DATED 20TH JUNE 2016

LOAN NOTE INSTRUMENT

constituting

UP TO £50,000,000 IN NOMINAL VALUE OF SECURED LOAN NOTES 2016

issued by

CHERRY GODFREY CONSUMER FUNDING III LIMITED

Babbé
Guernsey Advocates

La Vieille Cour
La Plaiderie
St. Peter Port
Guernsey
Channel Islands
GY1 1WG

Cherry Godfrey

C2035-0004/1296375/10

CONTENTS

CLAUSE

SCHEDULE

THIS INSTRUMENT is dated 20th June 2016.

PARTY

CHERRY GODFREY CONSUMER FUNDING III LIMITED a non-cellular company limited by shares, incorporated with limited liability in Guernsey with company number 55040 whose registered office is at Number One, Fountain Street, St. Peter Port, Guernsey GY1 4AQ (**Company**).

BACKGROUND

The Company has, by resolution of its board of directors passed on 1st June 2016, unanimously resolved to create up to a maximum nominal amount of £50 million secured loan notes to be constituted in the manner set out below, with principal repayable and interest payable on the dates selected by the Noteholder.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

Bad Debt Provision Aggregate Value: the sum of all Provisions for Bad Debts.

Bad Debt Percentage: the percentage of the Customer Loan Value represented by the Bad Debt Provision Aggregate Value.

Base Rate: the current bank rate published by the Bank of England from time to time, or any approximate rate reasonably selected by the Company from time to time in the event of that first rate ceasing to be published.

Business Day: any day, other than a Saturday or Sunday or Bank holiday in Guernsey.

Certificate: a certificate in the form set out in Schedule 1 to this instrument representing a Loan Note.

Conditions: the conditions set out in Schedule 2 as, from time to time, amended and **Condition** shall be construed accordingly.

Customer Loan: means any loan advanced to a third party by Cherry Godfrey Finance Limited and funded by the Proceeds and not already written off by Cherry Godfrey Finance Limited following a default.

Customer Loan Value: the sum of the principal amounts of all Customer Loans outstanding from time to time including any interest accrued and/or compounded on any such loan.

Directors: the board of directors of the Company for the time being.

Event of Default: any of those events specified in clause 9.

Interest Period: the period of one, three or twelve months identified in the Certificate representing the relevant Note.

Interest Rate: the rate of interest set out in the Certificate for the relevant Note or as specified by the Company in accordance with clause 6.2.

Issue Date: the date identified as such in the Certificate for the relevant Loan Note.

Issue Period: a period of 12, 36 or 60 months identified in the Certificate relating to the relevant Note, each such period being deemed to commence on the later to occur of the Issue Date and the last day of the immediately preceding Issue Period.

Law: The Companies (Guernsey) Law, 2008 as amended.

Noteholder: each person for the time being entered in the Register as a holder (whether alone or jointly) a Note or, as the context may require, of the relevant Note.

Notes: up to £50 million secured loan notes constituted by this instrument or, as the case may be, the amount of such loan notes for the time being issued and outstanding.

Note Security: the security described in clause 4.1.

Note Trustee: JTC Trustees (Guernsey) Limited.

Proceeds: the monies received by the Company in consideration for the issue of the Notes.

Provisions for Bad Debt: in relation to a Customer Loan which has become in default in accordance with its terms or otherwise in respect of which any sum payable by a customer is not paid when due, the total balance of that Customer Loan including any interest accrued (ascertained on the date on which the relevant calculation of the Customer Loan Value in which that sum will be utilised is to be calculated), multiplied by the factor set out below:

Length of time any due payment is in arrears	Factor
2 to 2.99 months	0.10
3 to 3.99 months	0.40
4 to 5.99 months	0.75
6 or more months or written off	1.00

PROVIDED THAT interest shall not be treated as continuing to accrue or compound on any Customer Loan which has been written off or in respect of which any payment is more than six months in arrears.

Recognised Investment Exchange: has the meaning given to such term in The Companies (Recognised Stock Exchanges) Regulations, 2008 of the United Kingdom.

Register: the register of Noteholders (provisions relating to which are set out in clause 8).

Repayment Date: means, in respect of any Note in respect of which the Repayment Option has been exercised, the last day of the Issue Period during which that Repayment Option has been exercised.

Repayment Notice: a written notice served by the Company on a Noteholder in accordance with Condition 2.1 specifying the Note to be redeemed and the Repayment Date identified in accordance with Condition 2.2.

Repayment Notification Date: in respect of each Repayment Date shall mean the date falling, in the case of Notes for which an Issue Period of 12 months has been specified, one month, and otherwise, six months before the relevant Issue Period.

Repayment Option: the option for repayment of a Note exercised in accordance with the provisions of Condition 2.

Secretary: the secretary of the Company for the time being.

Security Account: any account(s) made subject to the Note Security in accordance with the requirements of clause 4.1.

Special Resolution: a resolution passed whether at a meeting of the Noteholders duly convened, and held, or by acknowledgement of a written notice, in each case accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting upon a show of hands or, if a poll is demanded, by a majority consisting of not less than 75% of the votes given on such poll.

1.2 Any reference in this instrument to:

(a) the **assets** of any person shall be construed as a reference to all, or any part, of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

(b) an **encumbrance** shall be construed as a reference to a mortgage, charge, security interest assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of, and having a similar effect to, the granting of security, or other security interest of any kind;

(c) **indebtedness** shall be construed as a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

(d) this **instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may, from time to time, be amended, varied, supplemented or novated, in each case, in accordance with its terms;

(e) a **month** shall be construed as a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month;

(f) a **person** shall be construed as a reference to any individual, firm, company or other body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) and, respectively, wherever incorporated or established;

(g) **repayment** includes redemption and vice versa and the words **repay**, **redeem**, **repayable**, **redeemed** and **repaid** shall be construed accordingly;

(h) **tax** shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

(i) the **winding-up**, **dissolution** or **administration** of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business; and

(j) **£** denotes the lawful currency of the United Kingdom and/or Guernsey.

1.3 References to any law, statute, or ordinance or statutory provision shall include references to such law, statute, ordinance or statutory provision as in force at the date of this instrument and as subsequently re-enacted or consolidated and shall include references to any law, statute, ordinance or statutory provision of which it is a re-enactment or consolidation provided that any such re-enactment or consolidation shall not include the liability of the Company pursuant to this instrument.

1.4 In construing this instrument general words introduced by the word **other** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word **including** shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.6 References to the Notes include references to all and/or any of the Notes.

1.7 The headings in this instrument are inserted for convenience only and shall not affect construction or interpretation and references to a clause, schedule, condition or paragraph are (unless otherwise stated) to a clause or schedule in this instrument and to a condition or a paragraph of the relevant schedule, respectively.

2. AMOUNT OF NOTES

The principal amount of the Notes is limited to £50 million.

3. DESCRIPTION AND STATUS OF NOTES

3.1 The Notes shall be known as Secured Loan Notes 2016 and shall be issued in integral multiples of £50,000.00 by the Company.

3.2 The Notes when issued shall rank *pari passu* equally and rateably without discrimination, or preference, among themselves and a secured obligation of the Company.

4. NOTE TRUSTEE

4.1 The Company shall provide security for its obligations without limitation, under this instrument and the Notes, by creating a first ranking security interest in favour of the Note Trustee over any bank account into which the Proceeds and receipts generated by use of the Proceeds will be paid and by assigning by way of security the benefit of any receivables (**Receivables**) payable to the Company generated by the use of the Proceeds by advancing the Proceeds to CGFL. CGFL will provide security to the Note Trustee over Customer Loans and the Receivables payable under them. The Company may require that the benefit of any Customer Loan that is in default and any Receivable payable under it is assigned to it by the Note Trustee, provided that it shall treat an amount received in respect of any such Receivable as Proceeds for the purposes of this instrument.

4.2 The Company shall procure that the Note Trustee declares a trust of its rights against the Company and CGFL under the Note Security in favour of the Noteholders.

4.3 The Company may from time to time procure the appointment of a replacement or additional Note Trustee subject to that person having all appropriate licenses and other requisite regulatory positions and such appointment not requiring the Company to incur a materially greater cost as a result of that appointment.

5. REPAYMENT OF NOTES

5.1 Any Note which has become subject to the Repayment Option shall become repayable on the Repayment Date applicable to that Note.

5.2 When the Notes become repayable in accordance with the provisions of this instrument, the Company shall, on the relevant Repayment Date, pay to the Noteholders the full principal amount of the Notes to be repaid together with any accrued interest on such Notes (less any tax which the Company is required by law to deduct or withhold from such payment) up to, and including, the date of payment.

5.3 All payments under this instrument, whether of principal, interest or otherwise, shall be made by the Company to the Noteholders entitled to such payments as provided by paragraph 5 of Schedule 3.

5.4 Where any payment to a Noteholder, whether of principal, interest or otherwise, is due in accordance with the terms of this instrument on a day which is not a Business Day, payment shall take place on the next succeeding Business Day. If that next succeeding Business Day is in the month following the month in which payment would otherwise be made, payment shall take place on the immediately preceding Business Day.

6. INTEREST ON NOTES

6.1 Until a Note is repaid in accordance with the provisions of this instrument, interest shall accrue, and be paid, on the principal amount of any Note which is outstanding at the Interest Rate set out in the Conditions.

6.2 The Company shall be entitled to change the Interest Rate applicable to a Note with effect of the first day of the immediately following Issue Period by written notice to the relevant Noteholder no later than 3 months before the Repayment Notification Date for that Note.

7. CERTIFICATES

7.1 Each certificate for Notes shall:

(a) bear a denoting number;

(b) recording the Principal Amount, Issue Period, Interest Rate, Interest Period for the relevant Note(s);

(c) be issued to a Noteholder substantially in the form set out in Schedule 1; and

(d) have the Conditions endorsed on it.

7.2 Each Noteholder shall be entitled to receive without charge one certificate for the Notes registered in his, or her, name.

7.3 The Company shall not be bound to register more than two persons as the joint holders of any Notes and, in the case of Notes held jointly by two persons, the Company shall not be bound to issue more than one certificate. Delivery of a certificate to the person who is first named in the Register as Noteholder shall be sufficient delivery to all joint holders of the Notes in respect of which such certificate has been delivered.

7.4 When a Noteholder redeems part only of the Notes in respect of which that Noteholder is the registered holder, the existing certificate shall be cancelled and a new certificate for the balance of such Notes shall be issued without charge.

8. REGISTER

8.1 The Company shall, at all times, keep a Register at its registered office (or at such other place as the Company may from time to time have appointed for the purpose and have notified to the Noteholders).

8.2 The Register shall contain the following details:

(a) the names and addresses of each Noteholder for the time being;

(b) the principal amount of the Notes held by each Noteholder;

(c) the date at which the name of each Noteholder is entered in the Register in respect of the Notes registered in his name;

(d) the date of issue of each Note; and

(e) all transfers and changes of ownership of the Notes, insofar as such transfer is permitted by the terms of the Notes.

8.3 Any change of name or address by any Noteholder which is notified to the Company at its registered office address above shall be entered in the Register.

9. DEFAULT

The following are Events of Default:

(a) **Non-payment**: the Company fails to pay any principal or interest on any of the Notes within ten (10) Business Days after the due date for payment thereof unless that non-payment arises as a result of a genuine error duly rectified by the Company upon it becoming aware of the relevant non-payment or as a result of the failure of any third party payment system utilised by the Company to effect any such payment, provided that the Company uses its reasonable endeavours to mitigate the effects of any such failure upon becoming aware of the same;

(b) **Breach of undertaking**: the Company fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest in respect of the Notes) expressed to be assumed by it in this instrument and such failure continues for ten (10) Business Days after written notice has been given by any Noteholder requiring remedy thereof;

(c) **Insolvency**: the Company is deemed by law or determined by a court to be insolvent or unable to pay its debts as they fall due and not otherwise deemed unable to pay your debts within the meaning of Section 407 of the Law, stops, suspends or threatens to stop or suspend payment of all, or any material part of, its indebtedness or commences negotiations with any one, or more, of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;

(d) **Enforcement proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of the Company and is not discharged or stayed within 10 Business Days;

(e) **Winding-up**: the Company is declared to be en état de désastré or takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by a Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;

(f) **Analogous proceedings**: anything analogous to, or having a substantially similar effect, to any of the events specified in clause 9 (c) to clause 9(e) inclusive shall occur under the laws of any applicable jurisdiction;

(g) **Encumbrance enforceable**: any encumbrance on, or over, the assets of the Company becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;

(h) **Cessation of business**: the Company ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof;

(i) **Illegality**: it is or becomes, or will become, unlawful for the Company to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding;

(j) **Failure of Security**: the Notes cease to be secured as contemplated by clause 4; and

(k) **Value of Security:** the Customer Loan Value less the Bad Debt Provision Aggregate Value together with all funds held in cash in the Security Account falls below the value of the Proceeds.

10. ACCELERATION

If, at any time and for any reason, any Event of Default has occurred, the Noteholders may by Special Resolution or by written notice to the Company from Noteholders holding more than 50% of the nominal value of the Notes then issued and outstanding, at any time while such Event of Default remains unremedied and has not been waived by a Special Resolution, direct that the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes shall become due and payable immediately. If the Noteholders give such a direction under this clause, then the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes (in each case less any applicable taxes) shall be immediately due and payable by the Company and the Company shall immediately pay or repay such amounts to the Noteholders.

11. NO SET-OFF

Payments of principal and interest under this instrument shall be paid by the Company to the Noteholders, without any deduction or withholding (whether in respect of any set-off, counterclaim, duties, taxes or otherwise whatsoever) unless the deduction or withholding is required by law.

12. MEETINGS OF NOTEHOLDERS

The provisions for meetings of the Noteholders set out in Schedule 4 shall be deemed to be incorporated in this instrument and shall be binding on the Company and the Noteholders and on all persons claiming through or under them respectively.

13. ENFORCEMENT

13.1 From and after the date of this instrument and so long as any amount is payable by the Company in respect of the Notes, the Company undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

13.2 The Notes shall be held subject to, and with the benefit of, the provisions of this instrument, the Conditions and the schedules (all of which shall be deemed to be incorporated in this instrument). All such provisions shall be binding on the Company and the Noteholders and all persons claiming through, or under, them respectively, and shall enure for the benefit of all Noteholders.

13.3 Each Noteholder shall be entitled to sue for the performance and observance of the provisions of this instrument so far as his holding of Notes is concerned. No other person shall have any right to enforce any term or condition of this instrument.

14. MODIFICATION

The provisions of this instrument and the Conditions and the rights of, the Noteholders may, from time to time, be modified, abrogated or compromised in any respect (including in any manner set out in paragraph 16.1 of Schedule 4) with the sanction of a Special Resolution and with the consent of the Company.

15. GOVERNING LAW AND JURISDICTION

15.1 This instrument and the Notes and any dispute or claim arising out of, or in connection with, any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of the Island of Guernsey.

15.2 The courts of Guernsey shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this instrument or any Note or their subject matter or formation (including non-contractual disputes or claims).

This instrument is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Form of Note

Certificate Number: [NUMBER]

Date of Issue: [DATE]

Amount: £[AMOUNT]

Interest Period: [ANNUAL/QUARTERLY/MONTHLY]

Interest Rate: [AMOUNT] % per annum

Issue Period: [12/36/60] Months

Repayment Notification: [NUMBER] Months

CHERRY GODFREY CONSUMER FUNDING III LIMITED

£50 MILLION SECURED LOAN NOTES 2016

Created and issued pursuant to a resolution of the board of directors of the Company passed on [*DATE*] 2016.

THIS IS TO CERTIFY THAT [*NAME OF NOTEHOLDER*] is the registered holder of £[*AMOUNT*] of the £50 million secured loan notes constituted by an instrument entered into by the Company on [*DATE*] 2016 (the "**Instrument**"). Such Notes are issued with the benefit of, and subject to the provisions contained in, the Instrument and the Conditions endorsed hereon.

1. The Notes are repayable on the last date of any Issue Period if the Repayment Option is exercised.

2. Any change of address of the Noteholder(s) must be notified in writing signed by the Noteholder(s) to the Company at its registered office from time to time.

3. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions endorsed hereon.

4. The Notes and any dispute or claim arising out of, or in connection with, any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of the Island of Guernsey.

Signed by, ……………………………………

[NAME]

For, and on behalf of,

CHERRY GODFREY CONSUMER FUNDING III LIMITED

Repayment Notice

To: Cherry Godfrey Consumer Funding III Limited
Number One
Fountain Street
St Peter Port
Guernsey
GY1 4AQ

Date:

Dear Sirs

Cherry Godfrey Consumer Funding III Limited (the "Issuer") - Loan Notes 2016 – Repayment Notice

Certificate Number:

In accordance with Condition 2.2 of the Note identified above the Noteholder identified below notifies the Company that this is a Repayment Notice for the purposes of the Loan Note Instrument under which the Note was issued. By delivering this Repayment Notice we request that the Company redeem the principal amount of the Note together with all interest accrued on the same on the next Repayment Date.

Yours faithfully

……………………………………

Registered Noteholder

Name:

Date:

Schedule 2 - The Conditions

1. REPAYMENT

The Company shall redeem the principal amount of each of the Notes the subject of the Repayment Option together with accrued and unpaid interest accrued on the relevant Notes up to (and including) the date of such repayment by the Company on the relevant Repayment Date.

2. REPAYMENT OPTION

2.1 The Company may at any time after the expiry of 24 months after the Issue Date for the relevant Note, elect to exercise the Repayment Option in respect of that Note by serving notice of the requisite period to that effect on the Noteholder (or any one of them, if more than one Noteholder is identified in the Register in respect of any particular Note) identified by the Register in respect of the relevant Note. The Company shall have absolute discretion as to which Notes are the subject of the Repayment Option exercised by it not be obliged to exercise the Repayment Option against any particular Note(s) or Notes held by a particular Noteholder.

2.2 A Noteholder (or any one Noteholder if more than one Noteholder is identified in the Register in respect of any particular Note) may exercise the Repayment Option in respect of a Note and require that Note to be repaid on the last day of an Issue Period by serving notice to that effect on the Company in the form set out in the Certificate relating to the relevant Note on or before the applicable Repayment Notification Date.

3. CANCELLATION

All Notes repaid, prepaid or purchased by the Company shall be cancelled.

4. PAYMENT OF INTEREST

4.1 Until the Notes are repaid in accordance with these Conditions, interest on the principal amount of the Notes outstanding, from time to time, shall accrue daily at the relevant Interest Rate and be compounded on the last day of the Interest Period during which it has accrued.

4.2 The Company shall pay accrued interest to the Noteholder in cash within five days of the date on which it is compounded in accordance with Condition 4.1.

4.3 Interest shall be calculated on the assumption that each calendar month consists of 30 days, on the basis of the number of days expired in a calendar month before the end of the same up to a maximum of 30 and on the basis of a 360 day year.

4.4 Interest shall be payable in respect of the Notes less any reduction or withholding required to be applied or imposed by any applicable law and without any obligation to gross up the same.

4.5 If the Company fails to pay any amount of interest or principal on any Note when such amount is due, interest at the rate applicable under these Conditions plus 1% per annum shall accrue on the unpaid amount from the due date until the date of payment.

4.6 Interest on any Notes repaid by the Company in accordance with these Conditions shall cease to accrue as from the actual date of such repayment.

5. DEALINGS

The Notes shall not be capable of being dealt in or on any Recognised Investment Exchange in the United Kingdom or elsewhere and no application has been, or shall be, made to any Recognised Investment Exchange for permission to deal in or for an official or other quotation for the Notes.

6. AUDIT

The Company shall procure that its auditor from time to time calculates the Bad Debt Percentage in respect of each financial year of the Company within six months of the end of the relevant financial year and shall notify the Noteholders and the Security Trustee if that percentage exceeds 7%.

7. NOTICES

Any Noteholder described in the Register as being at an address outside Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time but who shall, from time to time, give to the Company an address within Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time at which any notice may be served upon him shall be entitled to have notice served on him at such address. Save as otherwise provided in this Condition 7, no Noteholder other than a Noteholder described in the Register as being at an address in Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time shall be entitled to receive any notice.

Schedule 3 Provisions as to registration, transfer and other matters

1. RECOGNITION OF NOTEHOLDER AS ABSOLUTE OWNER

1.1 The Company shall recognise as absolute owner the registered holder of any Notes. The Company shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Notes may be subject.

1.2 The receipt by:

(i) the registered holder for the time being of any Notes; or,

(ii) in the case of joint registered holders, any of them,

of the principal payable in respect of such Notes and for the interest, from time to time, accruing due in respect of such Notes or for any other moneys payable in respect of such Notes shall be a good discharge to the Company notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Notes, interest or moneys. The Company shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Notes.

2. TRANSFERABILITY OF NOTES

The Notes are transferable by instrument in writing in the usual common form or in such form as the directors may approve (and which shall include the Noteholder representations contained in the application form for the Notes) in an amount of not less than £50,000 and in additional multiples of £1,000 in such instrument to be duly signed by or on behalf of the transferor and accompanied by such documentation identifying the transferee as may be reasonably be required by the Company and the transferor shall be deemed to remain the owner of any Note to be transferred until the transferee's name is entered in the Register in respect of the relevant Note (which entry the Company shall be under no obligation to effect or recognise until it has received the identification documentation previously described).

3. RECOGNITION OF PERSONAL REPRESENTATIVES

The executors or administrators of a deceased Noteholder (not being one of several joint registered holders) and in the case of the death of one or more of several joint registered holders the survivor or survivors of such joint registered holders together with any person to which a Note is transferred in accordance with clause 4, shall be the only person or persons recognised by the Company as having any title to such Note as was registered in the name of such deceased Noteholder.

4. TRANSMISSION OF NOTES

Any person who becomes entitled to any of the Notes as a result of the death or bankruptcy of any Noteholder, or of any other event giving rise to the transmission of such Note by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, and that he makes the Noteholder representations contained in the application form for the Notes (other than the declaration in 6(a) of such application form), be registered himself as the holder of such Note. The Company may retain any payments paid upon any such Note which any person under this provision is entitled to, until such person is registered as the holder of such Note.

5. PAYMENT OF INTEREST AND PRINCIPAL

5.1 The payments of principal, interest or other sums payable in respect of a Note may be paid by:

(a) electronic transfer in immediately available cleared funds on the due date for payment, to the account specified for the purpose by the Noteholder or joint Noteholders in writing to the Company; or

(b) in the absence of such notification, by cheque, warrant or bankers' draft made payable to, and sent to, the registered address of the Noteholder or in the case of joint registered holders, made payable to the order of, and sent to the registered address of, that one of the joint registered holders who is first named on the Register or made payable to such person and sent to such address as the registered holder or all the joint registered holders may in writing direct.

5.2 Every such cheque, warrant or bankers' draft shall be sent on the due date for payment and may be sent through the post at the risk of the registered Noteholder or joint registered holders. Payment of the cheque, warrant or bankers' draft shall be a good discharge to the Company.

5.3 All payments of principal, interest or other moneys to be made by the Company shall be made after any deductions or withholdings for, or on account of, any present or future taxes required to be deducted or withheld from such payments.

6. RECEIPT OF JOINT HOLDERS

If several persons are entered in the Register as joint registered holders of any Note then without prejudice to the provisions of paragraph 5 the receipt of any one of such persons for any interest or principal or other moneys payable in respect of such Note shall be as effective a discharge to the Company as if the person signing such receipt were the sole registered holder of such Note.

7. REPLACEMENT OF CERTIFICATES

If the Certificate for any Note is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Directors may require. In the case of defacement the defaced Certificate shall be surrendered before the new Certificate is issued.

8. NOTICE TO NOTEHOLDERS

Any notice or other document (including Certificates for Notes) may be given or sent to any Noteholder by sending the same by post in a prepaid, first-class letter addressed to such Noteholder at his registered address in the United Kingdom, Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time or (if he has no such registered address in such location) to the address (if any) within Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time supplied by him to the Company for the giving of notice to him. In the case of joint registered holders of any Note a notice given to the Noteholder whose name stands first in the Register in respect of such Note shall be sufficient notice to all joint holders. Notice may be given to the persons entitled to any Notes as a result of the death or bankruptcy of any Noteholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Noteholder at the address (if any) in Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

9. NOTICE TO THE COMPANY

Any notice or other document (including Certificates for a Note and transfers of Notes) may be given or sent to the Company by sending the same by post in a prepaid, first-class letter addressed to the Company at its registered office for the time being.

10. SERVICE OF NOTICES

Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in Guernsey, Jersey or such other jurisdiction as determined by the Issuer from time to time.

Schedule 4 Provisions for meetings of the Noteholders

1. CALLING OF MEETINGS

The Company may at any time and shall upon the request in writing signed by any registered holder of a Note for the time being outstanding convene a meeting of the Noteholders to be held at such place as the Company shall determine.

2. NOTICE OF MEETINGS

At least ten (10) Business Days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders of any meeting of Noteholders in the manner provided in Schedule 3. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Noteholder shall invalidate any resolution passed at any such meeting.

3. CHAIRMAN OF MEETINGS

A person nominated by the Company shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Noteholders present shall choose one of their number to be Chairman. The Directors and the Secretary and legal advisers of the Company and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. QUORUM AT MEETINGS

At any such meeting convened for any purpose, other than the passing of a Special Resolution, a person or persons holding or representing by proxy one tenth in nominal value of the Notes for the time being outstanding shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution, persons (at least two (2) in number) holding or representing by proxy a clear majority in nominal value of the Notes for the time being outstanding shall form a quorum. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

5. ABSENCE OF QUORUM

If within 30 minutes from the time appointed for any meeting of the Noteholders a quorum is not present the meeting shall, if convened upon the requisition of the Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than ten (10) Business Days and not more than thirty (30) Business Days thereafter) and to such place as may be appointed by the Chairman and at such adjourned meeting two Noteholders present in person or by proxy and entitled to vote, whatever the principal amount of the Notes held by them, shall form a quorum.

6. ADJOURNMENT OF MEETINGS

The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same, from time to time, and from place to place. No business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place.

7. NOTICE OF ADJOURNED MEETINGS

Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in the instrument. Such notice shall state that two (2) Noteholders present in person, or by proxy, and entitled to vote at the adjourned meeting whatever the principal amount of the Note(s) held by them shall form a quorum.

8. RESOLUTION ON SHOW OF HANDS

Every question submitted to a meeting of Noteholders shall be decided in the first instance by a show of hands. In case of an equality of votes the Chairman shall have a casting vote.

9. DEMAND FOR POLL

At any meeting of Noteholders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by one or more Noteholders present in person or by proxy, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.

10. MANNER OF TAKING POLL

If, at any such meeting, a poll is so demanded it shall be taken in such manner as the Chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

11. TIME FOR TAKING POLL

Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

12. PERSONS ENTITLED TO VOTE

The registered holders of any Note or, in the case of joint holders, any one of them shall be entitled to vote in respect thereof either in person, or by proxy, and in the latter case as if such joint holder were solely entitled to such Note. If more than one of such joint holders be present at any meeting either personally or by proxy the vote of the senior who tenders a vote (seniority being determined by the order in which the joint holders are named in the Register) shall be accepted to the exclusion of the votes of the other joint holders.

13. INSTRUMENT APPOINTING PROXY

Every instrument appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Noteholder.

14. DEPOSIT OF INSTRUMENT APPOINTING PROXY

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Company at the address where the Register is maintained for the time being (as referred to in clause 8.1 of the instrument) or at such other place as may be specified in the notice convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Notes in respect of which it is given unless previous intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the address where the Register is maintained for the time being (as referred to in clause 8.1 of the instrument). No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

15. VOTES

On a show of hands every Noteholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (not being himself a Noteholder) or by proxy shall have one vote (provided that a proxy appointed by more than one member should only have one vote or, where the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, such proxy shall have one vote for and one vote against the resolution). On a poll every Noteholder shall have one vote for every £1,000 in nominal amount of the Notes of which he is the holder. A Noteholder (or a proxy or representative of a Noteholder) entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

16. POWER OF MEETINGS OF NOTEHOLDERS

16.1 In addition to any other powers it may have, a meeting of the Noteholders may, by Special Resolution:

(a) sanction any compromise or arrangement proposed to be made between the Company and the Noteholders;

(b) sanction any abrogation, modification or compromise or any arrangement in respect of the rights of the Noteholders against the Company or its property whether such rights shall arise under this instrument or otherwise;

(c) sanction any scheme for the reconstruction of the Company or for the amalgamation of the Company with any other company;

(d) sanction any scheme or proposal for the sale or exchange of the Notes for, or the conversion of the Notes into, cash or shares, stock, debentures, debenture stock or other obligations or securities of the Company or any other company formed or to be formed, and for the appointment of a person with power on behalf of the Noteholders to execute an instrument of transfer of the Notes held by them in favour of the person to or with whom the Notes are to be sold or exchanged (as the case may be);

(e) assent to any modification or abrogation of the provisions contained in this instrument which shall be proposed by the Company and authorise the Company to execute an instrument supplemental to the instrument embodying any such modification or abrogation;

(f) give any authority or sanction which under the provisions of this instrument is required to be given by Special Resolution; and

(g) Request that the Company replace the Note Trustee, subject to any limitation on its obligation to do so set out in the instrument.

16.2 No resolution shall be effective which would increase any obligation of the Company under this instrument or postpone the due date for payment of any principal or interest in respect of any Note without the consent of the Company.

17. SPECIAL RESOLUTION BINDING ON ALL NOTEHOLDERS

A Special Resolution, passed at a meeting of Noteholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Noteholders whether or not present at such meeting and each of the Noteholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

18. RESOLUTIONS IN WRITING

A resolution in writing signed by the holders of at least 75% in nominal value (and in the case of a Note held by several Noteholders the signature of one of them only shall be required for such determination in respect of the relevant Note) of the Notes for the time being outstanding who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in the instrument shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one, or more, of the Noteholders.

19. MINUTES OF MEETINGS

Minutes of all resolutions and proceedings at every such meeting of the Noteholders shall be made and duly entered in books to be, from time to time, provided for that purpose by the Company. Any minutes which purport to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings held or by the Chairman of the next succeeding meeting of the Noteholders shall be conclusive evidence of the matters contained in such minutes. Unless the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly convened and held and all resolutions passed at such meetings to have been duly passed.

Signed by,
CHERRY GODFREY CONSUMER FUNDING III LIMITED
acting by, Mr David Cherry
and Mr David Barrow,
each a director

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Director

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Director