party to them.

(d) A copy of the Note Documents.

(e) A copy of the Offering Memorandum.

(f) At least two originals of each of the Transaction Security Documents listed in Part III (*Transaction Security Documents*) of Schedule 2 (*Conditions Precedent*).

(g) Unless a grace period for supply of notices is contained in the relevant Transaction Security Document, a copy of all notices required to be sent under the Transaction Security Documents on or before the Closing Date executed by the relevant Obligors or CCML (as applicable) and, in the case of any notice to be sent to another member of the Restricted Group, duly acknowledged.

(h) Save as otherwise expressly provided in the relevant Transaction Security Document, all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Obligor or CCML (as applicable) in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title required to be provided under the Transaction Security Documents on or before the Closing Date.

3. **Luxembourg documents**

(a) A copy of the articles of association (*statuts*) of the Luxembourg Guarantor.

(b) A copy of the resolutions of the board of directors of the Luxembourg Guarantor approving the entry into the Finance Documents to which it is a party.

(c) An excerpt (*extrait*) from the Luxembourg Register of Commerce and Companies with respect to the Luxembourg Guarantor.

(d) A certificate of non-registration of judicial decisions (*certificat de non-inscription de décision judiciaire*) from the Luxembourg Register of Commerce and Companies with respect to the Luxembourg Guarantor.

(e) A copy of the shareholders' register of the Luxembourg Guarantor evidencing (i) the ownership of its entire share capital by Cabot Financial Holdings Group Limited and (ii) the registration of the pledge granted pursuant to the Luxembourg Share Pledge Agreement.

(f) a certificate signed by a director of the Luxembourg Guarantor:

(i) certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement;

(ii) confirming that guaranteeing or securing, as appropriate, the Total Commitments would not cause any guarantee, security or similar limit binding on the Luxembourg Guarantor to be exceeded;

(iii) certifying the specimen of signature of each person authorised under the resolutions referred to above to execute the Finance Documents to which the Luxembourg Guarantor is a party on its behalf; and

(iv) certifying that the Luxembourg Guarantor is not subject to bankruptcy (*faillite*), controlled management (*gestion contrôlée*), suspension of payments (*sursis de paiement*), arrangement with creditors (*concordat préventif de faillite*) and judicial liquidation (*liquidation judiciaire*) proceedings and, to the best of its knowledge, no petition for the opening of such proceedings has been presented.

4. **Legal opinion**

The following legal opinions, each addressed to the Agent, the Security Agent and the Original Lenders and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facilities:

(a) Clifford Chance LLP, legal advisers to the Agent and the Arranger as to enforceability of the English law Finance Documents and the capacity of the Obligors under English law;

(b) Arendt & Merdernach, legal advisers to the Original Obligors as to the capacity and due execution of the Luxembourg Guarantor under Luxembourg law; and

(c) Clifford Chance LLP, legal advisers to the Agent and the Arranger as to the enforceability of the Luxembourg law Finance Documents,

in each case substantially in the form distributed to the Original Lenders prior to signing this Agreement.

5. **Other Documents and Evidence**

(a) The Funds Flow Statement.

(b) The Group Structure Chart.

(c) The Approved List.

(d) A copy of the Original Financial Statements of each Obligor.

(e) The Budget.

(f) The Initial ERC.

(g) The ERC Model Output.

(h) Confirmation by the Agent that the fees, costs and expenses then due from the Parent pursuant to Clause 17 (Fees), Clause 18.6 (*Stamp taxes*) and Clause 22 (*Costs and expenses*) have been paid or evidence that the foregoing fees, costs and expenses will be paid on or by the Closing Date.

(i) A certificate of an authorised signatory of the Parent that (i) Notes in an aggregate principal amount of £265,000,000 have been issued and subscribed to (and, if applicable, released from any escrow) and (ii) all conditions precedent to the issuance and purchase of the Notes has been (or will be on the Closing Date) satisfied or waived in full.

(j) A certificate of the Parent signed by an authorised signatory addressed to the Agent confirming which companies within the Group are Material Companies and that the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) and aggregate gross assets (excluding goodwill) of the Original Guarantors (in each case calculated on an unconsolidated basis and excluding all intra-Restricted Group items and investments in Restricted Subsidiaries of any member of the Restricted Group) exceeds 85 per cent. of the Consolidated EBITDA and consolidated gross assets (excluding goodwill) of the Restricted Group.

(k) Evidence that all outstanding amounts under the Existing Facilities has been or will be repaid in full on the Closing Date.

(l) Deeds of release in respect of any Transaction Security granted in relation to the Existing Facilities Agreement.

(m) Any information and evidence reasonably requested by any Finance Party in order to comply with applicable law in respect of anti-money laundering requirements and "know your customer" requirements.

PART II
CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. A copy of the Accession Deed executed by the Additional Obligor and the Parent.

2. A copy of the constitutional documents of the Additional Obligor.

3. If applicable, a copy of a resolution of the board or, if applicable, a committee of the board of directors of the Additional Obligor:

   (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;

   (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;

   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

   (d) authorising the Parent to act as its agent in connection with the Finance Documents.

4. If applicable, a copy of a resolution of the board of directors of the Additional Obligor, establishing the committee referred to in paragraph 3 above.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

6. If required by local law, a copy of a resolution signed by all the holders of the issued shares of the Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

7. If applicable, a certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.

8. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.

9. A copy of any other authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration or other document, opinion or assurance which the Agent (acting reasonably) considers to be necessary or desirable in connection with

the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

10. If available, a copy of the latest audited financial statements of the Additional Obligor.

11. The following legal opinions, each addressed to the Agent, the Security Agent and the Lenders:

    (a) A legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Lenders prior to signing the Accession Deed.

    (b) If the Additional Obligor is incorporated in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to (x) the Agent and/or (y) if customary in the relevant jurisdiction, the Group, in the jurisdiction of its incorporation or, as the case may be, the jurisdiction of the governing law of that Finance Document (the "**Applicable Jurisdiction**") as to the law of the Applicable Jurisdiction and in the form distributed to the Lenders prior to signing the Accession Deed.

12. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 46.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

13. Any security documents which, subject to the Agreed Security Principles, are required by the Agent to be executed by the proposed Additional Obligor.

14. Any notices or documents required to be given or executed under the terms of those security documents.

PART III
TRANSACTION SECURITY DOCUMENTS

1. English law composite debenture granted by each Original Obligor in favour of the Security Agent.
2. Luxembourg law share pledge granted by Cabot Financial Holdings Group Limited in favour of the Security Agent.
3. Luxembourg law bank account pledge granted by the Luxembourg Guarantor in favour of the Security Agent.

SCHEDULE 3
REQUESTS AND NOTICES

PART I
UTILISATION REQUEST

Loans

From: [Borrower] [Parent]*

To: [Agent]

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

   (a) Borrower: [•]

   (b) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)

   (c) Amount: £[•] or, if less, the Available Facility

   (d) Currency: [•]

   (e) Purpose: [•]

   (f) Interest Period: [•]

3. Current Ancillary Facilities are as follows:

Ancillary Facility Type	Lender	Commitment Amount	Drawn Amount of Commitment/ Participations

4. [*If the Utilisation relates to an Additional Commitment, specify total amount of the Additional Commitments and the amount that it has utilised up to and including the date of this Utilisation Request.*]

5. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

6. [The proceeds of this Loan should be credited to [account]].

7. We confirm that the proceeds of this loan shall not be used to repurchase any Notes.

8. This Utilisation Request is irrevocable.

Yours faithfully

_____

authorised signatory for
[the Parent on behalf of [insert name of relevant Borrower]]/ [insert name of Borrower]*

NOTES:

* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Parent.

PART II
UTILISATION REQUEST

Letters of Credit

From: [Borrower] [Parent]*

To: [Agent]

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to arrange for a Letter of Credit to be issued by the Issuing Bank specified below (which has agreed to do so) on the following terms:

   (a) Borrower: [•]

   (b) Issuing Bank: [•]

   (c) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)

   (d) Amount: £[•] or, if less, the Available Facility

   (e) Currency: [•]

   (f) Purpose: [•]

   (g) Term: [•]

3. Current Letters of Credit are as follows (including under this Utilisation Request):

Ancillary Facility Type	Lender	Commitment Amount	Drawn Amount of Commitment/ Participations

4. We confirm that each condition specified in paragraph (b) (or, to the extent applicable, paragraph (c)), of Clause 6.5 (*Issue of Letters of Credit*) is satisfied on the date of this Utilisation Request.

5. We attach a copy of the proposed Letter of Credit.

6. The purpose of this proposed Letter of Credit is [•].

7. This Utilisation Request is irrevocable.

Yours faithfully,

_____

authorised signatory for
[the Parent on behalf of] [insert name of relevant Borrower]]/[insert name of Relevant Borrower]*

NOTES:

* **AMEND AS APPROPRIATE. THE UTILISATION REQUEST CAN BE GIVEN BY THE BORROWER OR BY THE PARENT.**

SCHEDULE 4
MANDATORY COST FORMULA

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

   (a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)}$$ per cent. per annum

   (b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300}$$ per cent. per annum.

   Where:

   A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

   B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 14.3 (*Default interest*)) payable for the relevant Interest Period on the Loan.

   C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Base Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Fees Rules**" means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Base Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Base Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Base Reference Bank as being the average of the Fee Tariffs applicable to that Base Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Base Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

9. Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

10. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Base Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

11. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Base Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

12. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Base Reference Bank pursuant to paragraphs 3, 7 and 8 above.

13. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

14. The Agent may from time to time, after consultation with the Parent and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [•] as Agent and [•] as Security Agent

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated:

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 30.5 (*Procedure for transfer*) of the Facility Agreement:

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 30.5 (*Procedure for transfer).*

   (b) The proposed Transfer Date is [•].

   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 30.4 (*Limitation of responsibility of Existing Lenders*).

4. The New Lender confirms that it [is]/[is not]* a Sponsor Affiliate.

5. The New Lender confirms that it [is]/[is not]** incorporated or established, and does not carry on business, in a jurisdiction that is a Sanctioned Country.

6. The New Lender confirms that it [is]/[is not]*** a Competitor.

7. [The New Lender confirms (for the benefit of the Agent without liability to any Obligor) that it is:

   (a) [a Qualifying Lender (other than a Treaty Lender);]

(b) [a Treaty Lender;]

(c) [not a Qualifying Lender].

8. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.]

9. [The New Lender confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [•]) and is tax resident in [•], so that interest payable to it by UK borrowers is generally subject to full exemption from UK withholding tax and requests that the Parent notify:

(a) each Borrower which is a Party as a Borrower as at the Transfer Date; and

(b) each Additional Borrower which becomes an Additional Borrower after the Transfer Date,

that it wishes that scheme to apply to this Agreement.]

10. We refer to clause 19.5 (*Change of Senior Creditor*) of the Intercreditor Agreement, and in consideration of the New Lender being accepted as a Senior Creditor for the purposes of the Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

11. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

12. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

13. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

* Delete as applicable
** Delete as applicable
*** Delete as applicable

THE SCHEDULE
Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facility Agreement by the Agent, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

[Agent]

By:

[Security Agent]

By:

SCHEDULE 6
FORM OF ASSIGNMENT AGREEMENT

To: [•] as Agent, [•] as Security Agent, [•] as Parent, for and on behalf of each Obligor

From: [the Existing Lender] (the "**Existing Lender**") and [the New Lender] (the "**New Lender**")

Dated:

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 30.6 (*Procedure for assignment*) of the Facility Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitments and participations in Utilisations under the Facility Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Utilisations under the Facility Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [•].

4. On the Transfer Date the New Lender becomes:

   (a) Party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) Party to the Intercreditor Agreement as a Senior Creditor.

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

6. The New Lender confirms that it [is]/[is not]* a Sponsor Affiliate.

7. The New Lender confirms that it [is]/[is not]** incorporated or established, and does not carry on business, in a jurisdiction that is a Sanctioned Country.

8. The New Lender confirms that it [is]/[is not]*** a Competitor.

9. The New Lender confirms (for the benefit of the Agent and without liability to any Obligor) that it is:

   (a) [a Qualifying Lender (other than a Treaty Lender);]

   (b) [a Treaty Lender;]

   (c) [not a Qualifying Lender]

10. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

   (a) a company resident in the United Kingdom for United Kingdom tax purposes;

   (b) a partnership each member of which is:

      (i) a company so resident in the United Kingdom; or

      (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

   (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.]

11. The New Lender confirms that it that holds a passport under the HMRC DT Treaty Passport scheme (reference number [•]) and is tax resident in [•], so that interest payable to it by UK borrowers is generally subject to full exemption from UK withholding tax and requests that the Parent notify:

   (a) each Borrower which is a Party as a Borrower as at the Transfer Date; and

   (b) each Additional Borrower which becomes an Additional Borrower after the Transfer Date,

   that it wishes that scheme to apply to this Agreement.

12. We refer to clause 19.5 (*Change of Senior Creditor*) of the Intercreditor Agreement. In consideration of the New Lender being accepted as a Senior Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be

party to the Intercreditor Agreement as a Senior Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

13. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 30.7 (*Copy of Transfer Certificate or Assignment Agreement to Parent*), to the Parent (on behalf of each Obligor) of the assignment referred to in this Agreement.

14. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

15. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

16. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

* Delete as applicable
** Delete as applicable
*** Delete as applicable

THE SCHEDULE
Commitment/rights and obligations to be transferred by assignment, release and accession

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Existing Lender] [New Lender]

By: By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facility Agreement by the Agent, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

[Security Agent]

By:

SCHEDULE 7
FORM OF ACCESSION DEED

To: [•] as Agent and [•] as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [Subsidiary] and [Parent]

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement. This deed (the "**Accession Deed**") shall take effect as an Accession Deed for the purposes of the Facility Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in paragraphs 1-3 of this Accession Deed unless given a different meaning in this Accession Deed.

2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Facility Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional [Borrower]/[Guarantor] pursuant to Clause [32.2 (*Additional Borrowers*)]/[Clause 32.4 (*Additional Guarantors*)] of the Facility Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction] and is a limited [partnership][liability company] [and registered number [•]].

3. [Subsidiary's] administrative details for the purposes of the Facility Agreement and the Intercreditor Agreement are as follows:

   Address: [•]

   Fax No.: [•]

   Attention: [•]

   IT IS AGREED as follows:

   (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Deed, bear the same meaning when used in this paragraph (a).

   (b) The Acceding Debtor and the Security Agent agree that the Security Agent shall hold:

      (i) the Transaction Security;

      (ii) all proceeds of the Transaction Security; and

(iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor in favour of the Security Agent as trustee for the Secured Parties,

on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

(c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

(d) [In consideration of the Acceding Debtor being accepted as an Intra Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].

4. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS ACCESSION DEED has been signed on behalf of the Security Agent (for the purposes of paragraph 4 above only), signed on behalf of the Parent and executed as a deed by [Subsidiary] and is delivered on the date stated above.

[**Subsidiary**]

[EXECUTED AS A DEED)
By: [Subsidiary])

_____ Director

_____ Director/Secretary

OR

[EXECUTED AS A DEED
By: [Subsidiary]

_____ Signature of Director

_____ Name of Director

in the presence of

_____ Signature of witness

_____ Name of witness

_____ Address of witness

_____

_____

_____

_____ Occupation of witness]

The Parent

_____ [Parent]
By:

The Security Agent
[*Full Name of Current Security Agent*]
By:
Date:

SCHEDULE 8
FORM OF RESIGNATION LETTER

To: [•] as Agent

From: [resigning Obligor] and [Parent]

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Resignation Letter. Terms defined in the Facility Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to [Clause 32.3 (*Resignation of a Borrower*)]/[Clause 32.5 (*Resignation of a Guarantor*)], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Facility Agreement and the Finance Documents (other than the Intercreditor Agreement).

3. We confirm that:

   (a) no Default is continuing or would result from the acceptance of this request; and

   (b) *[[this request is given in relation to a Third Party Disposal of [resigning Obligor];

   (c) [•]

4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[Parent]	[resigning Obligor]
By:	By:

NOTES

* Insert where resignation only permitted in case of a Third Party Disposal.

SCHEDULE 9
FORM OF COMPLIANCE CERTIFICATE

To: [•] as Agent

From: [Parent]

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a [revised]* Compliance Certificate [given under Clause 26.4 (*Equity cure*)* of the Facility Agreement]. Terms defined in the Facility Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that:

   [We confirm that the LTV Ratio is [•] and that, therefore, the Margin should be [•] per cent. per annum.]

   [We confirm that the SSRCF LTV Ratio is [•]]

   [As at [•] ERC is [•]]

3. [We confirm that no Default is continuing.]**

4. [We confirm that the following companies constitute Material Companies for the purposes of the Facility Agreement: [•].]

   [We confirm that the aggregate of the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) and aggregate gross assets (excluding goodwill) of the Guarantors (calculated on an unconsolidated basis and excluding all intra-Restricted Group items and investments in Subsidiaries of any member of the Restricted Group) exceeds 85 per cent. of the Consolidated EBITDA and consolidated gross assets (excluding goodwill) of the Restricted Group.]

Signed

Director
Of
[Parent]

Director
Of
[Parent]

[insert applicable certification language]

for and on behalf of

[name of Auditors of the Parent]***

NOTES:

* Include this wording where the Parent has made an election under Clause 26.4 (*Equity cure*) in the 20 Business Day period after delivery of the original Compliance Certificate and is now delivering a revised Compliance Certificate or is providing the certificate pursuant to paragraph (b)(ii)(B) of Clause 26.1 (*Financial condition*).

** If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

*** Only applicable if the Compliance Certificate accompanies the audited financial statements and is to be signed by the Auditors.

SCHEDULE 10
LMA FORM OF CONFIDENTIALITY UNDERTAKING

To: [•]

From: [•]

Dated: [•]

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement
originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

Dear Sirs

We understand that you are considering participating in the Facilities. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

(A) **CONFIDENTIALITY**

1. **CONFIDENTIALITY UNDERTAKING**

You undertake:

1.1 to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by paragraph (A) 2 below and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

1.2 to keep confidential and not disclose to anyone except as provided for by paragraph (A)2 below the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facilities; and

1.3 to use the Confidential Information only for the Permitted Purpose.

2. **PERMITTED DISCLOSURE**

We agree that you may disclose such Confidential Information and such of those matters referred to in paragraph (A)1.2 above as you shall consider appropriate:

2.1 to members of the Participant Group and their officers, directors, employees, professional advisers, reinsurers and auditors if any person to whom the Confidential Information is to be given pursuant to this paragraph (A)2.1 is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

2.2 to any person to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation; and

2.3 with the prior written consent of us and the Company.

3. **NOTIFICATION OF DISCLOSURE**

You agree (to the extent permitted by law and regulation) to inform us:

3.1 of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (A)2.3 above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

3.2 upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. **RETURN OF COPIES**

If you do not participate in the Facilities and we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase (to the extent technically practicable) all copies of Confidential Information made by you and use your reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph (A)2.2 above.

5. **CONTINUING OBLIGATIONS**

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in Part (A) of this letter shall cease on the earlier of (a) the date on which you become a party to the Facility Agreement or (b) [twelve] Months after the date of this letter.

6. **NO REPRESENTATION; CONSEQUENCES OF BREACH, ETC**

You acknowledge and agree that:

6.1 neither we nor any of our officers, employees or advisers (each a "Relevant Person") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information

supplied by us or any member of the Group or be otherwise liable to you or any other person in respect of the Confidential Information or any such information; and

6.2 we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person or member of the Group may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. **ENTIRE AGREEMENT; NO WAIVER; AMENDMENTS, ETC**

7.1 This letter constitutes the entire agreement between us in relation to your obligations regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

7.2 No failure or delay in exercising any right or remedy under this letter will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any further exercise thereof or the exercise of any other right or remedy under this letter.

7.3 The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. **INSIDE INFORMATION**

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and you undertake not to use any Confidential Information for any unlawful purpose.

9. **NATURE OF UNDERTAKINGS**

The undertakings given by you under Part (A) of this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group. The Parent (as defined in the Facility Agreement) may rely on this letter as if it were a party to it.

(B) **MISCELLANEOUS**

1. **THIRD PARTY RIGHTS**

1.1 Subject to this paragraph (B)1 and to paragraphs (A)6 and (A)9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this letter.

1.2 The Relevant Persons and each member of the Group may enjoy the benefit of the terms of paragraphs (A)6 and (A)9 subject to and in accordance with this paragraph (B)1 and the provisions of the Third Parties Act.

1.3 Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

2. **GOVERNING LAW AND JURISDICTION**

2.1 This letter and the agreement constituted by your acknowledgement of its terms (the "**Letter**") and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.

2.2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

3. **DEFINITIONS**

In this letter (including the acknowledgement set out below):

"**Arranger Group**" means us, each of our holding companies and subsidiaries and each subsidiary of each of our holding companies (as each such term is defined in the Companies Act 2006) and each of our or their directors, officers and employees (including any sales and trading teams) **provided that** when used in this letter in respect of an Arranger it applies severally only in respect of that Arranger, each of that Arranger's holding companies and subsidiaries, each subsidiary of each of its holding companies and each director, officer and employee (including any sales and trading teams) of that Arranger or any of the foregoing and not, for the avoidance of doubt, those of another Arranger.

"**Confidential Information**" means all information relating to the Parent, any Obligor, the Group, the Finance Documents and/or the Facilities which is provided to you in relation to the Finance Documents or Facilities by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by you of this letter; or

(b) is identified in writing at the time of delivery as non-confidential by us or our advisers; or

(c) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, from a source which is, as far as you are aware, unconnected with the Group and which, in either case, as far as you are aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"**Facilities**" means the facilities under the Facility Agreement.

"**Finance Documents**" means the documents defined in the Facility Agreement as Finance Documents.

"**Group**" means the Parent and its subsidiaries for the time being (as such term is defined in the Companies Act 2006).

"**Obligor**" means a borrower or a guarantor under the Facility Agreement.

"**Participant Group**" means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 2006).

"**Permitted Purpose**" means considering and evaluating whether to enter into the Facilities.

"**Syndication**" means the primary syndication of the Facilities.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

_____

For and on behalf of
[Arranger]

To: [Arranger]

The Parent and each other member of the Group

We acknowledge and agree to the above:

_____

For and on behalf of
[Potential Lender]

SCHEDULE 11
TIMETABLES

PART I
LOANS

	Loans in sterling	Loans in euros	Loans in other currencies
Agent notifies the Parent if a currency is approved as an Optional Currency in accordance with Clause 4.3 (*Conditions relation to Optional Currencies*)			U-4
Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*))	U-1 9.30 a.m.	U-3 9.30am	U-3 9.30am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under Clause 5.4 (*Lenders' participation*) and notifies the Lenders of the Loan in accordance with Clause 5.4 (*Lenders' participation*)	U-1 Noon	U-3 Noon	U-3 Noon
Agent receives a notification from a Lender under Clause 8.2 (*Unavailability of a currency*)		Quotation Day as of 9:30 a.m.	Quotation Day as of 9:30 a.m.
Agent gives notice in accordance with Clause 8.2 (*Unavailability of a currency*)		Quotation Day as of 5:30 p.m.	Quotation Day as of 5:30 p.m.
LIBOR or EURIBOR is fixed	Quotation Day as of 11:00 a.m.	Quotation Day as of 11:00 a.m. in respect of LIBOR and as of 11.00 a.m. (Brussels time) in respect of EURIBOR	Quotation Day as of 11:00 a.m.

"U" = date of utilisation.

"U - X" = X Business Days prior to date of utilisation

PART II
LETTERS OF CREDIT

	Letters of Credit
Delivery of a duly completed Utilisation Request (Clause 6.2 (*Delivery of a Utilisation Request for Letters of Credit*))	U-4 9:30 a.m.
Agent notifies the relevant Issuing Bank and Lenders of the Letter of Credit in accordance with paragraph (d) of Clause 6.5 (*Issue of Letters of Credit*).	U-1 10.30 a.m.
Delivery of duly completed Renewal Request (Clause 6.6 (*Renewal of a Letter of Credit*))	U-4 9:30 a.m.

"U" = date of utilisation[, or, if applicable, in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 (*Renewal of a Letter of Credit*), the first day of the proposed term of the renewed Letter of Credit]

"U-X" = Business Days prior to date of utilisation

SCHEDULE 12
LETTER OF CREDIT REQUIREMENTS

Stand-by Letters of Credit:	Stand-by Letters of Credit shall be issued subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.
Amount:	The proposed wording for the Letter of Credit shall only provide for the payment of the face amount but not additional interest or costs.
Reference to Underlying transaction:	The terms of an Letter of Credit must contain a narrative reference to what has been reported to the Agent about the underlying transaction but must not contain any confirmation with regard to facts of the underlying contract.
Purpose clause:	The terms of an Letter of Credit must contain a purpose clause to cover the relevant Borrower's or Borrower's affiliate's obligations arising from the underlying transaction.
Payment obligation:	The payment obligation of the Issuing Bank must be worded as an irrevocable obligation to pay a specific aggregate maximum amount of money and not for specific performance of the underlying contract.
No conflict or inconsistency with applicable law and/or rules:	Any terms of an Letter of Credit must not conflict or provide for inconsistency with applicable laws, regulations, rules, directions and ruling as well as all relevant decisions and rulings of any competent courts and any other competent authorities.
Excluded rules:	In no event, the Uniform Rules for Contract Guarantees of the International Chamber of Commerce in Paris, Publication No. 325 shall be applicable.
Expiry:	Each Letter of Credit must contain a provision stating when the obligation of the Issuing Bank under the Letter of Credit shall terminate (e.g. specific expiration date, return of Letter of Credit deed, release letter), which shall not be linked to events in the underlying contract and not be subject to interpretation.
Maturity / Demand:	Except if subject to ICC Rules the payment obligation of the Issuing Bank shall be determinable by reliance on the terms of the Letter of Credit and, as the case may be, any other document simultaneously to be presented together with a demand. The payment obligation shall be conditional upon presentation of a demand for payment with or, as the case may be, without simultaneous presentation of other documents.

The terms of the Letter of Credit shall provide that receipt of a formally valid demand for payment has to be made to the Issuing Bank by the expiry date at the latest and confirm that thereafter no further demand shall be honoured and the Letter of Credit must be returned to the Issuing Bank.

Miscellaneous: The terms of the Letter of Credit shall not provide for:

inter-dependence between Issuing Bank's payment obligation and events in the underlying contract to be checked but out of Issuing Bank's control;

- any other terms and conditions that expose the Issuing Bank to risks unusual to Letter of Credit undertakings;
- an arbitration clause in respect of the payment obligation of the Issuing Bank; or
- reduction provisions other than by a specific amount on a specified date.

SCHEDULE 13
FORM OF LETTER OF CREDIT

To: [Beneficiary] (the "**Beneficiary**")

Date: [•]

Irrevocable Standby Letter of Credit no. [•]

At the request of [•], [Issuing Bank] (the "**Issuing Bank**") issues this irrevocable standby Letter of Credit ("**Letter of Credit**") in your favour on the following terms and conditions:

1. **Definitions**

In this Letter of Credit:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in [London].*

"**Demand**" means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

"**Expiry Date**" means [•].

"**Total L/C Amount**" means [•].

2. **Issuing Bank's agreement**

(a) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the Issuing Bank a duly completed Demand. A Demand must be received by the Issuing Bank by no later than [•] p.m. ([London] time) on the Expiry Date.

(b) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [ten (10)] Business Days of receipt by it of a Demand, it must pay to the Beneficiary the amount demanded in that Demand.

(c) The Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

3. **Expiry**

(a) The Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the Issuing Bank as the date upon which the obligations of the Issuing Bank under this Letter of Credit are released.

(b) Unless previously released under paragraph (a) above, on [•] p.m.([London] time) on the Expiry Date the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank

except for any Demand validly presented under the Letter of Credit that remains unpaid.

(c) When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the Issuing Bank.

4. **Payments**

All payments under this Letter of Credit shall be made in [•] and for value on the due date to the account of the Beneficiary specified in the Demand.

5. **Delivery of Demand**

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, fax or telex and must be received in legible form by the Issuing Bank at its address and by the particular department or office (if any) as follows:

[•]

6. **Assignment**

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

7. **ISP**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

8. **Governing Law**

This Letter of Credit and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit (including a dispute relating to any non-contractual obligation arising out of or in connection with this Letter of Credit).

Yours faithfully

[Issuing Bank]
By:

NOTES:

*** THIS MAY NEED TO BE AMENDED DEPENDING ON THE CURRENCY OF PAYMENT UNDER THE LETTER OF CREDIT.**

SCHEDULE
FORM OF DEMAND

To: [ISSUING BANK]

[Date]

Dears Sirs

Standby Letter of Credit no. [•] issued in favour of [BENEFICIARY] (the "**Letter of Credit**")

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [•] is due [and has remained unpaid for at least [•] Business Days] [under [set out underlying contract or agreement and does not exceed the Total L/C Amount]]. We therefore demand payment of the sum of [•].

2. Payment should be made to the following account:

   Name: [•]

   Account Number: [•]

   Bank: [•]

3. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory) (Authorised Signatory)

For

[BENEFICIARY]

SCHEDULE 14
FORMS OF NOTIFIABLE DEBT PURCHASE TRANSACTION NOTICE

PART I
FORM OF NOTICE OF ENTERING INTO NOTIFIABLE DEBT PURCHASE TRANSACTION

To: [•] as Agent

From: [The Lender]

Dated:

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to paragraph (b) of Clause 31.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. We have entered into a Notifiable Debt Purchase Transaction.

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)**
[•]	[•]

[Lender]

By:

PART II
FORM OF NOTICE ON TERMINATION OF NOTIFIABLE DEBT PURCHASE TRANSACTION

To: [•] as Agent

From: [The Lender]

Dated: [•]

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to paragraph (c) of Clause 31.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.

2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [•] has [terminated]/[ceased to be with a Sponsor Affiliate].*

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment	**Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)**
[•]	[•]

[Lender]

By:

SCHEDULE 15
RESTRICTIVE COVENANTS

PART I
COVENANTS

1. Limitation on Indebtedness.

1.1 The Parent shall not, and shall not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that the Parent or a Guarantor may Incur Indebtedness if on the date of such Incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Parent and its Restricted Subsidiaries is greater than 2.75 to 1.0.

1.2 Section 1.1 shall not prohibit the Incurrence of the following Indebtedness:

(a) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of (x) £60.0 million and (y) 10.0% of ERC, plus (ii) in the case of any refinancing of any Indebtedness permitted under this paragraph (a) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b)

(A) Guarantees by the Parent or any Restricted Subsidiary of Indebtedness of the Parent or any Restricted Subsidiary in each case so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of this Agreement; provided, that if the Indebtedness being guaranteed is subordinated to the Facility, then the guarantee must be subordinated to the Facility to the same extent as the Indebtedness guaranteed; or

(B) without limiting Section 3 (*Limitation on Liens*), Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Parent or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Agreement;

(c) Indebtedness of the Parent owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Parent or any Restricted Subsidiary; provided, however, that:

(i) if any Guarantor is the obligor on any such Indebtedness and the obligee is not a Guarantor, it is either a Working Capital Intercompany Loan or unsecured and expressly subordinated in right of payment to prior payment in full of the Utilisations; and

(ii) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Parent or a Restricted Subsidiary, and any sale or other transfer of any such Indebtedness to a Person other than the Parent or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this paragraph (c) by the Parent or such Restricted Subsidiary, as the case may be;

(d) Indebtedness represented by (i) the Notes (other than any Additional Notes (as defined in the Note Indenture)); (ii) any Indebtedness (other than Indebtedness described in paragraphs (a), (c) or (g)) outstanding on the Issue Date; (iii) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this paragraph (d) or paragraph (e) or Incurred pursuant to Section 1.1; (iv) Management Advances and (v) the Proceeds Loan;

(e) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent or any Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilised to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Parent or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition) provided, however, with respect to this paragraph (e), that at the time of such acquisition or other transaction (x) the Parent would have been able to Incur £1.00 of additional Indebtedness pursuant to Section 1.1 after giving *pro forma* effect to the relevant acquisition and Incurrence of such Indebtedness pursuant to this paragraph (e) or (y) the Fixed Charge Coverage Ratio for the Parent and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(f) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for bona fide hedging purposes of the Parent or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Parent);

(g) Indebtedness represented by Capitalised Lease Obligations or Purchase Money Obligations, in each case, incurred for the purpose of financing all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of property, plant or equipment or other assets (including Capital Stock) used in the business of the Parent or any of its Restricted Subsidiaries, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this paragraph (g) and then outstanding, will not exceed at any time outstanding the greater of (i) £10.0 million and (ii) 3.0% of Total Assets;

(h) Indebtedness in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Parent or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees Incurred in the ordinary course of business or for governmental or regulatory requirements, in each case not in connection with the borrowing of money, (ii) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (iii) the financing of insurance premiums in the ordinary course of business and (iv) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business, provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

(i) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); **provided that**, in the case of a disposition, the maximum liability of the Parent and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent and its Restricted Subsidiaries in connection with such disposition;

(j)

(i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence;

(ii) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business; and

(iii) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of Receivables for credit management purposes, in each case, not in connection with the borrowing of money and Incurred or undertaken in the ordinary course of business on arm's length commercial terms;

(k) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the

principal amount of all other Indebtedness Incurred pursuant to this paragraph (k) and then outstanding, will not exceed the greater of (i) £20.0 million and (ii) 6.0% of Total Assets;

(l) Indebtedness represented by Permitted Purchase Obligations; and

(m) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this paragraph (m) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Parent from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Parent, in each case, subsequent to the Issue Date; provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under Section 2.1 and paragraphs (a), (f), (j) and (n) of Section 2.3 to the extent the Parent and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this paragraph (m) to the extent the Parent or any of its Restricted Subsidiaries makes a Restricted Payment under Section 2.1 and/or paragraphs (a), (f), (j) or (n) of Section 2.3 in reliance thereon.

1.3 For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 1 (*Limitation on Indebtedness*):

(a) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section 1 (*Limitation on Indebtedness*), the Parent, in its sole discretion, will be permitted to classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the paragraphs of Section 1.1 or Section 1.2; **provided that** Indebtedness incurred pursuant to paragraph (a) of Section 1.2 may not be reclassified, and Indebtedness under this Agreement incurred or outstanding on the date of this Agreement will be deemed to have been incurred on such date in reliance on the exception provided in paragraph (a) of Section 1.2;

(b) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(c) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to paragraphs (a), (g) or (k) of Section 1.2 or pursuant to Section 1.1 and the letters of credit, bankers' acceptances or other

similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(d) the principal amount of any Disqualified Stock of the Parent or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(e) for the purposes of determining "ERC" under paragraphs (a)(i)(y) of Section 1.2, (i) *pro forma* effect shall be given to ERC on the same basis as for calculating the LTV Ratio for the Parent and its Restricted Subsidiaries and (ii) ERC shall be measured on or about the date on which the Parent obtains new commitments (in the case of revolving facilities) or incurs new Indebtedness (in the case of term facilities);

(f) Indebtedness permitted by this Section 1 (*Limitation on Indebtedness*) need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 1 (*Limitation on Indebtedness*) permitting such Indebtedness; and

(g) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

1.4 Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortisation of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, including a change from UK GAAP to IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 1 (*Limitation on Indebtedness*). The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of "Indebtedness."

1.5 If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 1 (*Limitation on Indebtedness*), the Parent shall be in default of this Section 1 (*Limitation on Indebtedness*)).

1.6 For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Parent, first committed, in the case of Indebtedness Incurred under a revolving credit facility; **provided that** (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange

rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (b) the Sterling Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement. For purposes of calculating compliance with paragraph (a) of Section 1.2 or for calculating the amount of Indebtedness outstanding under this Agreement, to the extent a Credit Facility is utilised for the purpose of guaranteeing or cash collateralising any letter of credit or guarantee, such guarantee or collateralisation and issuance of such letter of credit or guarantee shall be deemed to be a utilisation of such Credit Facility permitted under paragraph (a) of Section 1.2 without double counting.

1.7 Notwithstanding any other provision of this Section 1 (*Limitation on Indebtedness*), the maximum amount of Indebtedness that the Parent or a Restricted Subsidiary may Incur pursuant to this Section 1 (*Limitation on Indebtedness*) shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

2. Limitations on Restricted Payments.

2.1 The Parent shall not, and shall not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(a) declare or pay any dividend or make any other payment or other distribution on or in respect of the Parent's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Parent or any of its Restricted Subsidiaries) except:

(i) dividends or distributions payable in Capital Stock of the Parent (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Parent or in Subordinated Shareholder Funding; and

(ii) dividends or distributions payable to the Parent or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Parent or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(b) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Parent or any direct or indirect Holding Company held by Persons other than the Parent or a Restricted Subsidiary (other than in exchange for Capital Stock of the Parent (other than Disqualified Stock));

(c) make any payment on or in respect of, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any (x) Subordinated Indebtedness (other than, in each case, any capitalisation of Subordinated Indebtedness or (i) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement (ii) a payment of interest at the applicable interest payment date and (iii) any Indebtedness Incurred pursuant to paragraph (c) of Section 1.2 (*Limitation on Indebtedness*) or (y) any Subordinated Shareholder Funding, other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding; or

(d) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in paragraphs (a) to (d) above are referred to herein as a "Restricted Payment"), if at the time the Parent or such Restricted Subsidiary makes such Restricted Payment:

(x) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(y) the Parent is not able to Incur an additional £1.00 of Indebtedness pursuant to Section 1.1 (*Limitation on Indebtedness*) after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(z) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by paragraphs (e)(i) of Section 2.3 (without duplication of amounts paid pursuant to any other paragraph of Section 2.3), (f), (j), (k) and (l) of Section 2.3 but excluding all other Restricted Payments permitted by Section 2.3) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Parent are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with Section 2.2) of property or assets or marketable securities, received by the Parent from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Parent subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Parent or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Parent or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on paragraph (f) of Section 2.3 and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with Section 2.2) of property or assets or marketable securities, received by the Parent or any Restricted Subsidiary from the issuance or sale (other than to the Parent or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Parent or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Parent or any Restricted Subsidiary) by the Parent or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Parent (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with Section 2.2) of property or assets or marketable securities, received by the Parent or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on paragraph (f) of Section 2.3 and (y) Excluded Contributions);

(iv) the amount equal to the net reduction in Restricted Investments made by the Parent or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realised upon the sale or other disposition to a Person other than the Parent or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Parent or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition

of "**Investment**") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Parent or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this paragraph (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this paragraph (z); provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding paragraph (i) to the extent that it is (at the Parent's option) included under this paragraph (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with Section 2.2) of property or assets or of marketable securities received by the Parent or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Parent or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Parent or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Parent or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Parent; and

(B) any dividend or distribution made by an Unrestricted Subsidiary to the Parent or a Restricted Subsidiary,

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding paragraph (i) to the extent that it is (at the Parent's option) included under this paragraph (v); **provided further, however**, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this paragraph (z).

2.2 The fair market value of property or assets other than cash covered by paragraph (z) of Section 2.1 shall be the fair market value thereof as determined in good faith by the Board of Directors.

2.3 The foregoing provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

(a) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Parent (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Parent; provided, however, that to the extent so

applied, the Net Cash Proceeds, or fair market value (as determined in accordance with Section 2.2) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from paragraph (z)(ii) of Section 2.1;

(b) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to Section 1 (*Limitation on Indebtedness*);

(c) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Parent or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Parent or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 1 (*Limitation on Indebtedness*), and that in each case, constitutes Refinancing Indebtedness;

(d) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(i) from Net Available Cash to the extent permitted under Section 5 (*Limitation on sales of Assets and Subsidiary Stock*), but only if (A) the Parent shall have first complied with the terms described under Section 5 (*Limitation on sales of Assets and Subsidiary Stock*) and repaid all Utilisations required to be repaid thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (B) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(ii) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (A) if the Parent shall have first complied with the terms of Clause 12.1 (*Exit*) of this Agreement, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (B) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(e) (i) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant, and (ii) payments associated with the Transactions;

(f) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Parent or any Holding Company (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Parent to any Holding Company to permit any Holding Company to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Holding Company (including any options, warrants or other rights in

respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Holding Company (including any options, warrants or other rights in respect thereof), in each case from Management Investors; **provided that** such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (A) £2.0 million plus (B) £1.0 million multiplied by the number of calendar years that have commenced since the Issue Date plus (C) the Net Cash Proceeds received by the Parent or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Holding Company) from, or as a contribution to the equity (in each case under this limb (C), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Parent from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under paragraph (z)(ii) of Section 2.1;

(g) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with Section 1 (*Limitation on Indebtedness*);

(h) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(i) dividends, loans, advances or distributions to any Holding Company or other payments by the Parent or any Restricted Subsidiary in amounts equal to (without duplication):

  (i) the amounts required for any Holding Company to pay any Parent Expenses or any Related Taxes; or

  (ii) amounts constituting or to be used for purposes of making payments to the extent specified in paragraphs (b), (c), (e), (g), (k) and (l) of Section 6.3 (*Limitation on Affiliate Transactions*);

(j) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Parent of, or loans, advances, dividends or distributions to any Holding Company to pay, dividends on the common stock or common equity interests of the Parent or any Holding Company following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any Financial Year the greater of (a) 6% of the Net Cash Proceeds received by the Parent from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Parent or contributed as Subordinated Shareholder Funding to the Parent, in each case from the Net Cash Proceeds of a Public Offering and (b) following the Initial Public Offering, an amount equal to the greater of (i) 6% of the Market Capitalisation and (ii) 6% of the IPO Market

Capitalisation; **provided that** after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio for the Parent and its Restricted Subsidiaries shall be equal to or less than 2.5 to 1.0;

(k) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed £15.0 million;

(l) payments by the Parent, or loans, advances, dividends or distributions to any Holding Company to make payments, to holders of Capital Stock of the Parent or any Holding Company in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this Section 2 or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(m) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this paragraph (m);

(n) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Parent issued after the Issue Date; and (ii) the declaration and payment of dividends to any Holding Company or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Holding Company issued after the Issue Date; provided, however, that, in the case of paragraphs (i) and (ii), the amount of all dividends declared or paid pursuant to this paragraph (n) shall not exceed the Net Cash Proceeds received by the Parent or, in the case of Designated Preference Shares issued by any Holding Company or any Affiliate thereof, the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Parent or loaned as Subordinated Shareholder Funding to the Parent, from the issuance or sale of such Designated Preference Shares; and

(o) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries.

2.4 The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Parent acting in good faith.

3. Limitations on Liens

The Parent shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets

(including Capital Stock of a Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if, contemporaneously with the Incurrence of such Initial Lien, the Utilisations are secured at least equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

4. Limitation on Restrictions on Distributions from Restricted Subsidiaries.

4.1 The Parent shall not, and shall not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Parent or any Restricted Subsidiary;

(b) make any loans or advances to the Parent or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its property or assets to the Parent or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Parent or any Restricted Subsidiary to other Indebtedness Incurred by the Parent or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

4.2 The provisions of Section 4.1 shall not prohibit:

(a) any encumbrance or restriction pursuant to (i) the Finance Documents, (ii) the Note Indenture or (iii) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(b) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Parent or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Parent or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilised to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Parent or was merged, consolidated or otherwise combined with or into the Parent or any Restricted Subsidiary entered into or in connection with such transaction) and

outstanding on such date; **provided that**, for the purposes of this paragraph (b), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Parent or any Restricted Subsidiary when such Person becomes the Successor Company;

(c) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in paragraphs (a) or (b) of this Section 4.2 or this paragraph (c) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in paragraphs (a) or (b) of this Section 4.2 or this paragraph (c); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Lenders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Parent);

(d) any encumbrance or restriction:

(i) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(ii) contained in mortgages, pledges, charges or other security agreements permitted under this Agreement or securing Indebtedness of the Parent or a Restricted Subsidiary permitted under this Agreement to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

(iii) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent or any Restricted Subsidiary;

(e) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalised Lease Obligations permitted under this Agreement, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(f) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(g) customary provisions in leases, licenses, joint venture agreements, and other similar agreements and instruments entered into in the ordinary course of business;

(h) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(i) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(j) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(k) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Section 1 (*Limitation on Indebtedness*) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Lenders than (i) the encumbrances and restrictions contained in this Agreement, together with the security documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Parent) and where, in the case of limb (ii), the Parent determines at the time such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Borrower's ability to make principal or interest payments on the Utilisations or the ability of the Borrower to make principal or interest payments on the Proceeds Loan;

(l) restrictions relating to Permitted Purchase Obligations SPVs effected in connection with the incurrence of Permitted Purchase Obligations that, in the good faith determination of the Board of Directors of the Parent, are necessary or advisable; or

(m) any encumbrance or restriction existing by reason of any lien permitted under Section 3 (*Limitation on Liens*).

5. Limitation on Sales of Assets and Subsidiary Stock.

5.1 The Parent shall not, and shall not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(a) the Parent or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Parent, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(b) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Parent or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments.

5.2 Pending the final application of any such Net Available Cash in accordance with paragraphs (i) or (ii) above, the Parent and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Agreement.

5.3 For the purposes of paragraph (b) of Section 5.1 the following will be deemed to be cash:

(a) the assumption by the transferee of Indebtedness of the Parent or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Parent or a Guarantor) and the release of the Parent or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(b) securities, notes or other obligations received by the Parent or any Restricted Subsidiary from the transferee that are converted by the Parent or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(c) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Parent and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(d) consideration consisting of Indebtedness of the Parent or the Luxembourg Guarantor (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Parent or any Restricted Subsidiary; and

(e) any Designated Non-Cash Consideration received by the Parent or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 5 that is at that time outstanding, not to exceed the greater of £10.0 million and 3.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

6. Limitation on Affiliate Transactions

6.1 The Parent shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate of the Parent (such transaction or

series of transactions being, an "Affiliate Transaction") involving aggregate value in excess of £1.0 million unless:

(a) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(b) in the event such Affiliate Transaction, individually or together with other related Affiliate Transactions, involves an aggregate value in excess of £5.0 million, the terms of such transaction have been approved by a resolution of the majority of the members of the Board of Directors of the Parent resolving that such transaction complies with paragraph (a) above; and

(c) in the event such Affiliate Transaction, individually or together with other related Affiliate Transactions, involves an aggregate value in excess of £20.0 million, the Parent has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Parent and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

6.2 Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in paragraph (b) of Section 6.1 if such Affiliate Transaction is approved by a resolution of a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 6 if the Parent or any of its Restricted Subsidiaries, as the case may be, delivers to the Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Parent or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Parent or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

6.3 The provisions of Section 6.1 will not apply to:

(a) any Restricted Payment permitted to be made pursuant to Section 2 (*Limitation on Restricted Payments*), any Permitted Payments (other than pursuant to paragraph (i)(ii) of Section 2.3 or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11), (15) and (17) of the definition thereof);

(b) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Parent, any Restricted Subsidiary or any Holding

Company, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Parent, in each case in the ordinary course of business;

(c) any Management Advances;

(d) any transaction between or among the Parent and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(e) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Parent, any Restricted Subsidiary or any Holding Company (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(f) the entry into and performance of obligations of the Parent or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this Section 6 or to the extent not more disadvantageous to the Lenders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(g) the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(h) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Parent or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Parent or the relevant Restricted Subsidiary or on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(i) any transaction in the ordinary course of business between or among the Parent or any Restricted Subsidiary and any Affiliate of the Parent or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Parent or a Restricted Subsidiary or any Affiliate of the Parent or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(j) (i) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Parent or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; **provided that** the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Parent in their reasonable determination and (ii) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of this Agreement.

(k) without duplication in respect of payments made pursuant to paragraph (l) below, (i) payments by the Parent or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Holding Company) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £1.75 million per fiscal year and (ii) customary payments by the Parent or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Holding Company) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (ii) are approved by a majority of the Board of Directors of the Parent in good faith; and

(l) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Parent and its Restricted Subsidiaries.

7. Merger and Consolidation

The Parent, Holdings or Luxembourg Guarantor

7.1 None of the Parent, Holdings or the Luxembourg Guarantor shall consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless (and subject to the other terms of this Agreement):

(a) the resulting, surviving or transferee Person (the "**Successor Company**") shall be a Person organised and existing under the laws of any member state of the European Union on January 1, 2004, (other than Greece), or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Parent, Holdings or the Luxembourg Guarantor, as applicable) shall expressly assume, to the extent required by applicable law to effect such assumption, all obligations of the Parent, Holdings or the Luxembourg Guarantor, as applicable, under this Agreement and (y) all obligations of the Parent, Holdings or the Luxembourg Guarantor, as applicable, under the Intercreditor Agreement and the Transaction Security Documents;

(b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having

been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(c) immediately after giving effect to such transaction, either (i) the Successor Company would be able to Incur at least an additional £1.00 of Indebtedness pursuant to Section 1.1 (*Limitation on Indebtedness*) or (ii) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction; and

(d) the Parent shall have delivered to the Agent an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer (if any) comply with this Agreement, and that all conditions precedent therein provided for relating to such transaction have been complied with and an Opinion of Counsel to the effect that the assumption (if any) of obligations under paragraph (a) above has been duly authorised, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company, and this Agreement constitutes legal, valid and binding obligations of the Successor Company, enforceable in accordance with its terms (in each case, in form and substance reasonably satisfactory to the Agent); **provided that** in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of paragraphs (b) and (c) above.

7.2 Any Indebtedness that becomes an obligation of the Parent or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this Section 7, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 1 (*Limitation on Indebtedness*).

7.3 For purposes of this Section 7 only, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all the properties and assets of one or more Subsidiaries of the Parent, which properties and assets, if held by the Parent, as applicable, instead of such Subsidiaries, would constitute all or substantially all the properties and assets of the Parent, on a consolidated basis, shall be deemed to be the transfer of all or substantially all the properties and assets of the Parent.

7.4 The Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Parent or the Borrower under this Agreement but in the case of a lease of all or substantially all its assets, the predecessor Parent shall not be released from its obligations under this Agreement.

7.5 Notwithstanding the preceding paragraphs (b) and (c) of Section 7.1 (which do not apply to transactions referred to in this Section 7.5) and, other than with respect to paragraph (d) of Section 7.1, any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding the preceding paragraphs (b) and (c) of Section 7.1 (which do not apply to the transactions referred to in this Section 7.5), the Parent may consolidate or otherwise

combine with or merge into an Affiliate incorporated or organised for the purpose of changing the legal domicile of the Parent, reincorporating the Parent in another jurisdiction, or changing the legal form of the Parent.

Subsidiary Guarantors

7.6 No Subsidiary Guarantor may:

(a) consolidate with or merge with or into any Person, or

(b) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(c) permit any Person to merge with or into a Subsidiary Guarantor, unless:

(i) the other Person is a Subsidiary Guarantor or becomes a Subsidiary Guarantor concurrently with the transaction;

(ii) or

(A) either (x) a Subsidiary Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all the obligations of the Subsidiary Guarantor under this Agreement, the Intercreditor Agreement, to the extent required by applicable law to effect such assumption, and the Transaction Security Documents and, if applicable, the Proceeds Loan Agreement; and

(B) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(iii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Parent or a Restricted Subsidiary) otherwise permitted by this Agreement.

8. Suspension of Covenants on Achievement of Investment Grade Status.

If on any date following the Issue Date, the Notes (or any Permitted Financial Indebtedness issued by a member of the Restricted Group to refinance or replace the Notes or in exchange for the Notes) have achieved Investment Grade Status and no Default or Event of Default (each as defined in the Note Indenture) has occurred and is continuing (a "Suspension Event"), then, the Parent shall notify the Agent of this fact and beginning on that day and continuing until the Reversion Date, the following Sections of this Schedule 15 will not apply: Section 2 (*Limitation on restricted payments*), Section 4 (*Limitation on Restrictions on Distributions from Restricted Subsidiaries*), Section 1 (*Limitation on Indebtedness*), Section 5 (*Limitation on Sale of Assets and Subsidiary Stock*), Section 6 (*Limitation on Affiliate Transactions*) and the provisions of paragraph (c) of Section 7.1 and, in each case, any related default provision of this Agreement will cease to be effective and will not be applicable to the

Parent and its Restricted Subsidiaries. Such Sections and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such Sections will not, however, be of any effect with regard to actions of the Parent properly taken during the continuance of the Suspension Event, and Section 2 will be interpreted as if it has been in effect since the date of this Agreement except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while Section 2 was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Parent's option, as having been Incurred pursuant to Section 1.1 or one of the clauses set forth in Section 1.2 (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under Section 1.1 or Section 1.2, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under paragraph (d)(ii) of Section 1.2 (without giving effect to the parenthetical contained therein).

9. Impairment of Security Interest

9.1 The Parent shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Finance Parties and the Parent, shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Secured Parties and the other beneficiaries described in the Transaction Security Documents, any interest whatsoever in any of the Collateral that is prohibited by Section 3 "Limitation on Liens;" provided, that the Parent and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with this Agreement, the Intercreditor Agreement or the applicable Transaction Security Documents.

9.2 Notwithstanding the above, nothing in this Section 9 shall restrict the discharge and release of any security interest in accordance with this Agreement and the Intercreditor Agreement. Subject to the foregoing, the Transaction Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Finance Parties in any material respect; provided, however, that, except where permitted by this Agreement or the Intercreditor Agreement, no Transaction Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement, supplement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Parent delivers to the Security Agent and the Agent, either (1) a

solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Agent, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Parent and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting the security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Agent, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Transaction Security Document, so amended, extended, renewed, restated, supplemented, modified or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or release and retake and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject. In the event that the Parent and its Restricted Subsidiaries comply with the requirements of this Section 9.2, the Agent and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Finance Parties.

PART II
CERTAIN DEFINITIONS

Any capitalised terms used in this Part I or Part II of Schedule 15 that are not otherwise defined in this Part I or Part II shall have the respective meanings given to them in Clause 1.1 (*Definitions*) of this Agreement. Terms defined only in Clause 1.1 (*Definitions*) of this Agreement shall be construed when they are used in this Schedule 15 (and only for those purposes), in accordance with English law, notwithstanding that this Agreement is governed by English law. Unless otherwise expressly stated herein references in this Part II of Schedule 15 are to the Sections of Part I of this Schedule 15.

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Parent or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**Additional Assets**" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Parent, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Parent or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary engaged in a Similar Business.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Asset Disposition**" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Parent or

any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction; **provided that** the sale, conveyance or other disposition of all or substantially all the assets of the Parent and its Restricted Subsidiaries taken as a whole will be governed by Section 7 (*Merger and Consolidation*) and not by Section 5 (*Limitation on Sales of Assets and Subsidiary Stock*). Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Parent or by the Parent or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof or inventory or other assets, in each case, in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment, or equipment or other property that is no longer useful in the conduct of the business of the Parent and its Restricted Subsidiaries;

(5) transactions permitted under Section 7.1 (*Merger and Consolidation*) or a transaction that constitutes a Change of Control or a Change of Control as defined in Clause 1.1 (*Definitions*) of this Agreement;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Parent or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Parent) of less than the greater of (i) £4.5 million and (ii) 1.4 % of Total Assets;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under Section 2 (*Limitation on Restricted Payments*) and the making of any Permitted Payment or Permitted Investment or, solely for purposes of paragraph (c) of Section 5.1 (*Limitation on Sales of Assets and Subsidiary Stock*), asset sales, in respect of which (and only to the extent that) the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of Receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(14) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; and

(15) any disposition with respect to property built, owned or otherwise acquired by the Parent or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, finance leases, asset securitisations and other similar financings permitted by this Agreement (where the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (15), does not exceed the greater of (i) £5.0 million and (ii) 1.5% of Total Assets).

"**Associate**" means (i) any Person engaged in a Similar Business of which the Parent or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Parent or any Restricted Subsidiary.

"**Board of Directors**" means (1) with respect to the Parent, the Luxembourg Guarantor or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorised committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorised committee thereof; and (3) with respect to any other Person, the board or any duly authorised committee of such Person serving a similar function. Whenever any provision of this Agreement requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, New York, New York, United States or Luxembourg are authorised or required by law to close; provided, however, that for any payments to be made under this Agreement, such day shall also be a day on which the second generation Trans-European Automated Real-time Gross Settlement Express Transfer ("**TARGET2**") payment system is open for the settlement of payments.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalised Lease Obligation**" means an obligation that is required to be classified and accounted for as a capitalised lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalised amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any

other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union (other than Greece and Portugal), Switzerland or Norway or, in each case, any agency or instrumentality of thereof (**provided that** the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances (in each case, including any such deposits made pursuant to any sinking fund established by the Parent or any Restricted Subsidiary) having maturities of not more than one year from the date of acquisition thereof issued by any lender party to a Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of £500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union (other than Greece and Portugal), Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or Preferred Stock issued by Persons with a rating of "BBB–" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union (other than Greece and Portugal), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialised equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"**Change of Control**" means:

(1) the Parent becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) that any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent, **provided that** for the purposes of this clause, any holding company whose only asset is the Capital Stock of the Parent will not itself be considered a "person" or "group";

(2) following the Initial Public Offering of the Parent or any Holding Company, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Parent or any Holding Company (together with any new directors whose election by the majority of such directors on such Board of Directors of the Parent or any Holding Company or whose nomination for election by shareholders of the Parent or any Holding Company, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Parent or any Holding Company then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Parent or any Holding Company, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Parent and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders,

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"Collateral" means all property and assets, whether now owned or hereafter acquired, in which Liens are, from time to time, purported to be granted to secure the Utilisations pursuant to the Transaction Security Documents.

"**Commodity Hedging Agreements**" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other

similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges plus, to the extent not already included or added back, any costs associated with Hedging Obligations or derivatives;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortisation expense, including any amortisation of portfolio assets;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; **provided that** such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalisation or the Incurrence of any Indebtedness permitted by this Agreement (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions), in each case, as determined in good faith by an Officer of the Parent;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting, employment and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described in Section 6 (*Limitation on Affiliate Transactions*); and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortisation, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding Taxes) and Corporation Tax and franchise Taxes of any of the Parent and its Restricted Subsidiaries

whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"**Consolidated Interest Expense**" means, with respect to any Person for any period, without duplication, (1) interest payable (whether in cash or capitalised) on Financial Indebtedness of such Person and its Restricted Subsidiaries for such period, plus (i) any amortisation of debt discount with respect to such Indebtedness and (ii) any commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing or bank guarantees, but, in each case, excluding any expense associated with Subordinated Shareholder Funding less (2) interest income for such period.

"**Consolidated Leverage**" means the sum of the aggregate outstanding Financial Indebtedness of the Parent and its Restricted Subsidiaries as of the relevant date of calculation on a consolidated basis in accordance with GAAP.

"**Consolidated Leverage Ratio**" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Parent are available; provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Parent or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "**Sale**") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; **provided that** if any such Sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Parent or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "**Purchase**"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Parent or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Parent or a Restricted Subsidiary since the beginning of such period,

Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income and Fixed Charge Coverage Ratio for the Parent and its Restricted Subsidiaries, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Parent (including in respect of synergies and cost savings) and (b) in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"**Consolidated Net Income**" means, for any period, the profit (loss) on ordinary activities after taxation of the Parent and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; provided, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Parent's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents (x) actually distributed by such Person during such period to the Parent or a Restricted Subsidiary as a dividend or other distribution or return on investment or Restricted Subsidiary or (y) but only for the purpose of determining the amount available for Restricted Payments under paragraph (z)(i) of Section 2.1 (*Limitation on Restricted Payments*) that could have been distributed, as reasonably determined by an Officer of the Parent (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under paragraph (z)(i) of Section 2.1 (*Limitation on Restricted Payments*), any profit (loss) on ordinary activities after taxation of any Restricted Subsidiary (other than any Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to or permitted under this Agreement, the Notes or the Note Indenture, and (c) restrictions specified under paragraph (k) in Section 4.2 (*Limitation on Restrictions on Distributions from Restricted Subsidiaries*))), except that the Parent's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Parent or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realised upon the sale or other disposition of any asset or disposed operations of the Parent or any Restricted Subsidiaries (including pursuant to

any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Parent);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (as determined in good faith by the Parent), or any charges or reserves in respect of any restructuring, redundancy or severance expense;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealised gains or losses in respect of Hedging Obligations or any ineffectiveness recognised in earnings related to qualifying hedge transactions or the fair value of changes therein recognised in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealised foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealised foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealised foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Parent or any Restricted Subsidiary owing to the Parent or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Parent and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortisation or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off; and

(13) the impact of capitalised, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Parent or any of its Subsidiaries, (i) the Facility and (ii) one or more debt facilities, indentures or other arrangements (including this Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended from time to time (whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under this Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Parent as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"**Designated Non-Cash Consideration**" means the fair market value (as determined in good faith by the Parent) of non-cash consideration received by the Parent or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in

compliance with the covenant described under Section 5 (*Limitation on Sales of Assets and Subsidiary Stock*).

"**Designated Preference Shares**" means, with respect to the Parent or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Parent or a Subsidiary of the Parent or an employee stock ownership plan or trust established by the Parent or any such Subsidiary for the benefit of their employees to the extent funded by the Parent or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Parent at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in paragraph (z)(ii) of Section 2.1 (*Limitation on Restricted Payments*).

"**Disinterested Director**" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Parent having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Parent shall be deemed not to have such a financial interest solely by reason of such member's holding Capital Stock of the Parent or any Holding Company or any options, warrants or other rights in respect of such Capital Stock.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Parent or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; provided, however, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with 2 (*Limitation on Restricted Payments*).

"**Equity Investors**" means J. C. Flowers & Co. LLC, funds managed by J. C. Flowers & Co. LLC or any of its Affiliates, or any co-investment vehicle managed by J. C. Flowers & Co. LLC or any of its Affiliates.

"**Equity Offering**" means (x) a sale of Capital Stock of the Parent (other than Disqualified Stock or Designated Preference Shares and other than an Excluded Contribution) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any

similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities of the Holding Company, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Parent or any of its Restricted Subsidiaries.

"**ERC**" means, for any date of calculation, the aggregate amount of estimated remaining collections projected to be received by the Parent and its Restricted Subsidiaries from all Right to Collect Accounts and all sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof owned by the Parent and its Restricted Subsidiaries during the period of 84 months, as calculated by the Portfolio ERC Model, as at the last day of the month most recently ended prior to the date of calculation.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Contribution**" means Net Cash Proceeds or property or assets received by the Parent as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Parent after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Parent or any Subsidiary of the Parent for the benefit of its employees to the extent funded by the Parent or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Parent, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Parent.

"**fair market value**" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Parent setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"**Financial Indebtedness**" means any Indebtedness described under clauses (1), (2), (4), (5), (6) and (7) of the definition of "Indebtedness."

"**Fixed Charge Coverage Ratio**" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recently completed four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to the Fixed Charges of such Person and its Restricted Subsidiaries for such four consecutive fiscal quarters. In the event that the Parent or any Restricted Subsidiary Incurs, assumes, Guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than, in the case of redemption, defeasance, retirement or extinguishment, Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the

"Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, assumption, Guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period; provided, however, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Fixed Charge Coverage Ratio Calculation Date pursuant to the provisions described in Section 1.2 (*Limitation on Indebtedness*) or (ii) the discharge on the Fixed Charge Coverage Ratio Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in Section 1.2 (*Limitations on Indebtedness*).

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations that have been made by the Parent or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Parent or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued any operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Parent (including synergies and cost savings). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalised Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Parent to be the rate of interest implicit in such Capitalised Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Parent may designate.

"**Fixed Charges**" means, with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;

(3) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period; and

(4) any interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such guarantee or Lien is called upon;

determined on a consolidated basis in accordance with GAAP.

"**GAAP**" means generally accepted accounting principles in the United Kingdom as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in this Schedule 15 all ratios and calculations based on GAAP contained in this Schedule 15 shall be computed in accordance with GAAP. At any time after the Issue Date, the Parent may elect to establish that GAAP shall mean UK GAAP as in effect on or prior to the date of such election; **provided that** any such election, once made, shall be irrevocable. At any time after the Issue Date, the Parent may elect to apply IFRS accounting principles in lieu of UK GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in this Schedule 15), including as to the ability of the Parent to make an election pursuant to the previous sentence; **provided that** any such election, once made, shall be irrevocable; **provided, further, that** any calculation or determination in this Schedule 15 that requires the application of UK GAAP for periods that include Financial Quarters ended prior to the Parent's election to apply IFRS shall remain as previously calculated or determined in accordance with UK GAAP; provided, further, however, that the Parent may only make such election if it also elects to prepare any subsequent financial statements required to be delivered under this Agreement by the Parent, in IFRS. The Parent shall give notice of any such election made in accordance with this definition to the Agent.

"**Governmental Authority**" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"**Guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided, however, that the term "Guarantee"

will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "**Hedging Agreement**").

"**Holding Company**" means any Person of which the Parent at any time is or becomes a Subsidiary after the Issue Date (including Cabot Credit Management Limited) and any holding companies established by any Permitted Holder for purposes of holding its investment in any Holding Company.

"**Holdings**" means Cabot Financial Holdings Group Limited, a limited liability company organised under the laws of England and Wales and its successors and assigns.

"**IFRS**" means the International Financial Reporting Standards (formerly, International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Parent or its Restricted Subsidiaries are, or may be, required to comply; **provided that** at any date after the Issue Date the Parent may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election. The Parent shall give notice of any such election to the Agent.

"**Incur**" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) Capitalised Lease Obligations of such Person;

(5) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary (other than the Luxembourg Guarantor), any Preferred Stock (but excluding, in each case, any accrued dividends);

(6) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Parent) and (b) the amount of such Indebtedness of such other Persons;

(7) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(8) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "**Indebtedness**" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, any asset retirement obligations, prepayments or deposits received from clients or customers, in each case, in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Schedule 15, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (5), (6) or (8) above) shall be (a) in the case of any Indebtedness issued with original issue discount, the amount in respect thereof that would appear on the balance sheet of such Person in accordance with GAAP and (b) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Parent or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Parent.

"**Initial Notes**" means the £265,000,000 aggregate principal amount of Notes issued under the Indenture on or about the date hereof.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Parent or any Holding Company or any successor of the Parent or any Holding Company (the "**IPO Entity**") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognised exchange or traded on an internationally recognised market.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Parent or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Parent or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in Section 2.4 (*Limitation on Restricted Payments*).

For purposes of Section 2 (*Limitation on Restricted Payments*):

(1) "**Investment**" will include the portion (proportionate to the Parent's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Parent will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Parent's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Parent's equity interest in such Subsidiary) of the fair market value of the net assets

(as conclusively determined by the Board of Directors of the Parent in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Parent.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Parent's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union (other than Greece and Portugal), or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A–" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organisation or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among the Parent and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"**Investment Grade Status**" shall occur when the Notes (or any Permitted Financial Indebtedness issued by a member of the Restricted Group to refinance or replace the Notes or in exchange for the Notes) receive both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such ratings by either such rating organisations or, if no rating of Moody's or S&P then exists, the equivalent of such applicable rating by any other Nationally Recognized Statistical Rating Organization.

"**IPO Entity**" has the meaning given to it in the definition of "Initial Public Offering".

"**IPO Market Capitalisation**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interest are sold in such Initial Public Offering.

"**Issue Date**" means September 20, 2012.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"**LTV Ratio**" means, in respect of any date of calculation, the aggregate Secured Indebtedness of the Parent and its Restricted Subsidiaries less cash and Cash Equivalents (other than cash or Cash Equivalents in an amount equal to amounts collected by the Parent and its Restricted Subsidiaries on behalf of third-party clients and held by the Parent and its Restricted Subsidiaries as of such date) as of such date, divided by ERC; **provided that** ERC shall be adjusted to give effect to purchases or disposals of sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts) made since the last measurement date and prior to such date of calculation, on the basis of estimates made on a *pro forma* basis by management acting in good faith. In determining the LTV Ratio in connection with the Incurrence of Indebtedness and the granting of a Lien, the LTV Ratio shall be determined on a *pro forma* basis for the relevant transaction and the use of proceeds of such Indebtedness; **provided that** no cash or Cash Equivalents shall be included in the calculation of the *pro forma* LTV Ratio that are, or are derived from, the proceeds of Indebtedness in respect of which the *pro forma* calculation is to be made, except, for the avoidance of doubt, to the extent cash or Cash Equivalents will be expended in a transaction to which *pro forma* effect is given; **provided further that** any cash and Cash Equivalents received by the Parent or any of its Restricted Subsidiaries from the issuance or sale of its Capital Stock, Subordinated Shareholder Funding or other capital contributions subsequent to the Issue Date shall (to the extent they are taken into account in determining the amount available for Restricted Payments under such clauses) be excluded for purposes of making Restricted Payments and Permitted Payments, as applicable, under paragraphs (z)(ii) and (z)(iii) of Section 2.1 (*Limitation on Restricted Payments*) and paragraphs (a) and (m) of Section 2.3 (*Limitation on Restricted Payments*) to the extent such Cash and Cash Equivalents are included in the calculation of the LTV Ratio.

"**Management Advances**" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Parent, any Holding Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding £0.5 million in the aggregate outstanding at any time.

"**Management Investors**" means the officers, directors, employees and other members of the management of or consultants to any Holding Company, the Parent or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Parent, any Restricted Subsidiary or any Holding Company.

"**Market Capitalisation**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"**Net Available Cash**" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which are required by applicable law to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Holding Company, the Parent or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Parent or any Restricted Subsidiary after such Asset Disposition.

"**Net Cash Proceeds**," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions).

"**Officer**" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is

owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Note Indenture by the Board of Directors of such Person.

"**Officer's Certificate**" means, with respect to any Person, a certificate signed by one Officer of such Person.

"**Opinion of Counsel**" means a written opinion from legal counsel reasonably satisfactory to the Agent. The counsel may be an employee of or counsel to the Parent or its Subsidiaries.

"**Parent Expenses**" means:

(1) costs (including all professional fees and expenses) Incurred by any Holding Company in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Note Indenture or any other agreement or instrument relating to Indebtedness of the Parent or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Holding Company owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Parent and its Subsidiaries;

(3) obligations of any Holding Company in respect of director and officer insurance (including premiums therefor) to the extent relating to the Parent and its Subsidiaries;

(4) (a) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Holding Company or any Equity Investor or any of its Affiliates related to the ownership or operation of the business of the Parent or any of its Restricted Subsidiaries (including, without limitation, accounting, legal, corporate reporting, and administrative expenses as well as payments made pursuant to secondment, employment or similar agreements entered into between the Parent and/or any of its Restricted Subsidiaries and/or any Holding Company and any Equity Investor or any of its Affiliates or any employee thereof) or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, of the Issuer by any Holding Company;

(5) other fees, expenses and costs relating directly or indirectly to activities of the Parent and its Subsidiaries in an amount not to exceed £1.5 million in any fiscal year; and

(6) expenses Incurred by any Holding Company in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

   (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Parent or a Restricted Subsidiary,

   (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Holding Company shall cause the amount of such expenses to be repaid to the Parent or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"**Pari Passu Indebtedness**" means Indebtedness of the Parent (other than Indebtedness of the Parent pursuant to this Agreement and Priority Hedging Obligations) or any Guarantor if such Guarantee ranks equally in right of payment to the Note Guarantees which, in each case, is secured by Liens on the Collateral.

"**Permitted Asset Swap**" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Parent or any of its Restricted Subsidiaries and another Person; **provided that** any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under Section 5 (*Limitation on Sales of Assets and Subsidiary Stock*).

"**Permitted Collateral Liens**" means (A) Liens on the Collateral described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), (14), (18), (19), (20), (21), (22), (23) and (25) of the definition of "Permitted Liens", (B) Liens on the Collateral to secure Indebtedness of the Parent or a Restricted Subsidiary that is permitted to be Incurred under paragraphs (a), (b) (in the case of paragraph (b), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of "Permitted Collateral Liens"), (d)(i) and (iii) (if the original Indebtedness was so secured), (f) or (k) of Section 1.2 (*Limitation on Indebtedness*); provided, however, that such Lien ranks equal to all other Liens on such Collateral securing Indebtedness of the Parent or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under paragraph (a) of Section 1.2 (*Limitation on Indebtedness*) and a Lien in favor of Priority Hedging Obligations may have super priority not materially less favorable to the Holders than that accorded to this Agreement on the Issue Date as provided in the Intercreditor Agreement as in effect on the Issue Date), subject always to the terms of this Agreement, (C) Liens on the Collateral securing Indebtedness incurred under Section 1.1 (*Limitations on Indebtedness*); **provided that**, in the case of this clause (C), after giving effect to such incurrence on that date, the LTV Ratio is less than 0.625, or (D) Liens on Collateral securing Refinancing Indebtedness in respect of any Indebtedness secured pursuant to the foregoing clauses (A), (B) and (C). To the extent that a Lien on the Collateral consists of a mortgage over any real estate located in the United Kingdom, it shall constitute a Permitted Collateral Lien only to the extent that a mortgage ranking at least *pari passu* is granted in favor of the Security Agent for the benefit of the Finance Parties.

"**Permitted Holders**" means, collectively, (1) the Equity Investors and any Affiliate or Related Person of any of them, (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the Notes Indenture, (3) other than for purposes of Section 6.3(k) in connection with the initial investment of any such Person in the Parent and its Restricted Subsidiaries, any one or more Persons whose beneficial ownership would have constituted or resulted in a Change of Control but for the fact that such Change of Control is also a Specified Change of Control Event, (4) Senior Management and (5) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Parent, acting in such capacity. Any person or group that includes a Permitted Holder shall also be deemed to be a Permitted Holder, **provided that** Permitted Holders as

defined in clauses (1) and (4) above retain exclusive beneficial ownership and control of at least 50.1% of the total voting power of the Voting Stock of the Parent beneficially owned by any group that becomes a Permitted Holder at any time as a result of the application of this sentence (without giving effect to the existence of such group or any other group).

"**Permitted Investment**" means (in each case, by the Parent or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Parent or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Parent or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in Receivables owing to the Parent or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Parent or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganisation or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with Section 4.10;

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 1 (*Limitation on Indebtedness*);

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of 4.5% of Total Assets and £15.0 million; **provided that**, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted

Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 2 (*Limitation on Restricted Payments*), such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under Section 3 (*Limitation on Liens*);

(13) any Investment to the extent made using Capital Stock of the Parent (other than Disqualified Stock) or Capital Stock of any Holding Company as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of Sections 6.2 and 6.3 (*Limitation on Affiliate Transactions*) (except those described in paragraphs (a), (c), (f), (h), (i) and (l) of Section 6.3);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with this Agreement;

(16) Guarantees not prohibited by Section 1 (*Limitation on Indebtedness*) and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(17) Investments in Associates or Unrestricted Subsidiaries in an aggregate amount when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed the greater of 3.0% of Total Assets and £10.0 million; and

(18) Investments in the Notes and any Additional Notes (as defined in the Note Indenture) and Investments pursuant to the Proceeds Loan.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet

overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings; **provided that** appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Parent or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Parent and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Parent and its Restricted Subsidiaries;

(7) Liens on assets or property of the Parent or any Restricted Subsidiary securing Hedging Obligations permitted under this Agreement;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Parent or any Restricted Subsidiary for the purpose of securing Capitalised Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property; **provided that** (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Agreement and (b) any such Lien may not extend to any assets or property of the Parent or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Parent and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Parent or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Parent or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens do not extend to or cover any property or assets of the Parent and its Restricted Subsidiaries other than (A) the property or assets acquired or (B) the property or assets of the person acquired, merged with or into or consolidated or combined with the Parent or a Restricted Subsidiary;

(15) Liens on assets or property of the Parent or any Restricted Subsidiary securing Indebtedness or other obligations of the Parent or such Restricted Subsidiary owing to the Parent or another Restricted Subsidiary, or Liens in favor of the Parent or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Schedule 15; **provided that** any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalised Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Parent or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(22) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(23) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens which do not exceed £5.0 million at any one time outstanding;

(25) Liens on Capital Stock of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(26) Liens securing Permitted Purchase Obligations, **provided that** any such Lien is only over the assets and Capital Stock of the relevant Permitted Purchase Obligations SPV.

"**Permitted Purchase Obligations**" means any Indebtedness Incurred by a Permitted Purchase Obligations SPV to finance or refinance the acquisition of sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts) purchased by such Permitted Purchase Obligations SPV in an aggregate principal amount not exceeding at the time of the incurrence of such Permitted Purchase Obligations, together with any other Indebtedness incurred pursuant to paragraph (l) of Section 1.2 (*Limitation on Indebtedness*) and then outstanding, 15.0% of the ERC of the Parent and its Restricted Subsidiaries, calculated in good faith on a *pro forma* basis by management as of the date of purchase of such sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or such portfolios (including through the use of Right to Collect Accounts), **provided that**:

(1) except for the granting of a Lien described in clause (26) of the definition of "Permitted Liens," no portion of any Permitted Purchase Obligations or any other obligations (contingent or otherwise) of the applicable Permitted Purchase Obligations SPV (i) is guaranteed by the Parent or any other Restricted Subsidiary, (ii) is recourse to or obligates the Parent or any other Restricted Subsidiary in any way, or (iii) subjects any property or asset of the Parent or any other Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof,

(2) neither the Parent nor any other Restricted Subsidiary has any obligation to maintain or preserve the applicable Permitted Purchase Obligations SPV's financial condition or cause such entity to achieve certain levels of operating results, and

(3) such Permitted Purchase Obligation is secured (if at all) only over the assets of and Capital Stock of the relevant Permitted Purchase Obligations SPV.

"**Permitted Purchase Obligations SPV**" means a Wholly Owned Restricted Subsidiary (i) which engages in no activities other than the acquisition of sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect Accounts), the Incurrence of Permitted Purchase Obligations to finance such acquisition and any business or activities incidental or related to such business and is set up in connection with the Incurrence of Permitted Purchase Obligations, (ii) to which the Parent or any Restricted Subsidiary contributes, loans or otherwise transfers no amounts in excess of amounts required, after giving effect to the Incurrence of Permitted Purchase Obligations, to consummate the relevant purchase of assets and amounts required for incidental expenses, costs and fees for the set-up and continuing operations of such Permitted Purchase Obligations SPV, and (iii) all the Capital Stock of which is held by a Wholly Owned Restricted Subsidiary which holds no other material assets.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity.

"**Portfolio ERC Model**" means the models and methodologies that the Parent uses to calculate the value of its loan portfolios and those of its Subsidiaries, consistently with its audited financial statements as of the Issue Date.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Priority Hedging Obligations**" means designated Hedging Obligations in an aggregate amount outstanding at any time of up to £10 million.

"**Proceeds Loan**" means the loan of the proceeds of the Notes pursuant to the Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Proceeds Loan Agreement**" means that certain loan agreement made as of the Issue Date by and between the Original Borrower, as borrower, and the Luxembourg Guarantor, as lender.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Parent, in accordance with Section 4(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"**Public Market**" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of £50 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"**Public Offering**" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Obligations**" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"**Receivable**" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of GAAP.

"**refinance**" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in this Schedule 15 shall have a correlative meaning.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of this Agreement or Incurred in compliance with this Agreement (including Indebtedness of the Parent that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Parent or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided, however, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Termination Date;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Utilisation, such Refinancing Indebtedness is subordinated to the Utilisation on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced, provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Parent or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred within 120 days after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"**Regulation S**" means Regulation S promulgated under the Securities Act.

"**Related Person**" with respect to any Equity Investor, means:

(1) any controlling equity holder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individuals and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Equity Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Related Taxes**" means:

(1) any Taxes (other than (x) Taxes measured by gross or net income, receipts or profits and (y) withholding Taxes), required to be paid (provided such Taxes are in fact paid) by any Holding Company by virtue of its:

   (a) being organised or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Parent or any of the Parent's Subsidiaries);

   (b) issuing or holding Subordinated Shareholder Funding; or

   (c) being a holding company parent, directly or indirectly, of the Parent or any of the Parent's Subsidiaries;

(2) if and for so long as the Parent is a member of a group filing a consolidated or combined tax return with any Holding Company, any consolidated or combined Taxes measured by income for which such Holding Company is liable up to an amount not to exceed the amount of any such Taxes that the Parent and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Parent and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Parent and its Subsidiaries; **provided that** distributions shall be permitted in respect of the income of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to the Parent or its Restricted Subsidiaries.

"**Restricted Investment**" means any Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Parent other than an Unrestricted Subsidiary.

"**Reversion Date**" means, after the Notes (or any Permitted Financial Indebtedness issued by a member of the Restricted Group to refinance or replace the Notes or in exchange for the Notes) have achieved Investment Grade Status, the date, if any, that such Notes (or any such Permitted Financial Indebtedness issued by a member of the Restricted Group to refinance or replace such Notes or in exchange for such Notes) shall cease to have such Investment Grade Status.

"**Right to Collect Account**" means a sub-performing or charged-off consumer account, instalment loan or other similar account that is owned by a person that is not the Parent or one of its Restricted Subsidiaries (a "**Third Party**") and in respect of which (a) such Third Party is unable or unwilling to dispose of the relevant account, debt or loan to the Parent or a Restricted Subsidiary; and (b) the Parent or a Restricted Subsidiary is entitled to collect and retain substantially all of the amounts due under such account, debt or loan or to receive amounts equivalent thereto.

"**Rule 144A**" means Rule 144A promulgated under the Securities Act.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Secured Indebtedness**" means any Indebtedness secured by a Lien.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Senior Management**" means any previous or current officers, directors, and other members of senior management of the Parent or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Parent or any Holding Company.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Parent or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Parent or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Specified Change of Control Event**" means, subject to any restrictions in the original Note Indenture, the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; **provided that** any such event occurs prior to the 18-month anniversary of the Issue Date and immediately prior to the occurrence of such event and immediately thereafter and giving *pro forma* effect thereto, the Relevant Net Debt (as defined in the Note Indenture) of the Parent and its Restricted Subsidiaries does not exceed an amount equal to 50% of ERC as of such date; **provided that** ERC shall be adjusted to give effect to purchases or disposals of sub-performing or charged-off consumer accounts, instalment loans or other similar accounts or portfolios thereof (including through the use of Right to Collect

Accounts) made since the last measurement date and prior to such date of calculation, on the basis of estimates made on a *pro forma* basis by management acting in good faith.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Sterling Equivalent**" means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by the Parent or the Agent, the amount of sterling obtained by converting such currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Parent) on the date of such determination.

"**Subordinated Indebtedness**" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Utilisations pursuant to a written agreement (which, for the avoidance of doubt, will not include the Notes or any Pari Passu Indebtedness).

"**Subordinated Shareholder Funding**" means any funds provided to the Parent by any Holding Company, any Affiliate of any Holding Company or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Holding Company or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; provided, however, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortisation, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Parent or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Termination Date, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Termination Date;

(4) does not provide for or require any security interest or encumbrance over any asset of the Parent or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Utilisations pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding, provided, further, however, that upon the occurrence of any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Funding, such Indebtedness shall constitute an incurrence of such Indebtedness by the Parent, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Subsidiary Guarantor**" means a Restricted Subsidiary of the Parent (other than Holdings and the Luxembourg Guarantor) that guarantees the Utilisations.

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state (other than Greece and Portugal), (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Parent or a Restricted Subsidiary in

that country with such funds or (v) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognised by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under this Agreement,

(b) any institution authorised to operate as a bank in any of the countries or member states referred to in clause (1)(a) above, or

(c) any bank or trust company organised under the laws of any such country or member state or any political subdivision thereof, in each case, having capital and surplus aggregating in excess of £250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Parent or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state (other than Greece and Portugal) or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union (other than Greece and Portugal), Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialised equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organised under the laws of a country that is a member of the Organisation for Economic Co-operation and Development, in each case, having capital and surplus in excess of £250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organisation or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"**Total Assets**" means the consolidated total assets of the Parent and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person.

"**Transactions**" means the issuance of the Notes and the use of proceeds thereof to pay transaction fees and expenses, to repay the Existing Facilities and to make distributions to repay existing shareholder loans, each as described in the "Use of proceeds" section of the Offering Memorandum, and the entry into the Finance Documents.

"**UK Government Obligations**" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit.

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Parent (other than the Luxembourg Guarantor and Holdings) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Parent in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Parent may designate any Subsidiary of the Parent (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), other than the Luxembourg Guarantor and Holdings, to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Parent or any other

Subsidiary of the Parent which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Parent in such Subsidiary complies with Section 2 (*Limitations on Restricted Payments*).

Any such designation by the Board of Directors of the Parent shall be evidenced to the Agent by filing with the Agent a resolution of the Board of Directors of the Parent giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Parent may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Parent could Incur at least £1.00 of additional Indebtedness under Section 1.1 (*Limitation on Indebtedness*) or (y) the Fixed Charge Coverage Ratio for the Parent and its Restricted Subsidiaries would not be worse than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Agent by promptly filing with the Agent a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"**U.S. Person**" means a U.S. Person as defined in Rule 902.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"**Wholly Owned Restricted Subsidiary**" means a Restricted Subsidiary of the Parent, all the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Parent or another Wholly Owned Restricted Subsidiary) is owned by the Parent or another Wholly Owned Restricted Subsidiary.

"**Working Capital Intercompany Loan**" means any loan to or by the Parent or any of its Restricted Subsidiaries to or from the Parent or any of its Restricted Subsidiaries from time to time (i) for purposes of consolidated cash and tax management and working capital management and (ii) for a duration of less than one year.

SCHEDULE 16
FORM OF INCREASE CONFIRMATION

To: [•] as Agent, [•] as Security Agent, [•] as Issuing Bank and [•] as Parent, for and on behalf of each Obligor

From: [the *Increase Lender*] (the "**Increase Lender**")

Dated: [•]

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This agreement (the "**Agreement**") shall take effect as an Increase Confirmation for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking (as defined in and) for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 2.2 (*Increase*) of the Facility Agreement.

3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Facility Agreement.

4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [?].

5. On the Increase Date, the Increase Lender becomes:

   (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) party to the Intercreditor Agreement as a Senior Creditor.

6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (f) of Clause 2.2 (*Increase*).

8. The Increase Lender confirms that it is not a Sponsor Affiliate.

9. The Increase Lender confirms (for the benefit of the Agent and without liability to any Obligor) that it is:

   (a) [a Qualifying Lender (other than a Treaty Lender);]

(b) [a Treaty Lender;]

(c) [not a Qualifying Lender]; and

10. [The Increase Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.]

11. [The Increase Lender confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [ ]) and is tax resident in [ ], so that interest payable to it by UK borrowers is generally subject to full exemption from UK withholding tax and request that the Parent notify:

(a) each UK Borrower which is a Party as a Borrower as at the Transfer Date; and

(b) each Additional Borrower which is a UK Borrower and which becomes an Additional Borrower after the Transfer Date,

that it wishes that scheme to apply to this Agreement.

12. [The Increase Lender confirms that it [is]/[is not]* a Non-Acceptable L/C Lender.]**

13. We refer to clause 20.13 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement:

In consideration of the Increase Lender being accepted as a Senior Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Senior Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

14. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

15. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

16. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facility Agreement by the Agent and the Issuing Bank, [and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent*] and the Increase Date is confirmed as [ ].

Agent

By:

Issuing Bank

By:

[Security Agent

By: *]

SCHEDULE 17
AGREED SECURITY PRINCIPLES

1. **SECURITY PRINCIPLES**

(a) The guarantees and security to be provided in connection with the proposed transactions will be given in accordance with the security principles set out herein (the "**Agreed Security Principles**")**.**

(b) The Agreed Security Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining security and guarantees from all proposed grantors of security and guarantees (the "**Grantors**") in every jurisdiction in which the Grantors are incorporated. In particular**:**

(i) general statutory limitations, capital maintenance, financial assistance, corporate benefit, fraudulent preference, "thin capitalisation" rules, retention of title claims and similar principles may limit the ability of a Grantor to provide guarantees or security or may require that the guarantee or security be limited by an amount or otherwise. The Parent will use reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to each Grantor. Limitation language will be included in respect of all guarantees and security documents limiting the liability under the guarantees and the enforceability of the security as required or customary under applicable law;

(ii) the security and extent of its perfection will be agreed taking into account the cost to the Restricted Group of providing security so as to ensure that it is proportionate to the benefit accruing to the Secured Parties (as defined in the Intercreditor Agreement);

(iii) any assets subject to third party arrangements which are not prohibited by the Debt Documents (as defined in the Intercreditor Agreement) and which prevent those assets from being granted as security will be excluded in any relevant Transaction Security Document **provided that** reasonable endeavours to obtain consent to grant security interests over any such assets shall be used by the relevant Grantor if the relevant asset is material, and **provided further that** when making a Permitted Acquisition referred to in paragraph (v) of that definition no member of the Restricted Group shall enter into any agreement or undertaking at the time of such acquisition with a minority shareholder that prevents those assets from being granted as security as contemplated in that paragraph (v);

(iv) Grantors will not be required to give guarantees or enter into Transaction Security Documents to the extent that it would conflict with the fiduciary duties of their directors or officers or contravene any legal or regulatory prohibition or result in a risk of personal or criminal liability on the part of any director or officer;

(v) perfection of Security, when required pursuant to these Agreed Security Principles, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Transaction Security Documents or (if earlier or to the extent no such time periods are specified in the Transaction Security Documents) within the time periods specified by applicable law in order to ensure due perfection. The perfection of Security granted will not be required if it would have an unreasonable adverse effect on the ability of the relevant Grantor to conduct its operations and business in the ordinary course as to the extent not otherwise prohibited by the Debt Documents. The registration of security interests in intellectual property will (at all times subject to paragraph (iii) above and (c) below) only be in respect of material intellectual property in jurisdictions to be agreed;

(vi) the maximum guaranteed or secured amount may be limited to minimise stamp duty, notarisation, registration or other applicable fees, taxes and duties as well as the tax cost to the Restricted Group where the benefit of increasing the granted or secured amount is disproportionate to the level of such fee, taxes and duties or tax cost to the Restricted Group;

(vii) no perfection action will be required in jurisdictions where Grantors are not incorporated;

(viii) where a class of assets to be secured includes material and immaterial assets, if the cost of granting Security over the immaterial assets is disproportionate to the benefit of such Security, Security will be granted over the material assets only;

(ix) unless granted under a global security document governed by the law of the jurisdiction of an Obligor or under English law or as otherwise required by applicable law, all Security (other than share security over subsidiaries of the relevant Grantor and other assets of the relevant Grantor incorporated or located in jurisdictions other than the jurisdiction of incorporation of the Grantor) shall be governed by the law of the jurisdiction of incorporation of that Grantor;

(x) the Security Agent will hold one set of security for the Finance Parties; and

(xi) the Parent shall be responsible for costs and expenses reasonably incurred by the Finance Parties and the Restricted Group (including reasonable legal expenses, disbursements, registration costs and all taxes, duties and fees (notarial or otherwise)) in respect of guarantees and security.

(c) The Security Agent or the Finance Parties, as the case may be, shall promptly discharge any guarantees and release any Security which is or are subject to any legal or regulatory prohibition as is referred to in paragraph (b)(iv) above.

2. **GRANTORS AND SECURITY**

(a) Each guarantee will be an upstream, cross-stream and downstream guarantee and each guarantee and security will be for all liabilities of each Debtor (as defined in the Intercreditor Agreement and including, for the avoidance of doubt, the Senior Note Issuer (as defined in the Intercreditor Agreement) and each Obligor) and any Grantors under the Debt Documents in accordance with, and subject to the requirements of the Agreed Security Principles in each relevant jurisdiction.

(b) To the extent possible, all security shall be given in favour of the Security Agent and not the Secured Parties individually. "Parallel debt" provisions will be used where necessary; such provisions will be contained in the Intercreditor Agreement or the relevant transaction document and not the individual security documents unless required under local laws. To the extent possible, there should be no action required to be taken in relation to the guarantees or security when a Lender transfers any of its participation in the Facilities to a new Lender.

(c) If any guarantee and/or security is not permitted under the Senior Note Documents (as defined in the Intercreditor Agreement), such guarantee and/or security shall not be required in relation to the Facilities.

(d) The form of guarantee is set out in Clause 23 (*Guarantee and Indemnity*) of this Agreement and, with respect to any Additional Guarantor incorporated in a jurisdiction in respect of which no limitation language has been agreed before, is subject to any limitations set out in the Accession Deed applicable to such Additional Guarantor.

3. **TERMS OF SECURITY DOCUMENTS**

The following principles will be reflected in the terms of any security taken as part of this transaction:

(a) the security will be first ranking, to the extent possible;

(b) security will not be enforceable unless an event of default (howsoever described) has occurred and notice of acceleration has been given by the Creditor Representative under paragraphs (ii), (iv) or (vi) of Clause 28.19 (*Acceleration*) of this Agreement, or any equivalent provision of any other Primary Finance Documents (as defined in the Intercreditor Agreement) (a "**Relevant Acceleration Event**");

(c) the Security Agent will be entitled, where the relevant Grantor fails to fulfil its obligations under a Transaction Security Document (after the expiry of any applicable grace period), to perfect the Transaction Security, where such perfection is contemplated under these principles and the Transaction Security Document;

(d) the Transaction Security Documents shall only operate to create Security rather than to impose new commercial obligations. Accordingly, they shall not

contain additional representations or undertakings (such as in respect of title, validity, insurance, maintenance of assets, information or the payment of costs) unless the same are required for the creation or perfection of the Security or the assets subject to the Security and shall not operate so as to prevent transactions which are otherwise permitted under the Debt Documents or to require additional consents, authorisations or notifications;

(e) prior to an Event of Default that has occurred and is continuing (or in the case of Clauses 4 (*Bank Accounts*), 6 (*Insurance Policies*), 7 (*Intellectual Property*) and 9 (*Trade Receivables*) only, prior to a Relevant Acceleration Event), the provisions of each Security Document will not be unduly burdensome on the Grantor or interfere unreasonably with the operation of its business;

(f) the Security Agent shall only be able to exercise a power of attorney following an Event of Default that has occurred and is continuing (or in the case of Clauses 4 (*Bank Accounts*), 6 (*Insurance Policies*), 7 (*Intellectual Property*) and 9 (*Trade Receivables*) only, after a Relevant Acceleration Event) or if the relevant Grantor has failed to comply with a further assurance or perfection obligation (after the expiry of any applicable grace period);

(g) Transaction Security Documents, will where possible and practical, automatically create Security over future assets of the same type as those already secured;

(h) Information, such as lists of assets, will be provided if, in the opinion of counsel to the Lenders, these are required by local law to be provided to perfect or register the security or to ensure the security can be enforced and, unless required to be provided by local law more frequently, in that case be provided annually or, following an Event of Default which is continuing, on the Security Agent's reasonable request **provided that** no such regular information is required to be provided in respect of assets located in the United Kingdom.

4. BANK ACCOUNTS

(a) If a Grantor grants Security over its bank accounts it shall be free to deal with those accounts in the ordinary course of its business until a Relevant Acceleration Event (or until a later event has occurred as agreed upon in the relevant Transaction Security Document).

(b) In relation to any bank accounts opened prior to the date of this Agreement, notice of the Security will be served on the account bank after a Relevant Acceleration Event, if so requested by the Security Agent. There will be no restriction on the closure of any bank accounts which are no longer required by the Restricted Group.

(c) In relation to any bank accounts opened after the date of this Agreement, notice of the Security will be served on the account bank promptly after such bank account is opened and the Grantor shall use reasonable endeavours to obtain an acknowledgement by the account bank, if so requested by the Security Agent.

(d) Any Security over bank accounts may be subject to any prior security interests in favour of the account bank which are created either by law or in the standard terms and conditions of the account bank.

(e) No Security shall be taken over monies standing to the credit of a bank account where such money is held on trust for third parties.

5. **FIXED ASSETS**

(a) If a Grantor grants Security over its fixed assets it shall be free to deal with those assets in the course of its business until an Event of Default has occurred and is continuing.

(b) No notice whether to third parties or by attaching a notice to the fixed assets shall be prepared or given until an Event of Default has occurred and is continuing.

(c) If required under local law Security over fixed assets will be registered subject to the general principles set out in these Agreed Security Principles.

6. **INSURANCE POLICIES**

(a) Subject to these Agreed Security Principles, each Grantor shall grant Security over its insurance policies (other than third party liability and public liability insurance) in relation to assets that are also subject to Transaction Security. No Security will be granted over any insurance policies which cannot be secured under local law or under the terms of the relevant policy. Insurance claims will be collected by the Grantor in the ordinary course of business until a Relevant Acceleration Event.

(b) Notice of the Security will be served on the insurance provider after a Relevant Acceleration Event, if so requested by the Security Agent.

7. **INTELLECTUAL PROPERTY**

(a) If a Grantor grants Security over its Intellectual Property it shall be free to deal with those assets in the course of its business (including, without limitation, allowing its Intellectual Property to lapse if no longer material to its business and if permitted by this Agreement) until a Relevant Acceleration Event.

(b) No Security shall be granted over any intellectual property which cannot be secured under the terms of the relevant licensing agreement. No notice shall be prepared or given to any third party from whom intellectual property is licensed until a Relevant Acceleration Event.

(c) If required under local law, security over Intellectual Property will be registered under the law of that security document or at a relevant supra-national registry (such as the EU) subject to the general principles set out in these Agreed Security Principles.

8. **INTERCOMPANY RECEIVABLES**

(a) If a Grantor grants Security over its intercompany receivables from time to time it shall be free to deal with those receivables in the course of its business (subject to the Debt Documents) until an Event of Default has occurred and is continuing.

(b) Notice of the Security will be served on the intercompany debtor as follows:

(i) in the case of an intercompany receivable in excess of £3,000,000 (or its equivalent) after an Event of Default has occurred and is continuing, if so requested by the Security Agent; and

(ii) in the case of an intercompany receivable less than £3,000,000 (or its equivalent) after a Relevant Acceleration Event, if so requested by the Security Agent.

9. **TRADE RECEIVABLES**

(a) If a Grantor grants Security over its trade receivables it shall be free to deal with those receivables in the course of its business until a Relevant Acceleration Event.

(b) No notice of Security shall be served on a debtor until a Relevant Acceleration Event, including for the avoidance of doubt, upon the underlying debtors in Portfolio Accounts.

(c) No Security will be granted over any trade receivables which cannot be secured or assigned under the terms of the relevant contract.

(d) Nothing contained in the relevant Transaction Security Documents shall cause the Grantor to violate any applicable data protection laws.

10. **SHARES / PARTNERSHIP INTEREST**

(a) The Transaction Security Document will be governed by the laws of the person whose shares or partnership interests are being secured and not by the law of the country of the person granting the Security.

(b) Until an Event of Default has occurred and is continuing, the Grantor will be permitted to retain and to exercise voting rights to any shares or partnership interests pledged by it in a manner which does not materially adversely affect the validity or enforceability of the Security and the company whose shares or partnership interests have been pledged will, subject to the terms of the Debt Documents, as applicable, be permitted to pay dividends (with the proceeds to be available to the recipient).

(c) Where customary, on or as soon as reasonably practicable after the date of execution of the share pledge (and in any event within the time periods specified in the Transaction Security Documents), the share certificate and a stock transfer form executed in blank will be provided to the Security Agent (as applicable).

(d) Unless the restriction is required by law, the constitutional documents of the company whose shares or partnership interests have been pledged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on enforcement of the Security granted over them.

11. **REAL ESTATE**

(a) There will be no Security granted over real estate other than (i) real estate which, immediately prior to the date of this Agreement, is charged to secure the Existing Facilities and (ii) after the date of this Agreement, any other real estate acquired by a Debtor subject to these Agreed Security Principles.

(b) Subject to these Agreed Security Principles, each Grantor shall use its reasonable endeavours to obtain any consent required to grant Security over its real estate but will be under no obligation to obtain such consent if the granting of the Security would contravene any legal prohibition.

(c) In respect of any real estate security to be granted, there will be no obligation to investigate title, register mortgages with land registries, provide surveys or other insurance or environmental diligence.

12. **RELEASE OF SECURITY**

Other than release of the Security upon final payment in full of all the obligations secured by the Security (and no Secured Party having any actual or contingent liability to advance further monies to, or incur liabilities on behalf of, any Debtor under the Finance Documents), no circumstances in which the Security shall be released should be dealt with in individual Transaction Security Documents unless required by local law. If so required, such circumstances shall, except to the extent required by local law, be the same as those set out in the Intercreditor Agreement.

SCHEDULE 18
FORM OF ADDITIONAL COMMITMENT INCREASE NOTICE

To: [•] as Agent, [•] as Security Agent, and [•] as Issuing Bank

From: [•] as Parent and [the *Additional Commitment Lender*] (the "**Additional Commitment Lender**")

Dated: [•]

Dear Sirs

Cabot Financial (UK) Limited £85,000,000 Revolving Facility Agreement originally dated 20 September 2012, as amended and/or restated from time to time (the "Facility Agreement")

1. We refer to the Facility Agreement [and to the Intercreditor Agreement (as defined in the Facility Agreement)*]. This is an Additional Commitment Increase Notice for the purposes of the Facility Agreement [and a Creditor/Agent Accession Undertaking (as defined in and) for the purposes of the Intercreditor Agreement*]. Terms defined in the Facility Agreement have the same meaning when used in this Additional Commitment Increase Notice unless given a different meaning in this Additional Commitment Increase Notice.

2. We refer to Clause 2.3 (*Accordion Increase in Commitments*) of the Facility Agreement.

3. The Additional Commitment Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Facility Agreement.

4. The proposed date on which [the increase in relation to the Additional Commitment Lender and the Relevant Commitment]/ [the Relevant Commitment*] is to take effect (the "**Additional Commitment Increase Date**") is [•].

5. [On the Additional Commitment Increase Date, the Additional Commitment Lender becomes:

   (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and

   (b) party to the Intercreditor Agreement as a Senior Creditor.]

6. [The Facility Office and address, fax number and attention details for notices to the Additional Commitment Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.*]

7. The Additional Commitment Lender confirms that it is not a Sponsor Affiliate or a member of the Restricted Group.

8. The Additional Commitment Lender confirms (without prejudice to the validity of this Additional Commitment Increase Notice and for the benefit of the Agent and without liability to any Obligor) that it is:

   (a) [a Qualifying Lender (other than a Treaty Lender);]

   (b) [a Treaty Lender;]

(c) [not a Qualifying Lender]; and

9. The Additional Commitment Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

10. [The Additional Commitment Lender confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [ ]) and is tax resident in [ ], so that interest payable to it by UK borrowers is generally subject to full exemption from UK withholding tax and request that the Parent notify:

(a) each UK Borrower which is a Party as a Borrower as at the Transfer Date; and

(b) each Additional Borrower which is a UK Borrower and which becomes an Additional Borrower after the Transfer Date,

that it wishes that scheme to apply to this Additional Commitment Increase Notice.]

11. [The Additional Commitment Lender confirms that it [is]/[is not]* a Non-Acceptable L/C Lender.]

12. [We refer to clause 20.13 (*Creditor/Creditor Representative Accession Undertaking*) of the Intercreditor Agreement:

In consideration of the Additional Commitment Lender being accepted as a Senior Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Additional Commitment Lender confirms that, as from the Additional Commitment Increase Date, it intends to be party to the Intercreditor Agreement as a Senior Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement. *]

13. This Additional Commitment Increase Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Additional Commitment Increase Notice.

14. This Additional Commitment Increase Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

15. This Additional Commitment Increase Notice has been entered into on the date stated at the beginning of this Additional Commitment Increase Notice.

Note: The execution of this Additional Commitment Increase Notice may not be sufficient for the Additional Commitment Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Additional Commitment Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

* *Language to be included in case of a new Lender that is also acceding to the Intercreditor Agreement.*

THE SCHEDULE

Relevant Commitment/rights and obligations to be assumed by the Additional Commitment Lender

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[Additional Commitment Lender]

By:

This Agreement is accepted as an Additional Commitment Increase Notice for the purposes of the Facility Agreement by the Agent and the Issuing Bank, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent and the Additional Commitment Increase Date is confirmed as [ ].

Agent

By:

Issuing Bank

By:

Security Agent

By:

SCHEDULE 19
EXCLUDED BANK ACCOUNTS

Company	Bank	Account Number	Description
Apex Credit Management Limited	HSBC Bank plc	404319-02098903	APEX LOMBARD
Apex Credit Management Limited	HSBC Bank plc	404319-02098911	APEX HOME LN
Apex Credit Management Limited	HSBC Bank plc	404319-03664570	APEX CRE SEC
Apex Credit Management Limited	HSBC Bank plc	404319-11894722	APEX COLLECTIONS - DD from Allpay
Apex Credit Management Limited	HSBC Bank plc	404319-22099055	APEX SANTNDR
Apex Credit Management Limited	HSBC Bank plc	404319-22099063	APEX MEM CON
Apex Credit Management Limited	HSBC Bank plc	404319-22099071	APEX RCI FIN
Apex Credit Management Limited	HSBC Bank plc	404319-32039109	APEX FIELD AGENTS COLL
Apex Credit Management Limited	HSBC Bank plc	404319-32039117	APEX BLACK HORSE COLL
Apex Credit Management Limited	HSBC Bank plc	404319-32041154	APEX BOS CLIENT
Apex Credit Management Limited	HSBC Bank plc	404319-32099004	APEX LINK FI
Apex Credit Management Limited	HSBC Bank plc	404319-42098954	APEX HSBC BK
Apex Credit Management Limited	HSBC Bank plc	404319-42098962	APEX CLOSE

Company	Bank	Account Number	Description
Apex Credit Management Limited	HSBC Bank plc	404319-42098970	APEX BMW GRP
Apex Credit Management Limited	HSBC Bank plc	404319-42099101	APEX CONTGNT
Apex Credit Management Limited	HSBC Bank plc	404319-61566121	APEX CREDIT MANAGMNT LTD CREDIT BCA
Apex Credit Management Limited	HSBC Bank plc	404319-62099098	APEX UNITE
Apex Credit Management Limited	HSBC Bank plc	404319-71589857	APEX CREDIT MANAGMNT LTD CLIENT A/C
Apex Credit Management Limited	HSBC Bank plc	404319-72099039	APEX NORTHRN
Apex Credit Management Limited	HSBC Bank plc	404319-72099047	APEX RBS GRP
Apex Credit Management Limited	HSBC Bank plc	404319-73663973	APEX CREDIT OFF BDA
Apex Credit Management Limited	HSBC Bank plc	404319-73664252	Apex Credit Clients Deposit
Apex Credit Management Limited	HSBC Bank plc	404319-82098989	APEX BARCLAY
Apex Credit Management Limited	HSBC Bank plc	404319-82098997	APEX CAP ONE
Apex Credit Management Limited	HSBC Bank plc	404319-82099128	APEX LLOYDS
Apex Credit Management Limited	HSBC Bank plc	404319-92098938	APEX BAN PSA
Apex Credit Management Limited	HSBC Bank plc	404319-92098946	APEX HBOS GP

Company	Bank	Account Number	Description
Apex Credit Management Limited	The Royal Bank of Scotland plc	600001-40440826	HMRC Collections Account
Apex Credit Management Limited	The Royal Bank of Scotland plc	160015-10124932	ACM Stratford Office Client Account
Apex Credit Management Limited	The Royal Bank of Scotland plc	160015-10124940	RBS Trust Account

SIGNATURES

The Parent

CABOT FINANCIAL LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts
Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

The Original Borrower

CABOT FINANCIAL (UK) LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts
Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

The Original Guarantors

CABOT FINANCIAL (LUXEMBOURG) S.A.

Duly represented by:

/s/ H. Neuman

Name: H. Neuman

Title:

Address: E Building, Parc d'Activite Syrdall
6 rue Gabriel Lippmann
L- 5365 Munsbach
Luxembourg

Fax: +352 26 39 21 45

CABOT FINANCIAL LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

CABOT FINANCIAL HOLDINGS GROUP LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

CABOT CREDIT MANAGEMENT GROUP LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

CABOT FINANCIAL DEBT RECOVERY SERVICES LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

CABOT FINANCIAL (UK) LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

CABOT FINANCIAL (EUROPE) LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

FINANCIAL INVESTIGATIONS AND RECOVERIES (EUROPE) LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: Apex House
27 Arden Street
Stratford-upon-Avon
Warwickshire
CV37 6NW

Fax: +44 1732 524799

APEX CREDIT MANAGEMENT LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: Apex House
27 Arden Street
Stratford-upon-Avon
Warwickshire
CV37 6NW

Fax: +44 1732 524799

Other Guarantors

CABOT CREDIT MANAGEMENT LIMITED

/s/ Chris Ross-Roberts

/s/ Glen Crawford

By: Chris Ross-Roberts

Glen Crawford

Address: 1 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA,
United Kingdom

Fax: +44 1732 524799

The Arranger

CITIGROUP GLOBAL MARKETS LIMITED

/s/ Heath Lohrman

By: Heath Lohrman

Address: Citigroup Centre
33 Canada Square, Canary Wharf
London E14 5LB

Fax: +44 207 986 8295

J.P. MORGAN LIMITED

/s/ Gijs Michel

By: Gijs Michel

Address: 25 Bank Street, London E14 5JP

Fax: +44 203 493 0059

LLOYDS TSB BANK PLC

/s/ A. Young

By: A. Young

Address: 33 Old Broad Street, London, EC2N 1HZ

Fax:

THE ROYAL BANK OF SCOTLAND PLC

/s/ Marc Sefton

By: Marc Sefton

Address: 280 Bishopsgate, London, EC2M 4RB

Fax: +44 207 672 1073

The Agent

J.P. MORGAN EUROPE LIMITED

/s/ Steven Connolly

By: Steven Connolly

Address: Loans Agency, 6th Floor
25 Bank Street
Canary Wharf
London
E14 5JP

Fax: +44 20 7777 2360

Attention: Loans Agency

The Security Agent

J.P. MORGAN EUROPE LIMITED

/s/ Steven Connolly

By: Steven Connolly

Address: Loans Agency, 6th Floor
25 Bank Street
Canary Wharf
London
E14 5JP

Fax: +44 20 7777 2360

Attention: Loans Agency

The Original Lenders

CITIGROUP GLOBAL MARKETS LIMITED

/s/ Heath Lohrman

By: Heath Lohrman

Address: Citigroup Centre
33 Canada Square, Canary Wharf
London E14 5LB

Fax: +44 207 986 8295

JPMORGAN CHASE BANK, N.A., LONDON BRANCH

/s/ Gijs Michel

By: Gijs Michel

Address: 25 Bank Street, London E14 5JP

Fax: +44 203 493 0059

LLOYDS TSB BANK PLC

/s/ A. Young

By: A. Young

Address: 33 Old Broad Street, London, EC2N 1HZ

Fax:

THE ROYAL BANK OF SCOTLAND PLC

/s/ Marc Sefton

By: Marc Sefton

Address: 280 Bishopsgate, London, EC2M 4RB

Fax: +44 207 672 1073

Exhibit 10.2

SECOND AMENDMENT TO
SECURITIES PURCHASE AGREEMENT

This SECOND AMENDMENT TO SECURITIES PURCHASE AGREEMENT (this "Amendment") is entered into as of September 25, 2013, by and between **Encore Europe Holdings S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 560A, rue de Neudorf, L-2220 Luxembourg, not yet registered with the Luxembourg Trade and Companies Register and having a share capital of £15,000 ("Purchaser") and **JCF III Europe S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 47, avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 161027 and having a share capital of EUR 8,501,530 ("Seller"). Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Purchase Agreement (as defined below).

RECITALS

WHEREAS, Encore Capital Group, Inc., a Delaware Corporation (the "Assignor"), and Seller have entered into that certain Securities Purchase Agreement dated as of May 29, 2013 (as amended, the "Purchase Agreement") as amended on July 1, 2013;

WHEREAS, in accordance with Section 5.9 of the Purchase Agreement, Assignor has assigned, and Purchaser has assumed, all of Assignor's rights and obligations in, to and under the Purchase Agreement (other than with respect to Assignor's obligations under Section 5.16 of the Purchase Agreement, which shall remain with Assignor), pursuant to that certain Assignment and Assumption Agreement dated June 28, 2013; and

WHEREAS, Purchaser and Seller have agreed to amend the Purchase Agreement pursuant to this Amendment, as set forth herein.

AGREEMENT

In consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Purchaser and Seller each agree to amend the Purchase Agreement as follows:

1. Purchase Price. The first sentence of Section 1.2 is hereby amended and restated in its entirety to read as follows:

"The aggregate purchase price (the "Purchase Price") for the Purchased Securities shall be £115,065,551, in respect of the E Bridge PECs, the Company E PECs and the E Shares, and £40 in respect of the Holdings A Shares.

2. Headings. The headings of the Sections herein are inserted for convenience of reference only and are not intended to be a part of or affect the meaning or interpretation of this Amendment.

3. Severability. If any term or provision of this Amendment is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Amendment or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Amendment so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

4. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, as such laws are applied to contracts entered into and performed in such State, without reference to principles of conflicts of laws.

5. Counterparts; Electronic Signatures. This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties agree that this Amendment shall be legally binding upon the electronic transmission, including by facsimile or email, by each party of a signed signature page to this Amendment to the other party.

6. Full Force and Effect; No Obligation for Other Amendments. Each of the parties hereto confirms that this Amendment is intended to be a part of, and will serve as a valid, written amendment to, the Purchase Agreement. Except as otherwise set forth in this Amendment, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Purchase Agreement, which are hereby ratified and affirmed in all respects and shall continue in full force and effect, and this Amendment will not operate as an extension or waiver by the parties to the Purchase Agreement of any other condition, covenant, obligation, right, power or privilege under the Purchase Agreement. This Amendment relates only to the specific matters covered herein, and shall not be considered to create a course of dealing or to otherwise obligate any party to the Purchase Agreement to execute similar amendments or grant any waivers under the same or similar circumstances in the future.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on their respective behalf, by their respective officers thereunto duly authorized all as of the day and year first above written.

PURCHASER

ENCORE EUROPE HOLDINGS S.À R.L.

By: /s/ Paul Grinberg
Name: Paul Grinberg
Title: Manager

By: /s/ Gregory Call
Name: Gregory Call
Title: Manager

SELLER

JCF III EUROPE S.À R.L.

By: /s/ Jens Hoellermann
Name: Jens Hoellermann
Title: Manager

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Kenneth A. Vecchione, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Encore Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

By: /s/ Kenneth A. Vecchione
Kenneth A. Vecchione
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Paul Grinberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Encore Capital Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

By: /s/ Paul Grinberg
Paul Grinberg
Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

ENCORE CAPITAL GROUP, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Encore Capital Group, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

/s/ Kenneth A. Vecchione
Kenneth A. Vecchione
Chief Executive Officer
November 7, 2013

/s/ Paul Grinberg
Paul Grinberg
Executive Vice President, Chief Financial Officer and Treasurer
November 7, 2013