

POINT-PLUS TWENTY-NINTH INTERNATIONAL LIMITED

(incorporated with limited liability under the laws of the Cayman Islands)

USD160,000,000 Class A2 Secured Floating Rate Social Notes due 2028

Issue Price 100%

The USD160,000,000 Class A2 Secured Floating Rate Social Notes due 2028 (each a "**Class A2 Note**" and, together, the "**Class A2 Notes**") of Point-Plus Twenty-Ninth International Limited (the "**Note Issuer**") will be issued pursuant to a note trust deed (the "**Note Trust Deed**") dated 12 September 2024 (such date being the "**Closing Date**") between, among others, the Note Issuer and Citicorp International Limited (the "**Note Trustee**"). The Class A2 Notes are limited recourse obligations of the Note Issuer and are secured by, among other things, a USD160,000,000 Class A2 Floating Rate Bond due 2028 (the "**Class A2 Bond**") issued to the Note Issuer by Supreme Twenty-Ninth Securitization Specialty Co., Ltd. (the "**Bond Issuer**"), a Korean limited liability company (*yuhanhoesa*) incorporated under the Act Concerning Asset Backed Securitisation of Korea and the Korean Commercial Code. The Class A2 Bond is indirectly backed by a pool of credit card receivables originated by Lotte Card Co., Ltd. (the "**Originator**" or "**Lotte Card**").

It is expected that the Class A2 Notes will, when issued, be assigned an "**AAAsf**" rating by Fitch (Hong Kong) Limited (or its associates) ("**Fitch**" and the "**Rating Agency**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Investing in the Class A2 Notes involves certain risks. See "Risk Factors" beginning on page 46.

The transactions relating to the issuance of the Class A2 Notes are arranged by DBS Bank Ltd. ("**DBS**") as the Lead Manager (the "**Lead Manager**").

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Class A2 Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed, or reports contained, herein. Approval in-principle from, admission of the Class A2 Notes to the Official List of the SGX-ST, or quotation of any Class A2 Notes on the SGX-ST are not to be taken as an indication of the merits of this offering, the Note Issuer, the Bond Issuer, the Class A2 Initial Purchaser, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the Class A2 Notes. There can be no assurance that such listing will be maintained.

The Class A2 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Class A2 Notes are being offered and sold only outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act.

In addition to the issuance of the Class A2 Notes, the Note Issuer will also issue USD150,000,000 Class A1 Secured Floating Rate Social Notes due 2028 (the "**Class A1 Notes**" and together with the Class A2 Notes, the "**Notes**") on the Closing Date. The Class A1 Notes are not being offered under this Prospectus.

Interest on the Class A2 Notes is payable by reference to successive interest periods (each, an "**Interest Period**"). Interest is payable on the Class A2 Notes monthly in arrear on the 27th day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day unless that day falls in the next calendar month, in which case the first preceding day which is a Business Day (each, a "**Note Payment Date**"), commencing in October 2024. Interest will accrue on the Class A2 Notes from and including the Closing Date and will be payable monthly in arrear on each Note Payment Date on the principal amount of the Class A2 Notes outstanding at the beginning of the relevant Interest Period. The rate of interest for the Class A2 Notes for each Interest Period will be USD-SOFR as determined by (i) the Class A2 Calculation Agent (as defined in the Class A2 Swap Agreement) prior to the termination of the Class A2 Swap Agreement or (ii) the Class A2 Interest Calculation Agent if the Class A2 Swap Agreement is terminated and not replaced or if the Class A2 Calculation Agent notifies the Class A2 Interest Calculation Agent that USD-SOFR cannot be determined under the Class A2 Swap Agreement plus 0.68 per cent. per annum. See Note Condition 3 in "*Terms and Conditions of the Class A2 Notes*". Payments of interest and principal on the Class A2 Notes will rank *pari passu* with payments on the Class A1 Notes (as defined herein). See "*Transaction Overview—The Class A1 Bond and the Class A1 Notes*" for a description of the Class A1 Notes.

Unless previously redeemed and cancelled in full, the Note Issuer will redeem the Class A2 Notes in full on the Note Payment Date falling in November 2028 (the "**Note Legal Maturity Date**") at their Principal Amount Outstanding together with accrued interest. Principal of the Class A2 Notes will be paid on each Note Payment Date during the Controlled Amortisation Period in scheduled amortisation amounts. The Class A2 Notes will be issued in registered form in the minimum denomination of USD200,000 and integral multiples of USD1,000 in excess thereof. The Class A2 Notes will be exchangeable, and transfers thereof will be registrable, at the offices of Citibank, N.A., London Branch as Class A2 note registrar (the "**Class A2 Note Registrar**"). It is expected that the Class A2 Notes will be delivered through the facilities of Euroclear Bank S.A./N.V. as operator of Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") on or about 12 September 2024.

Lead Manager

DBS Bank Ltd.

The date of this Prospectus is 7 October 2024.

On the Closing Date, the Note Issuer will use the proceeds of the issue of: (a) the Class A2 Notes, to subscribe for the Class A2 Bond from the Bond Issuer and (b) the Class A1 Notes, to subscribe for a USD150,000,000 Class A1 Floating Rate Bond due 2028 (the "**Class A1 Bond**") from the Bond Issuer.

The Bond Issuer will use the proceeds of the issue of the Class A1 Bond and the Class A2 Bond (together, the "**Bonds**") to subscribe for a KRW413,850,000,000 interest (the "**Investor Interest**") in the assets of a trust (the "**Trust**") established pursuant to a trust agreement (the "**Trust Agreement**") dated 28 August 2024 among, *inter alia*, the Originator, Citibank Korea Inc. (the "**Trustee**") and the Bond Issuer. In accordance with the Trust Agreement, the Originator will entrust on the Closing Date certain credit card receivables existing as of 8 July 2024 (the "**Initial Cut-off Date**") and will entrust credit card receivables arising thereafter from time to time in certain designated credit card accounts to the Trustee. The Bond Issuer, as holder of the Investor Interest, will be entitled to receive certain distributions from the assets of the Trust, as more fully described in "*Transaction Overview—The Trust*". The Bond Issuer will make payments of interest and principal on the Class A2 Bond through an interest rate and currency swap agreement (the "**Class A2 Swap Agreement**") entered into with DBS Bank Ltd., Seoul Branch (the "**Class A2 Swap Provider**") following receipt of distributions of profit and principal on the Investor Interest on each Trust Distribution Date (as defined herein). The Note Issuer will make payments of interest and principal on the Class A2 Notes following receipt of payments of interest and principal on the Class A2 Bond from the Bond Issuer through the Class A2 Swap Agreement. The Note Issuer, among others, will have the benefit of security to be granted by the Bond Issuer over its assets, including the Investor Interest, as well as a pledge of the equity in the Bond Issuer. See "*Transaction Overview—The Class A2 Bond—Security*".

IMPORTANT NOTICE

This Prospectus contains only limited information in relation to, and does not constitute an offer of, or a Prospectus in relation to, the Class A1 Notes to be issued by the Note Issuer or the Class A1 Bond or the Class A2 Bond to be issued by the Bond Issuer.

None of the Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents or the Note Issuer Administrator (each as defined herein) has verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability (whether arising in tort or contract or otherwise) is accepted by the Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents, the Note Issuer Administrator or any of their respective affiliates or advisers as to the accuracy or completeness of the information contained in this Prospectus or as to the future performance of the Class A2 Notes, the Receivables, the Class A2 Bond or the Class A2 Swap Agreement. Nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents, the Note Issuer Administrator or any of their respective affiliates or advisers.

No person is or has been authorised in connection with the issue, offering, subscription or sale of the Class A2 Notes to give any information or to make any representation not contained in this Prospectus and any information or representation not contained in this Prospectus must not be relied upon as having been authorised by the Note Issuer, the Bond Issuer, the Originator, the Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents, the Note Issuer Administrator, the Class A2 Swap Provider or any other person. Neither the delivery of this Prospectus at any time nor any sale or allotment made in connection with the issue of the Class A2 Notes shall under any circumstances constitute a representation or create any implication that the information contained herein is correct at any time after the date hereof or that there has been no change in the affairs of any party herein mentioned since that date.

Potential investors of the Class A2 Notes should determine for themselves the relevance of the information contained in this Prospectus or any part thereof and their purchase of any Class A2 Notes should be based upon such investigation as they themselves deem necessary. The Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents or any of their respective affiliates have not undertaken, do not undertake and will not undertake to review the financial condition or affairs of the Note Issuer, the Bond Issuer, the Originator, the Class A2 Swap Provider, the Servicer, the Bond Agents, the Note Agents or any other party to the transaction on, prior to or after the date of this Prospectus and shall not advise any investor or potential investor in the Class A2 Notes of any information coming to their attention after the date of this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Lead Manager, the Class A2 Initial Purchaser, the Bond Agents, the Note Agents or the Note Issuer Administrator that any recipient of this Prospectus should purchase the Class A2 Notes.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Note Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Class A2 Notes are capital markets products other than "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Specified Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Class A2 Notes do not represent deposits with, or other liabilities of, any of the Lead Manager, the Class A2 Initial Purchaser, the Class A2 Swap Provider, the Bond Agents, the Note Agents, the Note Issuer Administrator, and/or any of their respective subsidiaries or associated companies. The Class A2 Notes are subject to investment risks (see "*Risk Factors*"), including, without limitation, prepayment or interest rate or credit risks, possible delays in repayment and loss of income and principal moneys invested. Purchasers or purchasers of the Class A2 Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of investment in the Class A2 Notes. None of the Lead Manager, the Class A2 Initial Purchaser, the Class A2 Swap Provider, the Bond Agents, the Note Agents, the Note Issuer Administrator nor any of their respective subsidiaries or associated companies in any way stands behind or makes any representation, warranty, covenant or guarantee as to the capital value or performance of the Class A2 Notes or of any assets of, or held by, the Note Issuer or the Bond Issuer. The obligations of the Lead Manager, the Class A2 Initial Purchaser, the Class A2 Swap Provider, the Bond Agents, the Note Agents, the Note Issuer Administrator and their respective subsidiaries or associated companies to the Note Issuer and the holders of the Class A2 Notes are limited to those expressed in the Transaction Documents (as defined herein) to which the Lead Manager, the Class A2 Initial Purchaser, the Class A2 Swap Provider, the Bond Agents, the Note Agents and/or the Note Issuer Administrator is or are parties.

The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Class A2 Notes.

This Prospectus does not constitute an offer and may not be used for the purpose of an offer to or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or in which it is unlawful to make such offer or solicitation. No action has been or will be taken to permit a public offering of the Class A2 Notes in any jurisdiction where action would be required for that purpose. The Class A2 Notes may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

The Class A2 Notes are expected to settle in book-entry form through the facilities of Clearstream and Euroclear on or about the Closing Date against payment therefor in immediately available funds.

Any Definitive Note Certificate (as defined herein) issued in respect of the Class A2 Notes will bear restrictive legends and will be subject to the restrictions on transfer as described herein.

The Note Issuer accepts responsibility for the information contained in this document other than the Bond Issuer Information, the Trustee Information, the Class A2 Swap Provider Information and the Originator Information (the "**Note Issuer Information**"). To the best of the knowledge and belief of the Note Issuer, the information contained in the Note Issuer Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Note Issuer, having made all reasonable inquiries, confirms that the Note Issuer Information is true and correct in all material respects, that there is no omission of a material fact necessary to make the Note Issuer Information, in the light of the circumstances under which it is provided, not misleading, and that the opinions and intentions expressed in the Note Issuer Information are honestly held. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Note Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Bond Issuer accepts responsibility for the information contained in this document under "*The Bond Issuer*" and "*General Information*" (insofar as it relates to the Bond Issuer) (collectively, the "**Bond Issuer Information**"). To the best of the knowledge and belief of the Bond Issuer, the information contained in the Bond Issuer Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bond Issuer, having made all reasonable inquiries, confirms that the Bond Issuer

Information is true and correct in all material respects, that there is no omission of a material fact necessary to make the Bond Issuer Information, in the light of the circumstances under which it is provided, not misleading, and that the opinions and intentions expressed in the Bond Issuer Information are honestly held.

The Trustee accepts responsibility for the information contained in this document under "*The Trust and the Trustee*" (the "**Trustee Information**"). To the best of the knowledge and belief of the Trustee, the information contained in the Trustee Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Trustee, having made all reasonable inquiries, confirms that the Trustee Information is true and correct in all material respects, that there is no omission of a material fact necessary to make the Trustee Information, in the light of the circumstances under which it is provided, not untrue or incorrect, and that the opinions and intentions expressed in the Trustee Information are honestly held.

The Class A2 Swap Provider accepts responsibility for the information contained in this document under "*The Class A2 Swap Provider*" (the "**Class A2 Swap Provider Information**"). To the best of the knowledge and belief of the Class A2 Swap Provider, the information contained in the Class A2 Swap Provider Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Class A2 Swap Provider, having made all reasonable inquiries, confirms that the Class A2 Swap Provider Information is true and correct in all material respects, that there is no omission of a material fact necessary to make the Class A2 Swap Provider Information, in the light of the circumstances under which it is provided, not untrue or incorrect, and that the opinions and intentions expressed in the Class A2 Swap Provider Information are honestly held.

The Originator accepts responsibility for the information contained in this document under "*The Originator and Servicer*", "*Description of the Receivables*", "*Korean Credit Card Industry Overview*", "*Regulatory Requirements*" and under "*General Information*" (insofar as it relates to the Originator) (collectively, the "**Originator Information**"). To the best of the knowledge and belief of the Originator, the information contained in the Originator Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Originator, having made all reasonable inquiries, confirms that the Originator Information is true and correct in all material respects, that there is no omission of a material fact necessary to make the Originator Information, in the light of the circumstances under which it is provided, not misleading, and that the opinions and intentions expressed in the Originator Information are honestly held. Save as described above, the Originator has not verified any information contained in this document and has not made any representation or warranty (express or implied) as to the accuracy, adequacy or completeness of such information, or as to the future performance of the Class A2 Notes, the Class A2 Bond, the Receivables or the Class A2 Swap Provider and nothing herein shall be deemed to constitute such a representation or warranty.

The Class A2 Notes will constitute secured limited recourse obligations of the Note Issuer and are not obligations or responsibilities of, or insured or guaranteed by, any person other than the Note Issuer. In particular, the Class A2 Notes are not obligations or responsibilities of, or insured or guaranteed by, the Bond Agents, the Note Agents, the Note Issuer Administrator, the Originator, the Servicer, the Bond Issuer, the Class A2 Swap Provider, the Lead Manager, the Class A2 Initial Purchaser or any affiliate of any of the foregoing entities.

It is expected that the Class A2 Notes will, when issued, be assigned an "AAAsf" rating by Fitch. This rating relates to the timely payment of interest on the Class A2 Notes and the ultimate payment of principal of the Class A2 Notes on a date that is not later than the Note Legal Maturity Date. **A security rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.**

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Percentages in the tables in this Prospectus may not add up to 100 per cent. because of rounding. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

All references in this Prospectus to "**USD**", "**US Dollars**", "**U.S. dollars**", "**U.S. dollar**", "**US\$**", "**United States Dollars**", "**U.S.\$**" or "**\$**" are to the lawful currency for the time being of the United States of America (the "**U.S.**"), those to "**₩**", "**Won**", "**Korean Won**", or "**KRW**" are to the lawful currency for the time being of the Republic of Korea ("**Korea**") and those to "**Singapore dollar**" are to the lawful currency for the time being of the Republic of Singapore. All references to the "**Government**" herein are references to the government of Korea.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in the sections entitled "*Transaction Overview*", "*The Originator*", "*Description of the Receivables*" and "*Expected Average Life of the Class A2 Notes*" and elsewhere in this Prospectus constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the success of collections, the actual cash flow generated by the Receivables, the expected length of the Revolving Period, the expected amortisation of the Class A2 Notes, the expected origination of sufficient additional Eligible Receivables by the Originator, the expected purchase of additional Receivables by the Bond Issuer and the expected sufficiency of the swap arrangements to meet the U.S. dollar payment needs of the Bond Issuer to differ materially from the information set forth herein and to be materially different from any future results, performance or financial condition expressed or implied by such forward-looking statements. See "*Risk Factors*".

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forward-looking statements, opinions and expectations contained herein are based on fair and reasonable assumptions, the success of collections, the actual cash flow generated by the Receivables, the expected length of the Revolving Period, the expected amortisation of the Class A2 Notes, the expected origination of sufficient additional Eligible Receivables by the Originator, the expected purchase of additional Receivables by the Bond Issuer and the expected sufficiency of the swap arrangements to meet the U.S. dollar payment needs of the Bond Issuer may differ materially from the projections set forth in any forward-looking statements herein. Investors should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to any forecasted periods contained in this Prospectus. No party to the offering undertakes any obligation to revise these forward-looking statements to reflect subsequent events or circumstances.

AVAILABLE INFORMATION

The Note Issuer and the Servicer will furnish to the Note Trustee and holders of the beneficial interests in the Class A2 Global Note as identified by Euroclear and Clearstream certain information on a periodic basis.

CAYMAN ISLANDS DATA PROTECTION

Prospective investors should note that, in certain circumstances, personal data may need to be supplied in order for an investment in the Class A2 Notes to be made and for that investment in the Class A2 Notes to continue or to enable the Class A2 Notes to be redeemed.

The Note Issuer's use of personal data is governed by the Cayman Islands Data Protection Act (as amended) and, in respect of any EU data subjects, the EU General Data Protection Regulation (together, the "**Data Protection Legislation**").

Under the Data Protection Legislation, individual data subjects have rights and the Note Issuer as data controller has obligations with respect to the processing of personal data by the Note Issuer and its affiliates and delegates, including but not limited to the Note Issuer Administrator. Breach of the Data Protection Legislation by the Note Issuer could lead to enforcement action against it. The Note Issuer's privacy notice provides information on the use of personal data by and on behalf of the Note Issuer under the Data Protection Legislation. The Note Issuer's privacy notice can be accessed at <https://www.walkersglobal.com/external/SPVDPNotice.pdf>.

If you are an individual prospective investor, the processing of personal data by and on behalf of the Note Issuer is directly relevant to you. If you are an institutional investor that provides personal data on individuals connected to you for any reason in relation to your investment in the Class A2 Notes (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), this will be relevant for those individuals and you should transmit the privacy notice to such individuals or otherwise advise them of its content.

PROHIBITION OF SALES TO THE PUBLIC IN THE CAYMAN ISLANDS

NO OFFER OR INVITATION, WHETHER DIRECTLY OR INDIRECTLY, MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE NOTES AND NO SUCH INVITATION IS MADE HEREBY.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Class A2 Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Class A2 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Class A2 Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where the Note Issuer or any related party is a product manufacturer as defined in MiFID II, solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Class A2 Notes has led to the conclusion that: (i) the target market for the Class A2 Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all intended channels for distribution of the Class A2 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Class A2 Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Class A2 Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

EU RISK RETENTION REQUIREMENTS

On the Closing Date, the Originator will retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of Regulation (EU) 2017/2402 (together with any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time, the "**Securitisation Regulation**") (which does not take into account any corresponding national measures). As at the Closing Date, such interest will be comprised of an interest in the Class B Beneficial Interest which is not less than 5 per cent. of the beneficial interest in the Trust, in accordance with Article 6(3)(b) of the Securitisation Regulation. See "*Regulatory Requirements*".

DEFINED TERMS

Defined terms used in this Prospectus shall, except where otherwise defined herein, have the meanings set forth in the section "*Master Definitions Schedule*".

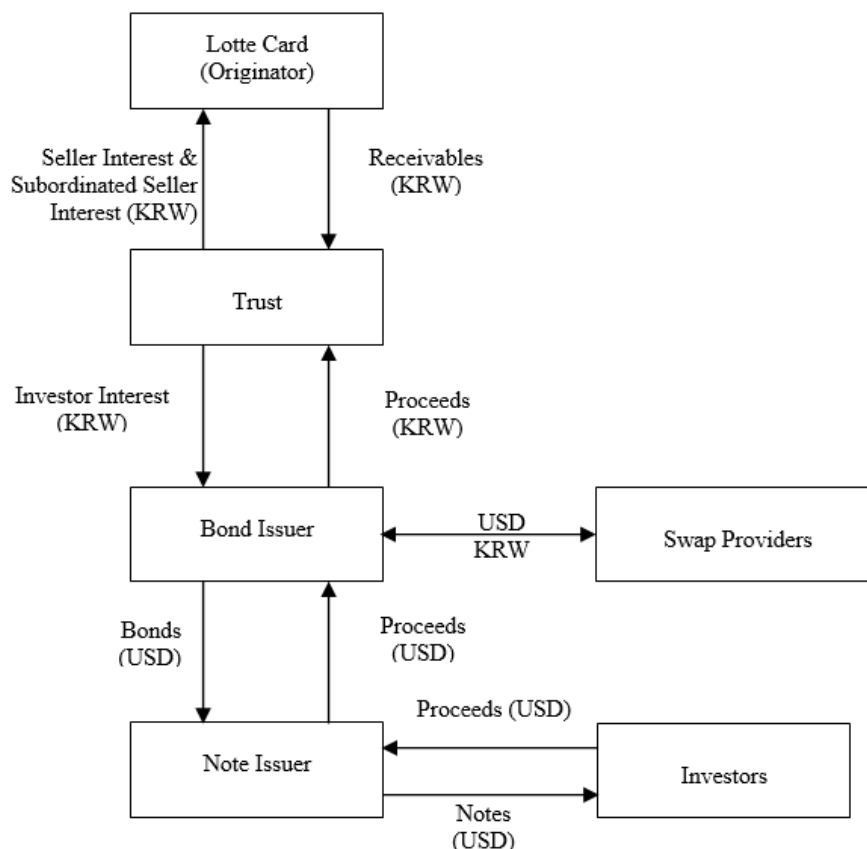
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TRANSACTION STRUCTURE

The following diagram provides a general overview of the transaction structure which does not purport to be complete and is qualified entirely by reference to the detailed information appearing elsewhere in this Prospectus and in the Transaction Documents and is included for the convenience of readers only.

Prospective purchasers of the Class A2 Notes should read and consider the more detailed information in relation to the transaction structure set out in "Transaction Overview". The Transaction Overview summarises the terms of the Transaction Documents, all of which (except for the Class A2 Note Subscription Agreement and the Fee Letters) are available for inspection at the locations set out in "General Information".



TRANSACTION OVERVIEW

The summary information set out in this section is qualified by, and must be read in conjunction with, the further detailed information appearing elsewhere in this Prospectus and in the Transaction Documents. In particular, prospective investors in the Class A2 Notes should consider the matters set forth under "Risk Factors".

Reference to a "Note Condition" is to a numbered condition of the Terms and Conditions of the Class A2 Notes, set forth under "Terms and Conditions of the Class A2 Notes".

TRANSACTION PARTIES

Note Issuer:	Point-Plus Twenty-Ninth International Limited, an exempted company incorporated with limited liability in the Cayman Islands
Bond Issuer:	Supreme Twenty-Ninth Securitization Specialty Co., Ltd., a limited liability company (<i>yuhanhoesa</i>) incorporated in Korea
Originator and Servicer:	Lotte Card Co., Ltd.
Class A2 Swap Provider and Class A2 Calculation Agent:	DBS Bank Ltd., Seoul Branch
Trustee, Transaction Administrator, Security Agent, Bond Registrar and Account Bank :	Citibank Korea Inc.
Back-up Servicer and Bond Issuer Servicer:	Jeonbuk Bank
Bond Issuer Administrator:	Gong-Myoung Accounting Corporation
Note Trustee, Class A1 Paying Agent, Class A1 Transfer Agent, Class A1 Interest Calculation Agent and Class A1 Note Registrar:	Citicorp International Limited
Class A2 Note Registrar, Principal Paying Agent, Principal Transfer Agent and Class A2 Interest Calculation Agent:	Citibank, N.A., London Branch
Note Issuer Administrator:	Walkers Fiduciary Limited
An Account Bank:	Citibank, N.A., Hong Kong Branch
Class A2 Initial Purchaser:	DBS Bank Ltd.
Designated FX Bank:	DBS Bank Ltd., Seoul Branch
Rating Agency:	Fitch (Hong Kong) Limited (or its associates)

THE CLASS A2 NOTES

The Class A2 Notes

The Note Issuer will issue the USD160,000,000 Class A2 Secured Floating Rate Social Notes due 2028 on 12 September 2024 (the "Closing Date").

The Class A2 Notes will be secured by, *inter alia*, the Class A2 Bond to be issued by the Bond Issuer to the Note Issuer on the Closing Date. See "—Note Security" below.

The Class A2 Notes will be issued initially in global form (the "**Class A2 Global Note**") and will be deposited with a common depository (the "**Common Depository**") for Euroclear and Clearstream. Beneficial interests in the Class A2 Global Note will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream.

Issue Price

The Class A2 Notes will be issued at 100 per cent. of their principal amount.

Ratings

Upon issuance, the Class A2 Notes are expected to be assigned a rating of "AAAsf" by Fitch.

Note Security

Pursuant to the provisions of the Note Trust Deed, the Note Issuer will grant a security interest to the Note Trustee for the benefit of the Noteholders and the other Note Secured Parties over substantially all of the Note Issuer's assets (including the Class A1 Bond, the Class A2 Bond and the Note Issuer's interest in the Security) to secure the Note Issuer Obligations. See "*The Class A2 Bond—Security*" below.

Interest

Interest will be payable on the Class A2 Notes monthly in arrear on the 27th day of each month or, if such day is not a Business Day, the next succeeding Business Day unless that day falls in the next calendar month, in which case the first preceding day which is a Business Day (each, a "**Note Payment Date**"), commencing in October 2024. See Note Condition 3 in "*Terms and Conditions of the Class A2 Notes*".

Interest on the Class A2 Notes is payable by reference to successive interest periods (each, an "**Interest Period**"). The initial Interest Period will commence on (and include) the Closing Date and will end on (but exclude) the initial Note Payment Date. Each successive Interest Period will commence on and include a Note Payment Date and end on (but exclude) the next succeeding Note Payment Date.

Interest will accrue on the Principal Amount Outstanding of the Class A2 Notes as of the first day of each relevant Interest Period (after giving effect to any payment of principal of the Class A2 Notes made on such day) on the basis of the actual number of days elapsed in such Interest Period and a 360-day year. The rate of interest for the Class A2 Notes for each Interest Period will be the sum of (i) either (x) prior to the termination of the Class A2 Swap Agreement, the Floating Rate (as defined under the Class A2 Swap Agreement) in respect of the relevant Interest Period as determined by the Class A2 Calculation Agent in accordance with the provisions of the Class A2 Swap Agreement or (y) if the Class A2 Swap Agreement has been terminated and not replaced or if the Class A2 Calculation Agent notifies the Class A2 Interest Calculation Agent that no Floating Rate can be determined under the Class A2 Swap Agreement, the applicable USD-SOFR rate as determined by the Class A2 Interest Calculation Agent in accordance with the provisions of the Class A2 Swap Agreement for such Interest Period and (ii) a margin of 0.68 per cent. per annum.

Amortisation and Redemption

(a) *Note Maturity*

The Class A2 Notes are expected to mature on the Note Payment Date falling in November 2027 (the "**Note Expected Maturity Date**"). If the payment made on the Note Expected Maturity Date is insufficient to pay in full the then Principal Amount Outstanding of the Class A2 Notes, the Note Issuer will continue to make payments of principal on the Class A2 Notes on each following Note Payment Date to the extent of funds available therefor until the Principal Amount Outstanding of the Class A2 Notes has been paid in full or, if earlier, until the Note Payment Date falling in November 2028 (the "**Note Legal Maturity Date**").

(b) *Revolving Period*

During the Revolving Period, no principal in respect of the Class A2 Notes will be paid.

(c) *Controlled Amortisation Period*

On each Note Payment Date following a Trust Distribution Date relating to a Collection Period that falls in the Controlled Amortisation Period, instalments of principal in respect of the Class A2 Notes will be paid.

(d) *Early Amortisation Period*

On each Note Payment Date following a Trust Distribution Date that falls in the Early Amortisation Period or on or after the Enforcement Date, amounts in respect of principal will be payable on the Class A2 Notes up to their respective Principal Amount Outstanding, to the extent of funds available therefor, until the Class A2 Notes have been repaid in full as at such date.

(e) *Mandatory Redemption*

Upon receipt of a Bond Redemption Notice from the Bond Issuer, the Note Issuer will redeem the Class A2 Notes, in whole, to the extent of funds available therefor, in accordance with the priority of payments set forth in the Note Trust Deed on the next succeeding Note Payment Date, at the Class A2 Note Redemption Amount on such date. See "*The Class A2 Bond—Amortisation and Redemption*" below.

Early Amortisation Events

In accordance with the Transaction Administration Agreement, the Transaction Administrator will promptly (but in any event within three (3) Business Days) after the earlier of the date on which (i) it receives written notice from the Servicer, the Originator, the Majority Investor or the Note Trustee of the occurrence of any Early Amortisation Event or Potential Early Amortisation Event or (ii) any of its responsible officers acquires actual notice of the occurrence of any Early Amortisation Event or Potential Early Amortisation Event or (iii) it receives a Monthly Servicer Report which expressly states the occurrence of an Early Amortisation Event or Potential Early Amortisation Event, notify the Trustee, the Swap Providers, the Majority Investor and the Note Trustee, with a copy to the Bond Issuer, the Security Agent, the Rating Agency, the Originator and the Servicer, of such Early Amortisation Event or Potential Early Amortisation Event. Any such notice will provide that the Majority Investor may respond in writing to the Transaction Administrator to instruct the Transaction Administrator to declare an Early Amortisation Event.

As soon as practicable and in any event no later than the next Business Day following receipt (and only upon receipt) of written instructions from the Majority Investor to declare that an Early Amortisation Event has occurred, the Transaction Administrator will, by notice then given in writing to the Trustee, the Swap Providers, the Bond Issuer, the Security Agent, the Note Trustee, the Rating Agency, the Originator and the Servicer, declare that an Early Amortisation Event has occurred in respect of the Class A2 Bond and the Class A2 Notes as of the date of such notice.

The occurrence of any of the following events will constitute an "**Early Amortisation Event**":

- (a) an Insolvency Event occurs in relation to the Originator or the Trustee;
- (b) any of the Originator, the Trustee or the Servicer fails to make any payment, any transfer of funds in accordance with the Transaction Documents (including, without limitation, the payment of the Investor Amortisation Amount) other than any such failure which is caused by any Technical Failure where the relevant payment, transfer or entrustment, as relevant, is made not later than three (3) Seoul Business Days, after the due date therefor, subject to any applicable grace periods specified therein (if any);
- (c) any of the Originator, the Trustee or the Servicer fails to perform or comply with any of its material obligations (other than its respective obligations under (b) above) under the Transaction Documents which failure is, in the reasonable opinion of the Majority Investor, incapable of remedy, or continues unremedied for a period of ten (10) days from the earlier to occur of (i) the date on which the Originator, the Trustee or as the case may be, the Servicer becomes aware of such failure, or (ii) the date on which the Originator, the Trustee or as the case may be, the Servicer receives a written notice from the Majority Investor requiring such failure to be remedied;
- (d) any representation or warranty or certification made by the Originator in the Transaction Documents is or proves to be materially incorrect or misleading when made, and (x) if, in the reasonable opinion of the Majority Investor, such breach of representation or warranty or such incorrect information is capable of cure or correction, as the case may be, the same continues to be incorrect or misleading in any material respect for a period of five (5) days after the date on which written notice of such breach,

requiring the same to be remedied, shall have been received by the Originator or the Trustee (as the case may be) from the Majority Investor or (y) if such breach of representation or warranty or such incorrect information is in the reasonable opinion of the Majority Investor (in consultation with the Originator, provided that if no opinion is formed within three (3) days after the Majority Investor has first informed the Originator of its intention to consult, then an opinion (binding on both the Majority Investor and the Originator) of an independent third party acceptable to the Majority Investor and the Originator shall be sought) incapable of being cured or corrected, as the case may be, on the date on which written notice of such breach shall have been received by the Originator or the Trustee (as the case may be) from the Majority Investor; provided that an Early Amortisation Event pursuant to this paragraph (d) shall not be deemed to have occurred hereunder if the Receivable or, as the case may be, Receivables which are the subject of a breach of an Asset Warranty under Clause 12.2 of the Trust Agreement, has or, as the case may be, have been reassigned to the Originator in accordance with the provisions of the Trust Agreement;

- (e) a Note Event of Default occurs;
- (f) a Bond Event of Default occurs;
- (g) a Servicer Termination Event occurs;
- (h) a Swap Event of Default or Swap Termination Event occurs under a Swap Agreement; provided that no Early Amortisation Event shall occur if a replacement Swap Agreement acceptable to the Majority Investor has been executed by the Bond Issuer and a replacement Swap Provider on or before the date on which such Swap Agreement is terminated;
- (i) the Bond Issuer has income tax assessed or payable in excess of KRW50,000,000 in any fiscal year; provided that, no Early Amortisation Event shall occur if the Originator or the Servicer (x) prefunds an account held by, or for the benefit of, the Bond Secured Parties with cash or a letter of credit in an amount equal to the income tax assessed or payable in a manner reasonably satisfactory to the Majority Investor and (y) provides an Opinion confirming that such prefunding will not adversely affect the entrustment of the Receivables or the interests of the Investor Interestholder;
- (j) as a result of a Change of Law or for any other reason, the entrustment of Receivables, or any part thereof, to the Trustee is held to be invalid or subject to stay or is challenged by the Originator or any receiver, liquidator or similar officer of the Originator or is challenged before any Governmental Entity by a third party and, in the case of such a challenge by a third party, the challenge is not withdrawn or dismissed and the Majority Investor reasonably determines after consultation with the Originator and Korean legal counsel, that the challenge has merit;
- (k) (i) Korean withholding tax, Cayman Islands withholding tax or other Taxes (except income taxes of the Initial Investor Interestholder) are, or will become liable to be, imposed on (A) any payment of Receivables by an Accountholder, (B) any payment of Collections (or any other amounts) by the Originator or the Servicer to the Trustee under any of the Transaction Documents, (C) any distribution or other payment by the Trustee in respect of the Investor Interest, except for the interest income in connection with certain Eligible Investments (including certificates of deposit, banker's acceptances of depository institutions and commercial paper) which will be subject to a withholding tax at the rate (currently, 15.4 per cent. (including local corporate income tax)) specified in the Corporate Income Tax Law of Korea, (D) any payment under any Swap Agreement by the Bond Issuer or the relevant Swap Provider or (E) any payment of interest (or any other amounts) on the Bonds by the Bond Issuer (if (x) the Bond Issuer does not fully gross-up any such payments in respect of any such taxes in a manner satisfactory to the Majority Investor or (y) the cumulative amount that the Bond Issuer grosses-up in respect of such taxes prior to such time equals or exceeds U.S.\$5,000,000 (or, if the taxes are denominated in another currency, the equivalent thereof in such other currency, at the spot rate of exchange prevailing on the date of determination)); provided that, no Early Amortisation Event shall occur if (1) the Originator or the Servicer prefunds an account held by, or for the benefit of, the Bond Secured Parties with cash or a letter of credit in an amount equal to the aggregate future Korean withholding tax, Cayman Islands withholding tax or other Taxes and (2) provides an Opinion confirming that such prefunding will not adversely affect the entrustment of the Receivables or the interests of the Investor Interestholder; or

- (ii) the Trust is or will be treated as a taxable entity in Korea and is or will become subject to any Korean income or other tax;
- (l) the Average Annualised Net Yield is less than zero (0) per cent.;
- (m) the Back-up Servicer ceases to provide the Back-up Services under the Servicing Agreement, or it is removed from its role as provider of the Back-up Services, and no replacement provider is appointed within thirty (30) days;
- (n) the Servicer or the Originator fails to deliver a Collateral Audit (in the form set out in Schedule 4 to the Bond Subscription and Agency Agreement) when required pursuant to the Trust Agreement and such failure is not remedied within thirty (30) days;
- (o) the Majority Investor determines (i) that a Material Adverse Change has occurred in respect of the Originator, the Servicer, the Trustee, the Bond Issuer or the Note Issuer, or (ii) that (1) any termination, suspension or discontinuation to any marketing related collaboration, co-operation, venture or efforts between Lotte Card Co., Ltd. and Lotte Group or, (2) any other event, that has a Material Adverse Effect, has occurred;
- (p) any of the security interests created under any of the Transaction Documents to secure the discharge of the Trust Obligations, the Bond Issuer Obligations or the Note Issuer Obligations becomes void, voidable, invalid or otherwise unenforceable or whose validity becomes otherwise subject to challenge in court;
- (q) the average of the Delinquency Ratio in respect of the three (3) immediately preceding Collection Periods exceeds two (2) per cent.;
- (r) the Eligible Pool Balance Requirement is not satisfied when calculated in respect of the day (the "Relevant Date") falling two (2) Seoul Business Days after the last day of any Collection Period (based on information contained in the Collection Report delivered on the Relevant Date);
- (s) the Investor Amortisation Amount is not paid in full on any Trust Distribution Date;
- (t) the average of the Payment Rates in respect of all Eligible Receivables calculated in respect of the three (3) immediately preceding Collection Periods is less than thirty (30) per cent.;
- (u) the amount standing to the credit of the Trust Reserve Sub-Account is on any date less than the Required Reserve Amount as at such date;
- (v) either (i) the Originator fails to maintain a long-term domestic currency debt-rating with at least two Korean Rating Agencies or (ii) the Originator's long term domestic currency debt-rating by any one or more Korean Rating Agencies with which the Originator has a rating contract falls below "BBB" (or any higher rating specified in relation to a similar early amortisation event in any of the Originator's other credit card securitisation transactions) or is withdrawn;
- (w) (i) the Originator's Capital Adequacy Ratio, as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Originator's most recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements, falls below the Minimum Capital Adequacy Ratio; or
(ii) the Originator's Accounting Equity, as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Originator's most recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements, falls below KRW500,000,000,000;
- (x) it becomes illegal or unlawful for the Originator, the Servicer, the Trustee or the Investor Interestholder to perform any of its obligations under any of the Transaction Documents; or
- (y) the Majority Investor determines that a Change of Control of the Originator or the Servicer (when the Originator is the Servicer) (i) results in or would result in a Material Adverse Effect; (ii) breaches

compliance, know your customer or corporate and social responsibility policies of the Majority Investor; or (iii) in the reasonable opinion of the Majority Investor, the surviving entity following such Change of Control or the entity to which the Originator or the Servicer (when the Originator is the Servicer) has merged, consolidated, or organised as a result of such Change of Control is not acceptable under the internal policies of the Majority Investor; *provided that* the Originator or Servicer shall be provided with prior written notice from the Majority Investor stating the grounds for such determination.

Note Events of Default

If any of the events set out in Note Condition 8 occurs (a "**Note Event of Default**"), then the Note Trustee if requested in writing by the Majority Investor, will as soon as reasonably practicable deliver a notice (a "**Note Enforcement Notice**") to the Note Issuer and the Rating Agency declaring that the Class A2 Notes to be immediately due and repayable whereupon the Class A2 Notes shall accordingly immediately become due and repayable at the Class A2 Note Redemption Amount without any further action or formality.

Withholding Taxes

All payments in respect of the Class A2 Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes, unless such withholding or deduction is required by law. In such event, the Note Issuer will withhold or deduct the relevant amount from such payment and will not be obliged to make any additional payments in respect of the Class A2 Notes.

Denominations

The Class A2 Notes will be issued in minimum denominations of U.S.\$200,000 and any integral multiples of U.S.\$1,000 in excess thereof.

Noteholder Meetings

Pursuant to the terms of the Note Trust Deed, the Note Trustee has agreed that it will exercise the trusts, powers, authorities, rights and discretions vested in it under the Transaction Documents only in accordance with either (i) the written instructions of the Majority Investor (as defined below) (which may be in writing), or (ii) an Extraordinary Resolution of the Class A2 Noteholders, or as the case may be, the Noteholders in certain specified circumstances. The Note Trustee may also exercise certain of its trusts, powers, authorities, rights and discretions in its sole discretion provided that it is indemnified, pre-funded and/or secured to its satisfaction.

The Transaction Documents (including the Terms and Conditions of the Class A2 Notes) provide that the Majority Investor (as defined below) shall have the right, power and authority to control and/or direct and/or veto any actions or inactions of the Note Trustee and to direct the exercise of any of the rights of the Note Secured Parties (other than in relation to the Note Trustee Excluded Rights) and to waive any breach by any party under any Transaction Document or the occurrence of an Early Amortisation Event or a Note Event of Default; *provided that* certain Basic Terms Modifications may be passed by an Extraordinary Resolution of Class A2 Noteholders, or as the case may be, the Noteholders.

The "**Majority Investor**" means, either:

- (a) subject to the subscription and payment by the Initial Majority Investor of the Class A1 Notes at the Class A1 Note Issue Price on the Closing Date on the terms and conditions of the Class A1 Note Subscription Agreement, the Initial Majority Investor; or
- (b) if the Initial Majority Investor does not hold, or no longer holds, at least 33 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes, any single Noteholder holding more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes; or
- (c) if no single Noteholder holds more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes, the Note Trustee (acting on the instructions of those Noteholders who together hold more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes acting by written resolutions or otherwise in accordance with the Note Trust Deed and the Note Conditions).

A summary of the provisions for convening meetings of Class A2 Noteholders to consider matters relating to their interests as such are set forth under Note Condition 11 in "*Terms and Conditions of the Class A2 Notes*".

Tax Considerations

See "*Taxation*" for a description of certain Korean tax considerations applicable to the Class A2 Notes.

Note Issuer Accounts

On the Closing Date, the Note Trustee will establish in the name of the Note Issuer: (i) a segregated U.S. dollar denominated account with Citibank, N.A., Hong Kong Branch (the "**Note Issuer A1 Account**"); and (ii) a segregated U.S. dollar denominated account with Citibank, N.A., Hong Kong Branch (the "**Note Issuer A2 Account**" and, together with the Note Issuer A1 Account, the "**Note Issuer Accounts**"), in order to receive payments from the Bond Issuer, the Transaction Administrator and the Swap Providers on each Bond Payment Date or Swap Payment Date, as applicable, in respect of the Class A1 Bond, the Class A2 Bond and certain other Bond Issuer Obligations. Payments by the Class A1 Swap Provider in respect of the Class A1 Swap Agreement will be made into the Note Issuer A1 Account, and payments by the Class A2 Swap Provider in respect of the Class A2 Swap Agreement will be made into the Note Issuer A2 Account. The Note Trustee will apply all funds on deposit in the Note Issuer A2 Account towards payment of the Class A2 Notes on each Note Payment Date in the order of priority set out in "*Application of Funds on Note Payment Dates*" below.

Governing Law

The Class A2 Notes, the Note Trust Deed, the Note Agency Agreement and the Class A2 Note Subscription Agreement will be governed by English law.

Limited Recourse

The rights of recourse of the Class A2 Noteholders and the Note Trustee in respect of amounts payable by the Note Issuer on the Class A2 Notes (including, but not limited to, the Note Conditions) or under any other Transaction Document shall be limited to the Note Secured Property and the Note Issuer's obligations in the Transaction Documents are solely the corporate obligations of the Note Issuer and that no party will have any recourse against any of the corporate service providers, incorporators, shareholders, members, directors or officers of the Note Issuer for any claims, losses, damage, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated thereby. Accordingly, the Class A2 Noteholders and the Note Trustee shall have no claim or recourse against the Note Issuer or any of its directors, officers, shareholders, members, corporate service providers or incorporators in respect of any amount which is or remains or will remain unsatisfied when no further amounts are available or recoverable in respect of the Note Secured Property and all funds comprising the Note Secured Property and/or representing the proceeds of realisation thereof have been applied in accordance with the Note Trust Deed and such unsatisfied obligations shall be extinguished and shall not revive.

No Petition

Each Class A2 Note Secured Party will agree in the relevant Transaction Documents that it will not petition a court for, or take any other action or commence any proceedings for, the liquidation, winding-up or re-organisation of the Note Issuer, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Note Issuer or of any or all of the Note Issuer's revenues and assets, until one year and a day after the payment in full of all amounts owing in respect of the Class A2 Notes and of all other Note Issuer Obligations.

THE CLASS A1 BOND AND THE CLASS A1 NOTES

The Note Issuer will issue the USD150,000,000 Class A1 Secured Floating Rate Social Notes due 2028 on the Closing Date (the "**Class A1 Notes**"). The Class A1 Notes are not being offered hereby.

The Class A1 Notes will be secured by, *inter alia*, the USD150,000,000 Class A1 Floating Rate Bond due 2028 (the "**Class A1 Bond**") to be issued by the Bond Issuer to the Note Issuer on the Closing Date. Payments of interest and principal on the Class A1 Bond will rank *pari passu* with payments of interest and principal on the Class A2 Bond and payments of interest and principal on the Class A1 Notes will rank *pari passu* with payments of interest and principal on the Class A2 Notes.

The terms and conditions of the Bonds are identical in all respects (including events of default and interest payments) except for the principal amount outstanding on the Closing Date and the amounts of principal payable on each Bond Payment Date during the Controlled Amortisation Period. The terms and conditions of the Notes are identical in all respects (including events of default and interest payments) except for the principal amount outstanding on the Closing Date and the amounts of principal payable on each Note Payment Date during the Controlled Amortisation Period.

The Bonds are *pari passu* obligations of the Bond Issuer. The Notes are *pari passu* obligations of the Note Issuer.

THE CLASS A2 BOND

The Class A2 Bond

The Bond Issuer will issue the USD160,000,000 Class A2 Floating Rate Bond due 2028 (the "**Class A2 Bond**") to the Note Issuer on the Closing Date pursuant to the provisions of the Bond Subscription and Agency Agreement. The Note Issuer will assign all of its rights to the Class A2 Bond to the Note Trustee as security for, *inter alia*, its obligations under the Class A2 Notes. See Note Condition 2 in "*Terms and Conditions of the Class A2 Notes*".

The Class A2 Bond will constitute a direct, unsecured, unconditional and unsubordinated obligation of the Bond Issuer and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Bond Issuer, present and future.

The Bond Issuer will also issue the Class A1 Bond to the Note Issuer on the Closing Date pursuant to the provisions of the Bond Subscription and Agency Agreement. The Note Issuer will apply all amounts received in the Note Issuer A1 Account in respect of the Class A1 Bond towards payments on the Class A1 Notes on each Note Payment Date in the order of priority set out in "*Application of Funds on Note Payment Dates*" below.

Interest

Interest on the Class A2 Bond will be payable by reference to successive Interest Periods. Interest will be payable on the Class A2 Bond monthly in arrear on each Bond Payment Date commencing on the Bond Payment Date falling in October 2024.

Interest on the Class A2 Bond for each Interest Period will accrue on the Principal Amount Outstanding of the Class A2 Bond as at the beginning of the relevant Interest Period on the basis of the actual number of days elapsed in such Interest Period.

Security

The Bond Issuer Obligations will be secured by the pledge and assignment of the Bond Issuer's assets and equity pursuant to the Pledge Agreement, the Equity Pledge Agreement and the Security Assignment.

Pursuant to the Pledge Agreement, the Bond Issuer will grant a pledge in favour of the Note Issuer and the other Bond Secured Parties over all of its rights and title to, *inter alia*, the following assets in order to secure the Bond Issuer Obligations:

- (a) the Investor Interest and all amounts owing thereon or paid in respect thereof and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same;
- (b) each of the Bond Issuer Won Account and the Bond Issuer FX Account and all sums of money which may now or hereafter from time to time during the period from the Closing Date to (subject to the release of the Pledge in accordance with Clause 14 of the Pledge Agreement) the earlier of (A) the date as notified by the Security Agent (upon receiving written instructions from the Majority Investor) to the Account Bank or the Designated FX Bank, (B) the date on which all of the Bond Issuer Obligations have been duly paid and irrevocably discharged in full as notified by the Security Agent (upon receiving written instructions from the Majority Investor) to the Account Bank or the Designated FX Bank and (C) the date which is one (1) year and one (1) day after the Bond Legal Maturity Date, be standing to the credit of each of the Bond Issuer Won Account and the Bond Issuer FX Account, together with all interest accruing from time to time thereon and any Eligible Investments made with the proceeds thereof

and all debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same; and

- (c) each of the Korean Pledged Documents and all of its other property and assets (to the extent permissible by Law).

Pursuant to the Equity Pledge Agreement, the Equity Pledgors will grant a pledge in favour of the Bond Secured Parties over all of their rights and title to their respective equity interests in the Bond Issuer (the "**Equity Interests**") to secure the Bond Issuer Obligations. The authorised equity capital of the Bond Issuer consists of KRW20,000 divided into 200 units of a nominal or par value of KRW100 each which have been issued at par and fully paid, with one unit being held by the Originator and 199 units being held by Hyung Ill Cho (each, an "**Equity Pledgor**" and an "**Equityholder**"). See "*The Bond Issuer—Equity Capital*" and "*—Capitalisation and Indebtedness*".

Pursuant to, and on the terms set out in, the Security Assignment, the Bond Issuer will, *inter alia*, assigns to each of the Bond Secured Parties, by way of first fixed security, all of its rights, title, interest and benefit (present and future, actual and contingent) in, to, under and in respect of each Swap Agreement (other than any rights, title, interest and benefit in or to any Eligible Credit Support thereunder), the Bond Subscription and Agency Agreement, each Bond, the Bank Agreements in relation to the Bond Issuer USD Account and each other Transaction Document to which the Bond Issuer is a party and which is governed by English Law (other than any rights, title, interest and benefit in or to any Eligible Credit Support thereunder) including, without limitation, all rights to receive payment of any amounts which may become payable to the Bond Issuer thereunder, all payments received by the Bond Issuer thereunder, all rights to serve notices, make demands and/or enforce payments thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.

Each of the Pledge Agreement, the Equity Pledge Agreement and the Security Assignment provides for enforcement of the Security and the exercise of rights generally by the Security Agent at the written direction of the Majority Investor in relation to the Security upon the service of a Bond Enforcement Notice. Proceeds of enforcement of the Security will be applied by the Security Agent in the manner and order of priority specified in the Pledge Agreement. See "*—Application of Funds on Swap Payment Dates and Bond Payment Dates—Payments during the Early Amortisation Period or following the Bond Enforcement Date*".

Amortisation and Redemption

- (a) *Bond Maturity*

The Class A2 Bond is expected to mature on the Bond Payment Date falling in November 2027 (the "**Bond Expected Maturity Date**"). If the payment made on the Bond Expected Maturity Date is insufficient to pay the then Principal Amount Outstanding of the Class A2 Bond, the Bond Issuer will continue to make payments of principal on the Class A2 Bond on each following Bond Payment Date to the extent of funds available therefor until the Principal Amount Outstanding of the Class A2 Bond has been paid in full or, if earlier, until the Bond Legal Maturity Date.

- (b) *Revolving Period*

During the Revolving Period, no principal in respect of the Class A2 Bond will be paid.

- (c) *Controlled Amortisation Period*

During the Controlled Amortisation Period, Scheduled Amortisation Amounts (equivalent to the Scheduled Amortisation Amounts payable on the Class A2 Notes) are expected to be paid on the Class A2 Bond on each Bond Payment Date.

- (d) *Early Amortisation Period*

During the Early Amortisation Period, amounts in respect of principal will be payable on the Class A2 Bond on each Bond Payment Date up to its Principal Amount Outstanding, to the extent of funds available therefor, until the Class A2 Bond has been repaid in full.

- (e) *Optional Redemption*

At any time following the occurrence of an Early Amortisation Event or a Tax Event or if the Principal Amount Outstanding of the Class A2 Bond is equal to or less than ten per cent. of the Principal Amount Outstanding of the Class A2 Bond on the Closing Date, the Bond Issuer may at its option, having given not less than fifteen (15) days' nor more than thirty (30) days' notice to, among others, the Majority Investor and the Rating Agency (a "**Bond Redemption Notice**") (which notice will be irrevocable), redeem the Class A2 Bond, in whole, on the next succeeding Bond Payment Date, at the Bond Redemption Amount.

The Bond Issuer may not optionally redeem the Class A2 Bond unless it has sufficient funds to pay in full the Bond Redemption Amount, all amounts ranking *pari passu* with the Class A2 Bond (including the Class A1 Bond) and all amounts having a higher payment priority thereto in accordance with the Transaction Administration Agreement, any Swap Termination Amounts, any Extra Charges and other amounts due and payable to each Swap Provider under the Transaction Documents and all other Bond Issuer Obligations.

Bond Events of Default

If any of the following events occurs, then the Security Agent if so requested in writing by the Majority Investor, will immediately (i) declare that an event of default has occurred under the Class A1 Bond and the Class A2 Bond (a "**Bond Event of Default**") and (ii) deliver a notice (a "**Bond Enforcement Notice**") to the Bond Issuer in accordance with the provisions of the Bond Subscription and Agency Agreement declaring that the Bonds are, whereupon they will immediately become, immediately due and payable at their respective Bond Redemption Amounts, without any further action or formality:

- (i) default is made in the repayment of all outstanding principal amount of a Bond on the Bond Legal Maturity Date, or in the payment of any interest in respect of a Bond and such default continues for three (3) Business Days after written notice by the Security Agent to the Bond Issuer;
- (ii) default is made by the Bond Issuer in the performance or observance of any obligation, condition or provision binding on it under the Transaction Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Bonds) and such default continues for seven (7) days after written notice by the Security Agent to the Bond Issuer;
- (iii) an order is made or an effective resolution is passed for the winding-up or dissolution of the Bond Issuer;
- (iv)
 - (a) the Bond Issuer stops payment of its debts (within the meaning of any applicable bankruptcy law), or is unable to pay its debts as and when they fall due; or
 - (b) the Bond Issuer ceases or, through an official action of the board of directors, or meeting of the Equityholders, of the Bond Issuer, threatens to cease, to carry on all or any substantial part of its business;
- (v) one or more final judgments from which no further appeal or judicial review is permissible under applicable law are awarded against the Bond Issuer in an aggregate amount in excess of KRW10,000,000;
- (vi) proceedings are initiated against the Bond Issuer under any applicable liquidation, insolvency, rehabilitation or other similar laws including, for the avoidance of doubt, presentation to the court of an application for an administration order, or an administrative receiver or other receiver, administrator or other similar official is appointed in relation to the Bond Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Bond Issuer or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Bond Issuer or a distress, execution, attachment, sequestration, diligence or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Bond Issuer and, in any of the foregoing cases, it shall not be discharged, annulled or withdrawn within fourteen (14) days;
- (vii) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Bonds on behalf of the Bond Issuer and the performance of the Bond Issuer's obligations under the Bonds is withdrawn or modified or otherwise ceases to be in full force and effect, or it is unlawful for the Bond Issuer to comply with, or the Bond Issuer contests the validity or enforceability of or repudiates, any of its obligations under the Bonds;
- (viii) it is unlawful for the Bond Issuer to comply with or the Bond Issuer contests the validity or enforceability of or repudiates any of its obligations under the Transaction Documents;

- (ix) the Bond Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, rehabilitation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally (or any class of its creditors) or enters into an arrangement or composition with its creditors generally (or any class of its creditors);
- (x) any representation or warranty made by the Bond Issuer in any of the Transaction Documents proves to be incorrect or misleading in any material respect when made;
- (xi) a Note Event of Default occurs (for so long as the Note Issuer remains the Holder); or
- (xii) the failure by the Originator to perform its obligations under Clause 6.3 of the Bond Subscription and Agency Agreement.

Withholding Taxes

All payments in respect of the Class A2 Bond will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes, unless such withholding or deduction is required by Law. In such event, the Bond Issuer will pay, but only to the extent of funds available therefor in accordance with the priority of payments set forth in the Transaction Administration Agreement, such additional amount as may be necessary in order that the net amount received by the Bondholder in respect of the Class A2 Bond after such withholding or deduction will equal the amounts which would have been received in the absence of such withholding or deduction.

Bond Issuer Accounts

On or before the Closing Date, the Transaction Administrator will establish the following accounts in the name of the Bond Issuer: (i) a Won denominated segregated account (the "**Bond Issuer Won Account**") with Citibank Korea Inc.; (ii) a U.S. dollar denominated segregated account (the "**Bond Issuer FX Account**") with the Designated FX Bank; (iii) a U.S. dollar denominated segregated account (the "**Bond Issuer USD Account**" and, together with the Bond Issuer Won Account, the Bond Issuer FX Account and the Bond Issuer USD Account, the "**Bond Issuer Accounts**") with Citibank, N.A., Hong Kong Branch, each in the name of the Bond Issuer. The Transaction Administrator will also establish a U.S. dollar denominated segregated account and a U.S. dollar denominated segregated account, each with Citibank, N.A., Hong Kong Branch for the purposes of receiving cash collateral payments under, respectively, the Class A2 Swap Agreement from the Class A2 Swap Provider (the "**Class A2 Swap Cash Collateral Account**") and, in respect of the Class A1 Notes (which are not being offered hereby), under the Class A1 Swap Agreement from the Class A1 Swap Provider (the "**Class A1 Swap Cash Collateral Account**" and together with the Class A2 Swap Cash Collateral Account, the "**Swap Cash Collateral Accounts**") to be applied in accordance with the provisions of the relevant Swap Agreement and the Transaction Administration Agreement. Payments from the Trustee on each Trust Distribution Date in respect of the Investor Interest will be deposited into the Bond Issuer Won Account. The Transaction Administrator or, following the Enforcement Date, the Security Agent, will apply all funds on deposit in the Bond Issuer Won Account and the Bond Issuer USD Account on each Swap Payment Date and Bond Payment Date in the order of priority set out in "*Application of Funds on Swap Payment Dates and Bond Payment Dates*" below.

Governing Law

The Class A2 Bond, the Bond Subscription and Agency Agreement and the Security Assignment will be governed by English law. The Trust Agreement, the Servicing Agreement, the Transaction Administration Agreement, the Investor Interest Subscription Agreement, the Bond Issuer Administrator Agreement, the Bond Issuer Servicing Agreement, the Pledge Agreement and the Equity Pledge Agreement are, or will be, governed by Korean law.

Limited Recourse

Each party to the Transaction Documents will agree that recourse against the Bond Issuer, and the liability of the Bond Issuer, in relation to its obligations under the Class A2 Bond will be limited to the Bond Issuer Property and the Equity Pledge Assets and the amounts from time to time available in accordance with, and in the order of priority set out in, the Transaction Administration Agreement.

No Petition

Each Bond Secured Party will agree in the relevant Transaction Documents that it will not petition a court for, or take any other action or commence any proceedings for, the liquidation, winding-up or re-organisation of the Bond Issuer, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Bond Issuer or of any or all of the Bond Issuer's revenues and assets, until one year and a day after the payment in full of all amounts owing in respect of the Class A2 Bond and of all Note Issuer Obligations.

THE RECEIVABLES

The Receivables

The Originator provides consumer finance services, including the option to purchase products and services on an instalment basis ("**Instalment Services**") or on a lump sum basis or revolving payment basis (the "**Credit Card Services**") and cash advance services (the "**Cash Services**") (see "*The Originator—Overview—The Accounts*"), through Accounts maintained with the Originator by Accountholders. The Originator issues one or more Cards to each Accountholder and each nominated cardholder under each Account. Each Card is subject to a Card Agreement which governs the terms and conditions of the Card.

The assets of the Trust will primarily be the Receivables, which are a pool of Won-denominated receivables consisting of amounts owed by Accountholders on certain Accounts designated from time to time (the "**Designated Accounts**") for Credit Card Services, Instalment Services, Cash Services and such other services provided in connection therewith, annual membership fees, finance charges, other fees and charges and any other amounts owed by the Accountholder thereunder.

See "*Description of the Receivables*".

Designated Accounts

The Originator will identify Designated Accounts from its available Accounts as of the Initial Cut-off Date (the "**Initial Accounts**") and from time to time on the relevant Cut-off Dates (the "**Additional Accounts**").

The Servicer will be responsible for designating each of the Receivables and the Designated Accounts in its computer systems in such a manner as will identify the Receivables as being owned by the Trustee and distinguishing each of the Receivables and the Designated Accounts from other receivables and Accounts, respectively, owned or administered by the Originator.

Entrustment of Receivables

Pursuant to the Trust Agreement, the Originator will entrust to the Trustee for the benefit of the Interestholders on the Initial Entrustment Date all of its rights, title, interest and benefit in, to and under:

- (a) all Receivables set out in the Receivables List delivered to the Trustee by the Originator pursuant to the provisions of the Investor Interest Subscription Agreement and existing on the Initial Cut-off Date in the Initial Accounts; and
- (b) all Receivables arising from time to time thereafter in the Initial Accounts until the earlier of (x) the date on which all Bond Issuer Obligations, Trust Obligations and Note Issuer Obligations have been paid in full, (y) the Note Legal Maturity Date and (z) the Trust Termination Date,

together, in each case, with all moneys due or to become due in payment of each such Receivable from, but excluding, the Initial Cut-off Date or, if later, from (and including) the date of its creation, and any recoveries received with respect thereto or proceeds from any sale or other disposition of such Receivable and the right to demand, sue for, recover, receive and give receipts for all amounts due (whether or not from an Accountholder) relating to such Receivable and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.

The aggregate amount of Receivables in the Initial Accounts as of the Initial Cut-off Date is KRW693,705,940,670.

From time to time during the Revolving Period or Controlled Amortisation Period, the Originator may (with the consent of the Trustee and the Investor Interestholder and subject to certain other conditions precedent set forth in the Trust Agreement) entrust to the Trustee for the benefit of the Interestholders all of its rights, title, interest and benefit in, to and under:

- (a) all Receivables existing on a specified Cut-off Date in specified Additional Accounts; and
- (b) all Receivables arising from time to time thereafter in such specified Additional Accounts, until the earlier of (x) the date on which all Bond Issuer Obligations, Trust Obligations and Note Issuer Obligations have been paid in full, (y) the Note Legal Maturity Date and (z) the Trust Termination Date,

together, in each case, with all moneys due or to become due in payment of each such Receivable from, but excluding, the specified Cut-off Date or, if later, from (and including) the date of its creation, and any recoveries received with respect thereto or proceeds from any sale or other disposition of such Receivable and the right to demand, sue for, recover, receive and give receipts for all amounts due (whether or not from an Accountholder) relating to such Receivable and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same.

At the written request of the Originator, the Trustee may, subject to the satisfaction of certain conditions precedent, from time to time during the Revolving Period and the Controlled Amortisation Period reassign to the Originator all of the Trustee's rights, title, interest and benefit in, to and under all of the Receivables then existing and arising from time to time thereafter in certain Designated Accounts.

Following any such reassignment, such specified Accounts will cease to be Designated Accounts and any receivables then existing or thereafter arising thereunder will cease to be Receivables.

Upon breach of an Asset Warranty in respect of any Receivable, the Trustee will, if the Majority Investor so directs, reassign such Receivable to the Originator and the Originator will pay the Reassignment Price for such Receivable. See "*Asset Warranties*" below.

Accordingly, the amount of Receivables to which the Trustee is entitled from time to time will fluctuate as Designated Accounts are removed from, or added to, the Trust, as Receivables are reassigned to the Originator, as New Receivables are generated in Designated Accounts and as existing Receivables are collected, written-off as uncollectible or otherwise become subject to a Receivable Balance Adjustment.

Cut-off Dates and Entrustment Dates

With respect to each designation of a Designated Account, the related "**Cut-off Date**" is the date as of which the Receivable Balance for each Receivable then existing in such Designated Account is determined, and the related "**Entrustment Date**" is the date as of which all of the Originator's rights, title, interest and benefit in, to and under the Receivables existing in such Designated Account as of the related Cut-off Date and thereafter arising from time to time, are entrusted by the Originator to the Trustee.

Eligible Accounts

The Originator has represented in the Trust Agreement that each Designated Account is an Eligible Account. If any Designated Account does not satisfy each of the Eligibility Criteria as of the relevant Cut-off Date, as of the relevant Entrustment Date and, if relevant, as of the date of creation of any New Receivable arising therein, it will automatically and with immediate effect from such date be and become an Ineligible Account. In addition, a Designated Account will not be an Eligible Account and will automatically and with immediate effect be and become an Ineligible Account if any Receivable which arises thereunder (whether in existence at the relevant Entrustment Date or arising thereafter) is or is determined to be an Ineligible Receivable. An Account which has been, at any time, an Ineligible Account may never again be an Eligible Account and may not be designated as an Eligible Account by the Originator on any subsequent Cut-off Date.

Eligible Receivables

The Originator has represented in the Trust Agreement that each Receivable is an Eligible Receivable. If any Receivable is not an Eligible Receivable or arises in the same Account as an Ineligible Receivable or arises in a Designated Account which is or is determined to be or become an Ineligible Account, such Receivable will be an Ineligible Receivable. See "*Master Definitions Schedule*".

Asset Warranties

As of each Entrustment Date, the Originator will represent and warrant as follows in respect of each Designated Account the Receivables arising in which are to be entrusted on such Entrustment Date and in respect of each Receivable in existence in any such Designated Account on such Entrustment Date (for the avoidance of doubt, any reduction in amount due to a Receivables Balance Adjustment shall not constitute a breach of Asset Warranty):

- (a) each such Designated Account is an Eligible Account, and each such Receivable is an Eligible Receivable;
- (b) the Originator has, and will have, good and marketable title to the Receivables, free and clear of any Lien, at the time of the entrustment of the Receivables to the Trustee, and such Receivables are, and will be, free and clear of any Lien, and are not, and will not be, subject to any prior transfer or entrustment, at the time of registration of such transfer with the FSC;
- (c) the Trust Agreement constitutes a valid entrustment of all such Receivables to the Trustee and, upon registration of each entrustment of the Receivables with the FSC, in the event of the bankruptcy or other similar proceedings of the Originator, such Receivables would not constitute property of the Originator's estate and the Trustee's ownership of such Receivables would not in any way be materially adversely affected;
- (d) upon each entrustment of such Receivables and the registration of such entrustment with the FSC, the Trustee shall acquire a valid and enforceable perfected ownership interest in such Receivables (against all parties other than Accountholders, perfection against which shall require only the delivery of a Perfection Notice in accordance with the Trust Agreement), free and clear of any Lien;
- (e) the information relating to each such Receivable set out in the applicable Receivables List is true, accurate and complete in all material respects and is not misleading in any material respect (for these purposes if the aggregate inaccuracies in respect of the aggregate Receivable Balance of all the Receivables set out in the Receivables List exceed KRW100,000,000 in the aggregate, such inaccuracies are deemed to be misleading); and
- (f) in relation to each of the Receivables entrusted pursuant to the Trust Agreement, to the best knowledge of the Originator, none of the related Accountholders has, on the Closing Date with respect to the Initial Accounts or the relevant Entrustment Date with respect to the Additional Accounts, had any insolvency, bankruptcy, individual debtor rehabilitation, liquidation or other similar legal proceedings commenced against it; and the Originator has not received written notice of, and is not otherwise aware of, having made due enquiries, any bankruptcy, insolvency, individual debtor rehabilitation or liquidation of any Accountholders.

As of the date of creation of each New Receivable, the Originator will represent and warrant to as set out in paragraphs (a), (c) and (d) above in respect of such New Receivable.

If there is a breach of an Asset Warranty with respect to any Receivable, then on the tenth (10th) Seoul Business Day after the last day of the Collection Period during which the Trustee directs such Receivable to be reassigned to the Originator, the Originator will be required to pay the Reassignment Price for such Receivable, and all other Receivables in the Designated Account in which such Receivable arose, to the Trustee. After receipt of such Reassignment Price, the Trustee will reassign such Receivable (together with all other Receivables in the Designated Account in which such Receivable arose) to the Originator. Following any such reassignment, the relevant Account will cease to be a Designated Account and any receivable then existing or thereafter arising in such Account shall cease to be a Receivable owned by the Trust.

If the Originator is the Seller Interestholder and the Subordinated Seller Interestholder, then the Reassignment Price may be paid (in whole or in part) by way of the Trustee withholding such Reassignment Price (or a portion thereof) from any Daily Cash Release on the date specified by the Trustee for payment of the Reassignment Price.

Until such time as the Originator has paid the Reassignment Price for any relevant Receivables, or at any time during the Early Amortisation Period or on or after the Enforcement Date, all Collections on such Receivables will be treated as Eligible Account Collections.

Collections

The Trustee will establish bank account for the purposes of receiving Collections from the Automatic Debit Banks (the "**Auto Debit Accounts**"). Subject to the distributions of Daily Cash Release (see "*The Trust—Daily Cash Release*" below), the Trustee will agree in the Trust Agreement to remit, or procure that the Automatic Debit Banks remit, all funds on deposit in such Auto Debit Accounts on the Seoul Business Day immediately following receipt of funds.

On each Seoul Business Day, the Trustee shall (i) from, and including, the Changeover Date, (x) cause the Automatic Debit Banks to deposit all Collections and any other amounts collected from the Accountholders in respect of the Receivables into the relevant Auto Debit Account as soon as practicable and in any event no later than 11:59 p.m. on such day, (y) cause KFTC (if relevant) to deposit all Collections and any other amounts collected from the Accountholders in respect of the Receivables into the Trust Collection Sub-Account and (z) remit, or procure that the Automatic Debit Banks remit, any such amounts deposited into the relevant Auto Debit Accounts as of 11:59 p.m. on the immediately preceding Seoul Business Day, into the Trust Collection Sub-Account by 2:00 p.m. on such day, (ii) cause the Servicer to remit all Collections, subject to payments of Daily Cash Release, received from Accountholders into the Trust Collection Sub-Account in accordance with the provisions of the Servicing Agreement and (iii) apply all Collections received into the Trust Collection Sub Account in accordance with the provisions of the Trust Agreement.

Collections on the Receivables in any Collection Period are characterised as Eligible Account Collections (which are comprised of Eligible Account Interest Collections and Eligible Account Principal Collections) and Seller Collections. See "*Master Definitions Schedule*".

In relation to Receivables which are reassigned to the Originator, if they are reassigned on any Seoul Business Day during the Revolving Period or Controlled Amortisation Period, the Reassignment Price will generally (subject to the satisfaction of certain conditions) be deemed to constitute Seller Collections and if they are reassigned during the Early Amortisation Period or on or after the Enforcement Date, the Reassignment Price will be deemed to constitute Eligible Account Collections.

Registrations and Notices

Before the Closing Date, (i) the Trustee shall file with the FSC the Securitisation Plan (relating to the entrustment of the Receivables by the Originator to the Trustee) and (ii) the Initial Investor Interrestholder shall file with the FSC the Securitisation Plan (relating to the subscription by the Initial Investor Interrestholder of the Investor Interest).

On or before the Closing Date, (i) the Originator shall file with the FSC an application for Asset Transfer Registration (relating to the entrustment of the Receivables by the Originator to the Trustee) and (ii) the Trustee shall file with the FSC an application for Asset Transfer Registration (relating to the subscription by the Initial Investor Interrestholder of the Investor Interest)

On or before each relevant Entrustment Date (other than the Initial Entrustment Date), (i) the Trustee shall file with the FSC the amended Securitisation Plan and (ii) the Originator shall file with the FSC an application for Asset Transfer Registration, with respect to each entrustment of Receivables arising under the relevant Additional Accounts by the Originator to the Trustee.

The Originator will also be required to file on or prior to the fifteenth Seoul Business Day of each month, a report (*Hwak-jung-bo-wan-gong-shi*) with the FSC in accordance with the ABS Act relating to the Receivables arising in the Designated Accounts during the immediately preceding Collection Period.

The Trustee, or the Servicer if so delegated by the Trustee, will be required to register with the FSC in accordance with the ABS Act each reassignment of Receivables from the Trust at the request of the Originator or for breach of an Asset Warranty and any sale of the Receivables Pool to the Originator.

Following the occurrence of any Early Amortisation Event, the Enforcement Date or the termination of the Servicer pursuant to the Servicing Agreement, upon receipt of written notice from the Trustee, the Originator will within five (5) Seoul Business Days serve a Perfection Notice, in accordance with the ABS Act and the Korean Civil Code, by content and delivery proof mail (*Naeyong Baedal Jeungmyung*), on each Accountholder sufficient to perfect the Trustee's interest in the Receivables.

SERVICING

Servicing

Pursuant to the Servicing Agreement, the Trustee has appointed (i) the Servicer to manage, service and administer the Receivables in accordance with the terms of the Servicing Agreement and the Card Agreements and (ii) the Back-up Servicer to perform the Back-up Services.

The Servicer will perform its services in accordance with the Credit Card Guidelines and with professional standards of care and practice ordinary for a prudent credit card receivables servicer administering similar credit card receivables in Korea and otherwise in accordance with Applicable Law.

Servicer Duties

Under the Servicing Agreement, the Servicer is required to, *inter alia*:

- (a) manage and administer the Receivables in accordance with the Credit Card Guidelines (or, where the Back-up Servicer or a Substitute Servicer is providing the Services, such entity's servicing and enforcement procedures) and the terms of the Servicing Agreement;
- (b) make reasonable efforts to collect all payments in respect of the Receivables as and when the same become due in accordance with the Credit Card Guidelines and calculate the amounts to be paid by each Accountholder in accordance with the relevant Card Agreement(s); and
- (c) comply with and perform the other agreements, covenants and obligations on its part set out in the Servicing Agreement and the other Transaction Documents to which it is a party.

Monthly Servicer Report

The Servicer is required to, on each Determination Date, deliver a Monthly Servicer Report to, *inter alios*, the Trustee, the Majority Investor, the Investor Interestholder and the Transaction Administrator in respect of Collections received by the Servicer or the Trustee during the immediately preceding Collection Period. The Monthly Servicer Report will contain a statement from the Servicer certifying that no Servicer Termination Event or Early Amortisation Event had occurred as of the last day of the Collection Period to which such Monthly Servicer Report relates.

Servicer Covenants

The Servicer has undertaken with each party to the Servicing Agreement that it will, *inter alia*:

- (a) comply at all times in all material respects with all Laws including, without limitation, the Personal Information Protection Act and the Act on Protection and Use of Credit Information, applicable to or in any way affecting the creation and servicing of the Receivables or the transactions contemplated by the Transaction Documents;
- (b) execute all such further documents and take all such further action as may be necessary on the Closing Date or from time to time thereafter, in the opinion of the Trustee or the Majority Investor, to ensure that the Trustee has an ownership interest in the Receivables (to the extent contemplated by the Transaction Documents) and to give effect to the Servicing Agreement;
- (c) subject to any Applicable Law including, without limitation, the Personal Information Protection Act and the Act on Protection and Use of Credit Information, comply with any directions, orders and instructions in writing which the Trustee, the Note Trustee, the Majority Investor or the Transaction Administrator are entitled to give to the Servicer under the terms of the Servicing Agreement from time to time in connection with the Servicer's performance of its obligations under the Servicing Agreement; provided that in the event of conflicting instructions between the Trustee, the Note Trustee, the Majority Investor or the Transaction Administrator, it will comply with such instructions from the Majority Investor to the extent such compliance would not cause it to breach any of its other obligations under the Transaction Documents;
- (d) at all times allocate payments and recoveries on each Designated Account in the order of priority set forth in Schedule 5 of the Servicing Agreement (as such order of priority may be amended from time to

time in accordance with any regulatory guidance or Applicable Laws) and not make any modification or amendment to the Card Agreements inconsistent therewith except as permitted under the Transaction Documents;

- (e) deliver to the Trustee and the Back-up Servicer promptly after the end of each month (and in any event no later than ten (10) Seoul Business Days after the end of each month) a Data File containing such details of the Receivables as the Trustee, the Majority Investor, the Back-up Servicer or the Transaction Administrator may from time to time request;
- (f) keep separate and not commingle the Receivables or Collections with any of its assets, except as contemplated by the Servicing Agreement or the Trust Agreement;
- (g) set the interest rates (if any) on the Receivables in a manner consistent with the interest rates charged by the Originator on similar receivables in Accounts other than the Designated Accounts; provided that the Servicer shall not (i) set or adjust such interest rates in a manner that would result in the occurrence of an Early Amortisation Event or (ii) adjust such interest rates after the occurrence of an Early Amortisation Event, without the prior written consent of the Investor Interestholder (acting on the written instructions of the Majority Investor);
- (h) deliver to the Trustee, the Transaction Administrator, the Swap Providers, the Back-up Servicer, the Majority Investor, the Note Trustee, the Rating Agency and the Investor Interestholder, promptly, but in any event within five (5) Seoul Business Days, of its becoming aware of the same, notice of the occurrence of any Servicer Termination Event or any event which with the giving of notice or lapse of time or certification would constitute a Servicer Termination Event;
- (i) not create or permit to exist any Lien on any Receivables, Collections, Account Records or other rights entrusted pursuant to the Trust Agreement, except as permitted or required under the Transaction Documents;
- (j) not modify the Credit Card Guidelines or any form of the Card Agreements except as permitted under the Trust Agreement or update or modify the Transfer Plan;
- (k) not modify or amend or terminate, or purport to modify, amend or terminate, any Automatic Debit Agreement without the prior written consent of the Trustee, the Investor Interestholder and the Majority Investor and giving prior written notice to the Rating Agency; and
- (l) if the Originator is the Servicer, perform its obligations (in whatever capacity) under the Automatic Debit Agreements and to effect the CMS Arrangement for and on behalf of the Trustee, it being further agreed by the Servicer that only the Trustee and not the Servicer shall be entitled to submit a new KFTC Application in respect of all such accounts removed by the Servicer from the KFTC Application previously filed and maintained by the Servicer (in its capacity as the Originator) pursuant to the Servicing Agreement and not take any action to obstruct, hinder or in any way prevent the submission of such new KFTC Application by the Trustee or the effecting of the CMS Arrangement.

Annual Compliance Statement and Servicing Audit Report

The Servicer has agreed in the Servicing Agreement to deliver to the Trustee, the Majority Investor, the Note Trustee, the Swap Providers, the Transaction Administrator, the Rating Agency and the Investor Interestholder within one hundred and twenty (120) days after the end of each calendar year (beginning with 2024) an annual compliance statement with respect to its obligations under the Servicing Agreement.

The Servicer has also agreed to procure delivery by the Designated Accounting Firm to the Trustee, the Majority Investor, the Note Trustee, the Swap Providers, the Transaction Administrator, the Rating Agency and the Investor Interestholder of a Servicing Audit Report in relation to the Monthly Servicer Reports for any two Collection Periods randomly selected by the Designated Accounting Firm from the prior twelve (12) Collection Periods, in each case within thirty (30) days after the Determination Date immediately following the last Collection Period in such prior twelve-month period).

Servicer Termination Events

Pursuant to the Servicing Agreement, upon the occurrence of a Servicer Termination Event, the Trustee, who will act in accordance with the Majority Investor's instructions, may terminate the appointment of the Servicer.

Immediately upon such termination, the Back-up Servicer will automatically be obligated to perform the Services in place of the Servicer. See "*Master Definitions Schedule—Servicer Termination Events*".

Custody

The Servicer has agreed in the Servicing Agreement to act as custodian for the Trustee with respect to the Core Records, and the Servicer will, as custodian, procure the Core Records to be maintained in a safe, fireproof, single, centralised location within forty-five (45) days from the Closing Date (with respect to the Core Records relating to Initial Designated Accounts) or within fifteen (15) days from the relevant Entrustment Date (with respect to the Core Records relating to Additional Accounts).

THE TRUST

Trust Interests

The interests in the Trust are the Investor Interest, the Seller Interest and the Subordinated Seller Interest. The initial beneficiaries of the Trust are the Originator as holder of the Seller Interest and the Subordinated Seller Interest and the Bond Issuer as holder of the Investor Interest (the "**Investor Interestholder**"). Each of the Investor Interest, the Seller Interest and the Subordinated Seller Interest is entitled to distributions of profit and principal from the Trust in accordance with the Trust Agreement on each Trust Distribution Date. Distributions on the Subordinated Seller Interest will be subordinated to distributions on the Investor Interest. See "*Application of Collections on Trust Distribution Dates*".

The Trustee will hold the Trust Assets on trust for each of the Interestholders in accordance with their respective entitlements as they appear in the Trust Agreement.

Each Trust Interest will be evidenced by a physical trust certificate. The Trust Interests represent rights to distributions under the Trust Agreement and do not represent recourse obligations of, and are not guaranteed by, the Originator, the Servicer or any affiliate thereof. The certificate representing the Investor Interest will be held by the Security Agent on the Closing Date.

The initial outstanding amount of the Investor Interest will be KRW413,850,000,000. During the Revolving Period, the outstanding amount of the Investor Interest will remain fixed at such initial amount. During the Controlled Amortisation Period, the outstanding amount of the Investor Interest will be reduced on each Trust Distribution Date by the aggregate amount of principal paid on the Investor Interest on that Trust Distribution Date in accordance with the provisions of the Trust Agreement. During the Early Amortisation Period and on and after the Enforcement Date, the Collections will be applied to the Investor Interest on each Trust Distribution Date until the outstanding amount is reduced to zero. The initial outstanding amount of the Subordinated Seller Interest will be KRW116,726,923,077 and the initial outstanding amount of the Seller Interest will be an amount equal to the Pool Balance as of the Closing Date less the sum of the initial outstanding amounts of the Investor Interest and the Subordinated Seller Interest.

Trust Collection Sub-Account

On or before the Closing Date, the Trustee will establish (i) a trust account (the "**Trust Account**") (including as sub-accounts thereof the Trust Collection Sub-Account and the Trust Reserve Sub-Account) as a segregated Won-denominated account in its name as a trust account at the Account Bank and, (ii) on or prior to the Scheduled Changeover Date, an Auto Debit Account with each Automatic Debit Bank. Amounts held in the Trust Account may be invested in Eligible Investments pending distribution thereof. All Collections on deposit in the Trust Collection Sub-Account, including any amounts transferred into the Trust Collection Sub-Account from the Trust Reserve Sub-Account by the Trustee from time to time or credited to the Trust Collection Sub-Account by the Originator from time to time as an Originator Cash Deposit, will be applied in accordance with the provisions of "*Daily Cash Release*" and "*Application of Collections on Trust Distribution Dates*" below. On each Seoul Business Day, the Trustee will credit all Collections to certain administrative ledgers of the Trust Collection Sub-Account, all Eligible Account Principal Collections will be credited to the Principal Collections Ledger of the Trust Collection Sub-Account and all Eligible Account Interest Collections will be credited to the Interest Collections Ledger of the Trust Collection Sub-Account.

Trust Reserve Sub-Account

The Trust Reserve Sub-Account will be funded on the Closing Date in an amount equal to the Required Reserve Amount (including Transfer Costs). The Transfer Costs will be payable to the Trustee upon the occurrence of a Servicer Termination Event and on any date on which the Trustee is required to send Perfection Notices or Servicer Termination Notices to Accountholders.

On any date during a Collection Period on which the Eligible Pool Balance Requirement is not satisfied, the Originator (in its capacity as Seller Interestholder, Subordinated Seller Interestholder and Servicer) will make an Originator Cash Deposit into the Trust Reserve Sub-Account in order to satisfy the Eligible Pool Balance Requirement on such date. See "*Originator Cash Deposits*" below.

On any date during a Collection Period on which the Eligible Pool Balance Requirement is not satisfied and each of the other Cash Release Conditions is satisfied, the Trustee will be required to transfer such amount from the Trust Collection Sub-Account to the Trust Reserve Sub-Account as is required to satisfy the Eligible Pool Balance Requirement on such date.

Daily Cash Release

On each Seoul Business Day prior to the Early Amortisation Period or the Enforcement Date on which the following Cash Release Conditions are satisfied, the Trustee will remit all Collections on deposit in the Auto Debit Accounts and the Trust Collection Sub-Account in excess of the Required Collection Amount on such date (following any transfer of amounts to the Trust Reserve Sub-Account on such date) to the Originator in its capacity as Seller Interestholder, as Subordinated Seller Interestholder and (if the Originator is the Servicer) as Servicer (each such remittance, a "**Daily Cash Release**").

The "**Cash Release Conditions**" will be satisfied on each Seoul Business Day:

- (a) if the amount on deposit in the Trust Collection Sub-Account after such remittance will be at least equal to the Required Collection Amount on such date;
- (b) if each of the Trustee and the Majority Investor has received a Collection Report from the Servicer for such Seoul Business Day by 1:00 p.m. (Seoul time);
- (c) if the Eligible Pool Balance Requirement will be satisfied immediately following any such remittance; and
- (d) if no Early Amortisation Event has occurred or will occur following such remittance or, if an Early Amortisation Event has occurred, it has been waived.

Originator Cash Deposits

If the amount on deposit in the Trust Collection Sub-Account on (i) the last Seoul Business Day of any Collection Period during the Revolving Period or Controlled Amortisation Period is less than the aggregate amount payable on the next succeeding Trust Distribution Date under paragraphs (a)(i) to (x) (inclusive) and (c)(i) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*" and paragraph (c)(i) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Principal Collections*" or (ii) the earlier to occur of (x) the first Seoul Business Day of the Early Amortisation Period or (y) the Enforcement Date is less than the aggregate amount payable on the next succeeding Trust Distribution Date under paragraphs (a)(i) to (xi) (inclusive) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period—Eligible Account Interest Collections*" (except for any payments to the Servicer (if the Originator is the Servicer)) and paragraphs (c)(i) and (ii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period—Eligible Account Principal Collections*" or, as the case may be, paragraphs (a)(i) to (viii) (inclusive) under "*Application of Collections on Trust Distribution Dates—Distributions following Enforcement Date—Eligible Account Interest Collections*" and paragraphs (c)(i) and (ii) under "*Application of Collections on Trust Distribution Dates—Distributions following Enforcement Date—Eligible Account Principal Collections*", excluding, in each case, any amounts payable to the Seller Interestholder, the Subordinated Seller Interestholder and, if the Originator is the Servicer, to the Servicer on such Trust Distribution Date, then the Originator, in its capacity as Seller Interestholder and Subordinated Seller

Interestholder, subject to the delivery of a Solvency Certificate signed by an Authorised Signatory of the Originator on such date to the Trustee, the Majority Investor and the Note Trustee, (A) shall deposit into the Trust Collection Sub-Account an amount sufficient to cover such difference from the amounts that have been distributed to or retained by the Originator and the Servicer as Daily Cash Release pursuant to the Trust Agreement and the Servicing Agreement in respect of such Collection Period and (B) to the extent that any such Originator Cash Deposit does not cover such difference, may deposit into the Trust Collection Sub-Account an amount sufficient to cover such difference from the amounts that have been distributed to or retained by the Originator and the Servicer as Daily Cash Release pursuant to the Trust Agreement and the Servicing Agreement in respect of each of the two (2) Collection Periods immediately preceding such Collection Period excluding, in each case, any such Daily Cash Release amounts which have been taken into account when calculating the amount of any Originator Cash Deposits deposited into the Trust Account on prior dates.

Other Trust Distributions

Subject to earlier payment by way of Daily Cash Release, on each Trust Distribution Date, the Trustee will pay all Seller Collections for the most recently ended Collection Period to the Seller Interestholder. On each Trust Distribution Date following the payment in full of all Bond Issuer Obligations and Note Issuer Obligations and prior to the Trust Termination Date, all Collections will be paid to the Seller Interestholder on the date of receipt thereof.

On the Closing Date, the Trustee will pay to the Investor Interestholder from amounts on deposit in the Trust Collection Sub-Account an amount equal to the transaction costs for the transactions contemplated by the Transaction Documents, and the Investor Interestholder will apply such amounts in payment of such costs.

Calculations

On each Trust Distribution Date, prior to any transfer of amounts from the Trust Reserve Sub-Account to the Trust Collection Sub-Account on such Trust Distribution Date to be applied as Eligible Account Interest Collections, the Trustee shall calculate (using the information provided to the Trustee in the relevant Collection Report, Monthly Servicer Report or Transaction Administrator Report, as the case may be, and all such other information as the Trustee has obtained from the Servicer, the Transaction Administrator or any Bond Secured Party):

- (i) the Investor Percentage and the Seller Percentage of each of (x) the Eligible Account Interest Collections and (y) the Eligible Account Principal Collections on deposit in the Trust Collection Sub Account on such date (excluding any amounts transferred to the Trust Collection Sub Account from the Trust Reserve Sub Account on such date);
- (ii) the sum of all Receivable Balance Adjustments made during the immediately preceding Collection Period (the "**Investor Principal Shortfall**");
- (iii) any shortfall in the amounts available to be distributed in accordance with paragraphs (a)(i) to (iii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*", paragraphs (a)(i) to (iii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period—Eligible Account Interest Collections*" or paragraphs (a)(i) to (iii) under "*Application of Collections on Trust Distribution Dates—Distributions following Enforcement Date—Eligible Account Interest Collections*" from the Investor Percentage of the Eligible Account Interest Collections calculated in accordance with paragraph (i) above on such Trust Distribution Date (the "**Investor Interest Shortfall**"); and
- (iv) any shortfall in the amounts available to be distributed in accordance with paragraphs (b)(i) to (v) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*", paragraphs (b)(i) to (vi) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period—Eligible Account Interest Collections*" or paragraphs (b)(i) to (vii) (inclusive) under "*Application of Collections on Trust Distribution Dates—Distributions following Enforcement Date—Eligible Account Interest Collections*" from the Seller Percentage of the Eligible Account Interest Collections calculated in accordance with paragraph (i) above (the "**Seller Interest Shortfall**").

Originator Representations and Warranties

In addition to the Asset Warranties, the Originator has represented in the Trust Agreement as of the Closing Date and each Entrustment Date, *inter alia*, as follows:

- (a) it is duly incorporated and validly existing under the Laws of Korea with full power and authority to conduct its business as presently conducted and to carry out the terms of the Trust Agreement;
- (b) it has duly authorised the Trust Agreement by all necessary corporate action, and the Trust Agreement is its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy or insolvency related exceptions and the qualifications and reservations set out in the legal opinions provided in connection with the Trust Agreement), and will not result in a breach of, or a default under, any Law or any agreement or commitment, or judgment, decree or order, to which it is a party or by which it or any of its assets are bound; the execution, delivery and performance by it of the Trust Agreement and the consummation of the transactions contemplated thereby will not result in any such breach or default;
- (c) it has obtained all confirmations, consents, licences, approvals and authorisations and has effected all declarations, applications, filings, registrations, notifications and reports (in each case if any) in connection with the execution and delivery of the Trust Agreement and the performance of its obligations hereunder, including with respect to the Securitisation Plans and each Asset Transfer Registration;
- (d) (i) no event has occurred and is continuing and no condition exists, or would result from the consummation of the transactions contemplated by the Trust Agreement and the other Transaction Documents with respect to the Originator and (ii) no other event has occurred and is continuing and no condition exists, or would result from the consummation of the transactions contemplated by the Trust Agreement and the other Transaction Documents, in either case which constitutes or may reasonably be expected to constitute or result in a breach of any provision of any agreement or instrument to which it is a party or by which it or any of its assets are bound;
- (e) there is no action, proceeding or investigation pending or threatened, in or before any Governmental Entity, which questions the validity of the Trust Agreement or any action taken or to be taken pursuant to the Trust Agreement, or which is more likely than not to, individually or in the aggregate, result in a Material Adverse Effect; it is not in violation of any order of any Governmental Entity which violation is more likely than not to result in a Material Adverse Effect;
- (f) it is solvent and will not become insolvent for the reasonably foreseeable future by reason of the establishment of the Trust, the entrustment of the Receivables or any other transactions contemplated by the Trust Agreement or the other Transaction Document; it has not taken any corporate action, nor, have any other steps been taken or legal proceedings commenced or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, liquidator or similar officer of it or of all or any of its assets or revenues; it is able to pay its debts generally; it has not suspended payment on any of its indebtedness; it is not a "failing company (*busiljinhukiup*)" under the CRPA or a "failing financial institution (*busilkeumyunggikwan*)" under the Act on the Structural Improvement of Financial Industry and is not subject to any corporate action, legal proceedings or other procedures in relation to a restructuring, reorganisation or rehabilitation or any analogous procedure under any similar Applicable Law (for purposes of this paragraph, "solvent" means (i) its total assets exceed its total liabilities, (ii) it has not suspended payment of its indebtedness and (iii) it is not unable to pay its debts generally as they become due and that (iv) no petition or application has been filed, and no meeting convened for the purposes of considering a resolution, and no other steps taken or threatened, for the liquidation or winding up of, or the commencement of any bankruptcy, corporate reorganisation, rehabilitation, composition or other similar proceedings against or in respect of it);
- (g) it has (i) timely filed all tax returns required to be filed and (ii) paid or made adequate provision for the payment of all taxes, assessments and other governmental charges;
- (h) in the event of the bankruptcy or other similar proceedings of the Trustee, the Interestholders' interest in the assets of the Trust (and all of their other rights under the Trust Agreement) would not in any way be materially adversely affected;

- (i) no entrustment under the Trust Agreement is or may be voidable or for illegal purposes under any Applicable Law and the Originator has no illegal purpose in connection with entering into the transactions contemplated by the Transaction Documents;
- (j) in any proceedings taken in relation to the Trust Agreement or any entrustment and transfer of Receivables by it to the Trustee in accordance herewith, the choice of Korean Law as the governing Law of the Trust Agreement or, as the case may be, such entrustment and transfer, will be recognised and enforced by the courts of Korea;
- (k) all acts, conditions and things required to be done, fulfilled and performed in order to make the Trust Agreement and the entrustment and transfer of each and all of the Receivables admissible in evidence in Korea have been (or, in respect of Receivables entrusted after the Initial Entrustment Date, will be) done, fulfilled and performed prior to the relevant Entrustment Date;
- (l) no selection procedures believed by the Originator to be materially adverse to the interest of any of the Interestholders were utilised in selecting the applicable Designated Accounts to be entrusted on any Entrustment Date;
- (m) the credit quality of the Receivables is similar in all material respects, and in no event inferior, to the credit quality of the receivables in the Originator's aggregate portfolio of receivables arising under the Accounts;
- (n) the Receivables entrusted on each Entrustment Date do not constitute all or substantially all of the assets of the Originator as of such date.

Originator Covenants

The Originator has undertaken in the Trust Agreement with each party thereto that, *inter alia*, it will:

- (a) maintain and implement reasonable administrative and operating procedures in respect of the Receivables (including an ability to recreate records evidencing Receivables and related Card Agreements in the event of the destruction of the originals thereof), and keep and maintain all documents, books, computer tapes, disks, records and other information reasonably necessary or advisable for the collection of all Receivables (including records adequate to permit the daily identification, on an Account by Account basis, of each Account and all collections of any adjustments to each Receivable); the Originator shall give the Trustee, the Majority Investor, the Rating Agency and the Note Trustee prompt notice of any material change in such administrative and operating procedures;
- (b) at its own expense, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Card Agreements; and at all times allocate Collections and recoveries on each Designated Account in the priority set forth in Schedule 5 to the Servicing Agreement;
- (c) immediately inform the Trustee, the Majority Investor, the Investor Interestholder, the Swap Providers, the Transaction Administrator, the Rating Agency and the Note Trustee upon becoming aware of the occurrence of an Early Amortisation Event, Potential Early Amortisation Event or Servicer Termination Event;
- (d) render all assistance as may be required in respect of monthly filing or registration requirements in Korea in order to give effect to the transactions contemplated by the Servicing Agreement and for the Trustee to comply with the ABS Act;
- (e) not modify, or permit to be modified, the Credit Card Guidelines or forms of Card Agreements in a manner that may possibly have a Material Adverse Effect without the prior written consent of the Trustee and the Investor Interestholder (acting on the written instructions of the Majority Investor) and without prior written notice to the Rating Agency, save for such modifications as may be recommended by the FSS or the FSC, required by mandatory provisions of Applicable Law or are consistent with customary and reasonable practices in Korea;
- (f) not, with the exception of the entrustment of the Receivables under the Servicing Agreement or as otherwise permitted or required under the Transaction Documents, sell, pledge, charge, assign or transfer any of such Receivables to any other Person, or take any other action inconsistent with the Trustee's ownership of the Receivables or the related Account Records or grant or permit to exist any Lien upon or

with respect to any such Receivables or the related Account Records, and not claim an ownership interest in such Receivables or the related Account Records and shall defend the right, title and interest of the Trustee in, to and under such Receivables and the related Account Records, whether existing at the time of closing or created thereafter, against all claims of third parties;

- (g) not exercise any of its rights under any Card Agreement in any way which is more likely than not to have a Material Adverse Effect on the collectibility of any of the Receivables arising thereunder;
- (h) not amend, modify or vary, or waive any breach of, any of the Card Agreements in any way which is more likely than not to have a Material Adverse Effect on the Trust or the Trust Assets other than in accordance with the provisions of the Transaction Documents; and
- (i) not take any action that is more likely than not to have the effect of encouraging Accountholders to make payment by any means other than by Auto Debit through an Automatic Debit Bank.

Collateral Audit

Prior to the commencement of the Early Amortisation Period, the Originator, shall at its expense, arrange for the Designated Accounting Firm to conduct Collateral Audits of all Receivables in the Receivables Pool in accordance with FSS requirements, and shall deliver each collateral report submitted to the FSS from time to time to the Trustee, the Majority Investor, the Note Trustee, the Swap Providers, the Rating Agency and the Transaction Administrator promptly after the submission of such report to the FSS, and in any event no later than three (3) Seoul Business Days after such submission (each, a "**Collateral Audit**").

In respect of the Collection Periods ending in September 2025 and each Collection Period ending on the last day of May in each year thereafter, the Originator shall procure that the Designated Accounting Firm shall deliver an annual Collateral Audit report on the matters set out in the Bond Subscription and Agency Agreement in form and substance satisfactory to the Majority Investor, to the Trustee, the Note Trustee, the Swap Providers, the Rating Agency and the Transaction Administrator within forty-five (45) days of the end of the relevant Collection Period.

The Originator shall, at its own expense, arrange for the Designated Accounting Firm to conduct a Collateral Audit immediately upon the occurrence of an Early Amortisation Event.

Upon request by the Majority Investor, the Originator shall, at its own expense, arrange for the Designated Accounting Firm to conduct a Collateral Audit of all the Receivables in the Receivable Pool applying certain agreed upon procedures in form and substance acceptable to the Majority Investor; *provided that*, such requests for Collateral Audit shall be given not more frequently than once every calendar year prior to the occurrence of an Early Amortisation Event

Withholding Tax

Upon imposition of any withholding or other applicable taxes on any payment by the Trustee on the Investor Interest, such payment will be increased by an amount sufficient to result in receipt by the Investor Interestholder of a net amount equal to the payment that would have been received absent such taxes.

Governing Law

The Trust Agreement is governed by Korean law.

SWAP ARRANGEMENTS

The Class A2 Swap Agreement

The Bond Issuer has entered into a swap agreement with the Class A2 Swap Provider on 28 August 2024 ("**Class A2 Swap Agreement**") in order to substantially hedge the Bond Issuer against interest rate and currency exposure arising as a result of differences between:

- (a) the rates of interest receivable under the Receivables and the rate of interest payable under the Class A2 Bond; and

- (b) the currency in which the Collections are denominated (namely Korean Won) and the currency in which payments under the Class A2 Bond are to be made (namely U.S. dollars).

The Bond Issuer has also entered into a swap agreement with a swap provider (the "**Class A1 Swap Provider**") on substantially the same terms as the Class A2 Swap Agreement in respect of its obligations under the Class A1 Bond (the "**Class A1 Swap Agreement**" and, together with the Class A2 Swap Agreement, the "**Swap Agreements**").

The obligations of the Class A2 Swap Provider and the Class A1 Swap Provider under the Swap Agreements are several and not joint.

Under the Class A2 Swap Agreement, the Bond Issuer will be obliged to pay the following amounts to the Class A2 Swap Provider on each Swap Payment Date, among others, the Fixed Amount, being the Korean Won equivalent (calculated at the KRW/USD Applicable Exchange Rate) of the then Principal Amount Outstanding of the Class A2 Bond multiplied by (a) the Fixed Rate (as specified in the Class A2 Swap Agreement) and (b) the day count fraction specified in the Class A2 Swap Agreement.

On each Swap Payment Date, the Class A2 Swap Provider will pay to the Bond Issuer pursuant to the Class A2 Swap Agreement (and such amounts shall at the direction of the Bond Issuer be paid to the Note Issuer A2 Account), among others, the Floating Amount, being an amount in U.S. dollars equal to the product of the then Principal Amount Outstanding of the Class A2 Bond multiplied by (a) the Floating Rate as applicable to such Swap Payment Date plus a spread (as specified in the Class A2 Swap Agreement) and (b) the day count fraction specified in the Class A2 Swap Agreement.

The Class A2 Swap Agreement will provide that, in the event that the Class A2 Swap Provider receives part, but not the whole, of any Fixed Amount, Won Principal Amount or Party B Final Exchange Amount due under the Class A2 Swap Agreement from the Bond Issuer, the Class A2 Swap Provider will only be obliged to pay to the Bond Issuer such proportion of the corresponding Floating Amount, USD Principal Amount or Party A Final Exchange Amount, as the case may be, due to be paid by the Class A2 Swap Provider as the amount of, respectively, the Fixed Amount, Won Principal Amount or Party B Final Exchange Amount received by the Class A2 Swap Provider bears to the full amount of such Fixed Amount, Won Principal Amount or Party B Final Exchange Amount which should have been paid to the Class A2 Swap Provider. Any such proportional payment will not constitute an Event of Default in respect of the Class A2 Swap Provider.

Unless terminated earlier, the Class A2 Swap Agreement will terminate on the earlier to occur of (i) the date on which the Principal Amount Outstanding in relation to the Class A2 Note is reduced to zero; (ii) the date on which the Fixed Amount Payer Currency Amount or, as the case may be, the Floating Amount Payer Currency Amount, is reduced to zero; and (iii) Swap Payment Date immediately preceding the Note Legal Maturity Date.

On the Closing Date, the Bond Issuer will pay to the Class A2 Swap Provider an amount equal to the Party B Initial Exchange Amount (as defined in the Class A2 Swap Agreement) and the Class A2 Swap Provider will pay to the Bond Issuer an amount equal to the Party A Initial Exchange Amount (as defined in the Class A2 Swap Agreement).

The Class A2 Swap Agreement will also provide for the early termination of the transactions thereunder in certain other limited circumstances as more particularly set out in the Class A2 Swap Agreement.

The Class A2 Swap Agreement will provide that, in the event of the termination of the Class A2 Swap Agreement, Swap Termination Amounts denominated in U.S. dollars will be payable, either by the Bond Issuer to the Class A2 Swap Provider or by the Class A2 Swap Provider to the Bond Issuer.

Credit Rating Downgrade of the Class A2 Swap Provider

The Class A2 Swap Agreement will provide that the Class A2 Swap Provider will be required, in the event that DBS Bank Ltd. is rated below specified levels by the Rating Agency but above certain minimum specified levels (in each case as set out in the Class A2 Credit Support Annex forming part of the Class A2 Swap Agreement) to transfer Eligible Credit Support (as defined in the Class A2 Credit Support Annex) to the Bond Issuer in the amounts required by the Class A2 Credit Support Annex unless or until DBS Bank Ltd. (i) becomes rated at or above specified levels by the Rating Agency (as set out in the Class A2 Credit Support Annex), (ii) transfers all of its rights and obligations under the Class A2 Swap Agreement to a replacement swap provider which has the

required ratings set out in the Swap Agreement, or (iii) obtains a guarantee of its obligations under the Class A2 Swap Agreement from a party which has the required rating under the Class A2 Swap Agreement.

Class A2 Calculation Agent

DBS Bank Ltd., Seoul Branch will act as the calculation agent (the "**Class A2 Calculation Agent**") under the Class A2 Swap Agreement. The Class A2 Calculation Agent may be terminated and a successor will be appointed in accordance with the terms of the Class A2 Swap Agreement.

Governing Law

The Class A2 Swap Agreement will be governed by English law.

APPLICATION OF COLLECTIONS ON TRUST DISTRIBUTION DATES

General

On each Trust Distribution Date, the Trustee will release all Seller Collections in respect of the immediately preceding Collection Period which are on deposit in the Trust Collection Sub-Account to the Seller Interestholder and apply the Eligible Account Collections in respect of such Collection Period in accordance with the following priorities. All payments made to the Investor Interestholder will be made to the Bond Issuer Won Account.

Distributions during the Revolving Period and Controlled Amortisation Period

On each Trust Distribution Date relating to a Collection Period which ends during the Revolving Period or the Controlled Amortisation Period, following calculation and transfer of any amounts in accordance with Clauses 8.3 and 9.2 of the Trust Agreement, the Trustee shall apply all Eligible Account Interest Collections standing to the credit of the Interest Collections Ledger and Eligible Account Principal Collections standing to the credit of the Principal Collections Ledger for the most recently ended Collection Period in accordance with the following order of priority:

Eligible Account Interest Collections

- (a) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period, (y) any amounts credited to the Interest Collections Ledger from the Trust Reserve Sub-Account on such date pursuant to Clause 8.3 of the Trust Agreement and (z) any amounts credited to the Interest Collections Ledger on such date in respect of Investor Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, as Eligible Account Interest Collections, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the Trustee, to pay the Investor Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Investor Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;
 - (ii) *second, pari passu and pro rata*, (x) if the Originator is not the Servicer, to the Servicer, to pay the Investor Percentage of the Servicing Fee for such Collection Period and all accrued and unpaid Servicing Expenses for such Collection Period and any prior Collection Periods, subject to the Servicing Expenses Maximum Amount and (y) to the Back-up Servicer, to pay the Investor Percentage of the Back-up Servicer Standby Fee for such Collection Period and all accrued and unpaid Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) for such Collection Period and any prior Collection Periods;
 - (iii) *third*, to the Investor Interestholder, to pay the Required Bond Issuer Amount (excluding any Junior Bond Issuer Amounts or any amounts which will be paid in accordance with paragraphs (v) to (ix) below) for such Collection Period;
 - (iv) *fourth*, to the Trust Reserve Sub-Account until the Required Reserve Amount is on deposit therein;

- (v) *fifth*, to credit to the Principal Collections Ledger, an amount equal to the Investor Percentage (calculated under paragraph (a) of the definition thereof) of Defaulted Amounts for the related Collection Period and any Defaulted Amounts in respect of any prior Collection Period not already provided for;
 - (vi) *sixth*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges due to the Swap Providers under the Swap Agreements;
 - (vii) *seventh*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Junior Swap Termination Amounts due to the Swap Providers under the Swap Agreements;
 - (viii) *eighth*, to credit to the Principal Collections Ledger, an amount equal to any amounts transferred to the Interest Collections Ledger from the Principal Collections Ledger pursuant Clause 9.2(b)(i) of the Trust Agreement on any prior Trust Distribution Dates;
 - (ix) *ninth, pro rata and pari passu*, (w) to the Trustee, to pay the Investor Percentage of all accrued and unpaid Excess Trust Expenses, (x) if the Originator is not the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount, (y) to the Back-up Servicer, to pay the Investor Percentage of all accrued and unpaid Back-up Servicer Expenses above the cap specified in the Back-up Servicer Fee Letter and of any unpaid Transfer Fee and any unpaid Notice Expenses (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or 8.3(f) of the Trust Agreement) and (z) to the Investor Interestholder, to pay the Junior Bond Issuer Amounts;
 - (x) *tenth*, if the Originator is the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses; and
 - (xi) *eleventh*, the balance to the Subordinated Seller Interestholder.
- (b) An amount equal to the sum of (x) the Seller Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period and (y) any amounts credited to the Interest Collections Ledger from the Principal Collections Ledger on such date in respect of Seller Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, shall be applied in or towards satisfaction of the following amounts in the following order of priority (in each case only and to the extent that payment or provisions of a higher priority have been made in full):
- (i) *first*, to the Trustee, to pay the Seller Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Seller Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;
 - (ii) *second, pro rata and pari passu*, (x) if the Originator is not the Servicer, to the Servicer, to pay the Seller Percentage of the Servicing Fee for such Collection Period and all accrued and unpaid Servicing Expenses for such Collection Period and any prior Collection Periods, subject to the Servicing Expenses Maximum Amount and (y) to the Back-up Servicer, to pay the Seller Percentage of the Back-up Servicer Standby Fee for such Collection Period and all accrued and unpaid Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) for such Collection Period and any prior Collection Periods;
 - (iii) *third*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and any Swap Termination Amounts due to the Swap Providers under the Swap Agreements, to the extent such amounts have not been paid under paragraphs (a)(iii), (a)(vi) or (a)(vii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*" (as applicable) on such Trust Distribution Date;
 - (iv) *fourth, pro rata and pari passu*, (x) to the Trustee, to pay the Seller Percentage of all accrued and unpaid Excess Trust Expenses, (y) if the Originator is not the Servicer, to the Servicer, to pay the

Seller Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount and (z) to the Back-up Servicer, to pay the Seller Percentage of any Back-up Servicer Expenses for such Collection Period above the cap specified in the Back-up Servicer Fee Letter and of any unpaid Transfer Fee and any unpaid Notice Expenses (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or 8.3(f) of the Trust Agreement);

- (v) *fifth*, if the Originator is the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Fees and Servicing Expenses; and
- (vi) *sixth*, the balance to the Seller Interestholder.

Eligible Account Principal Collections

- (c) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period (after deduction of any amounts in respect of Investor Interest Shortfall on such date pursuant to Clause 9.2 of the Trust Agreement), (y) any amounts credited to the Principal Collections Ledger pursuant to paragraphs (a)(v) and (a)(viii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*" or retained in the Principal Collections Ledger in respect of previous Collection Periods pursuant to paragraph (iii) below and (z) any amounts credited to the Investor Percentage of the Eligible Account Principal Collections on such date in respect of Investor Principal Shortfall pursuant to Clause 9.2 of the Trust Agreement as Eligible Account Principal Collections, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, in respect of a Trust Distribution Date relating to a Collection Period which ends in the Controlled Amortisation Period, to the Investor Interestholder, to pay the Investor Amortisation Amount payable on the Investor Interest in respect of the relevant Trust Distribution Date; and
 - (ii) *second*, to the Subordinated Seller Interestholder provided, and to the extent, that the Cash Release Conditions are satisfied on such Trust Distribution Date after such payment is made; and
 - (iii) *third*, the balance, if any, for retention in the Principal Collections Ledger.
- (d) An amount equal to the Seller Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period (after deduction of any Investor Principal Shortfall and Seller Interest Shortfall for such date pursuant to Clause 9.2 of the Trust Agreement) shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the Trustee, to pay all accrued and unpaid Excess Trust Expenses;
 - (ii) *second*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and any Swap Termination Amounts due to the Swap Providers under the Swap Agreements, to the extent such amounts have not been paid under paragraphs (a)(iii), (a)(vi) or (a)(vii) or (b)(iii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Revolving Period and Controlled Amortisation Period—Eligible Account Interest Collections*" (as applicable) on such Trust Distribution Date; and
 - (iii) *third*, the balance to the Seller Interestholder.

Distributions during the Early Amortisation Period

On each Trust Distribution Date falling on or after the date on which an Early Amortisation Event is declared to have occurred, following calculation and transfer of any amounts in accordance with Clauses 8.3 and 9.2 of the Trust Agreement, the Trustee shall apply all Eligible Account Interest Collections standing to the credit of the Interest Collections Ledger and Eligible Account Principal Collections standing to the credit of the Principal

Collections Ledger for the most recently ended Collection Period in accordance with the following order of priority (and the Trustee shall give instructions to the Account Bank by 12:00 noon (Seoul time) to remit all amounts payable to the Investor Interestholder on such Trust Distribution Date):

Eligible Account Interest Collections

- (a) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period, (y) any amounts credited to the Interest Collections Ledger from the Trust Reserve Sub-Account on such date pursuant to Clause 8.3 of the Trust Agreement and (z) any amounts credited to the Interest Collections Ledger on such date in respect of Investor Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, as Eligible Account Interest Collections, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
- (i) *first*, to the Trustee, to pay the Investor Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Investor Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;
 - (ii) *second, pro rata and pari passu* (x) if the Originator is not the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses (subject to the Servicing Expenses Maximum Amount) for such Collection Period and any prior Collection Periods and (y) to the Back-up Servicer, to pay the Investor Percentage of all accrued and unpaid Back-up Servicer Standby Fees and all accrued and unpaid Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) for such Collection Period and any prior Collection Periods;
 - (iii) *third*, to the Investor Interestholder, to pay the Required Bond Issuer Amount (excluding any Junior Bond Issuer Amounts or any amounts which will be paid in accordance with paragraphs (vi) to (x) below) for such Collection Period;
 - (iv) *fourth*, to credit to the Principal Collections Ledger an amount equal to the Investor Percentage (calculated under paragraph (b) of the definition thereof) of Defaulted Amounts for the related Collection Period and any Defaulted Amounts in respect of any prior Collection Period not already provided for;
 - (v) *fifth*, to credit to the Principal Collections Ledger, for distribution as part of the Investor Percentage of Eligible Account Principal Collections, until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations (excluding any amounts payable in accordance with paragraphs (vi) to (x) below and paragraphs (c)(ii) and (iii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period —Eligible Account Principal Collections*") have been paid in full;
 - (vi) *sixth*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges due to the Swap Providers under the Swap Agreements;
 - (vii) *seventh*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Junior Swap Termination Amounts due to the Swap Providers under the Swap Agreements;
 - (viii) *eighth, pro rata and pari passu* (w) to the Trustee, to pay the Investor Percentage of all accrued and unpaid Excess Trust Expenses, (x) if the Originator is not the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount, (y) to the Back-up Servicer, the Investor Percentage of all accrued and unpaid Back-up Servicer Expenses above the cap specified in the Back-up Servicer Fee Letter and any unpaid Notice Expenses and any unpaid Transfer Fee (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or Clause 8.3(f) of the Trust Agreement) and (z) to the Investor Interestholder, to pay the Junior Bond Issuer Amounts;

- (ix) *ninth*, to the Back-up Servicer, to pay the Investor Percentage of the Transfer Expenses;
 - (x) *tenth*, if the Originator is the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses; and
 - (xi) *eleventh*, the balance to the Subordinated Seller Interests holder.
- (b) An amount equal to the sum of (x) the Seller Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period and (y) any amounts credited to the Interest Collections Ledger from the Principal Collections Ledger on such date in respect of Seller Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
- (i) *first*, to the Trustee, to pay the Seller Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Seller Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;
 - (ii) *second, pro rata and pari passu* (x) if the Originator is not the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses (subject to the Servicing Expenses Maximum Amount) for such Collection Period and any prior Collection Periods and (y) to the Back-up Servicer, to pay the Seller Percentage of all accrued and unpaid Back-up Servicer Standby Fees and all accrued and unpaid Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) for such Collection Period and any prior Collection Periods;
 - (iii) *third*, to the Investor Interests holder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and any Swap Termination Amounts due to the Swap Providers under the Swap Agreements, to the extent such amounts have not been paid under paragraphs (a)(iii), (a)(vi) or (a)(vii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period—Eligible Account Interest Collections*" (as applicable) on such Trust Distribution Date;
 - (iv) *fourth, pro rata and pari passu* (x) to the Trustee, to pay the Seller Percentage of all accrued and unpaid Excess Trust Expenses, (y) if the Originator is not the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount and (z) to the Back-up Servicer, the Seller Percentage of any unpaid Notice Expenses and any unpaid Transfer Fee (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or Clause 8.3(f) of the Trust Agreement) and of any Back-up Servicer Expenses above the cap referred to in the Back-up Servicer Fee Letter;
 - (v) *fifth*, to the Back-up Servicer, to pay the Seller Percentage of the Transfer Expenses;
 - (vi) *sixth*, if the Originator is the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses;
 - (vii) *seventh*, to the Investor Interests holder, until all the Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations have been paid in full; and
 - (viii) *eighth*, the balance to the Seller Interests holder.

Eligible Account Principal Collections

- (c) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period (after deduction of any amounts in respect of Investor Interest Shortfall on such date pursuant to Clause 9.2 of the Trust Agreement), (y) any amounts credited to the Principal Collections Ledger on such date in respect of Investor Principal Shortfall pursuant to Clause 9.2 of the Trust Agreement and (z) any amounts credited to the Principal Collections Ledger pursuant to paragraphs (a)(iv) and (a)(v) under "*Application of Collections on Trust Distribution Dates—*

Distributions during the Early Amortisation Period —Eligible Account Interest Collections", as Eligible Account Principal Collections shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):

- (i) *first*, to the Investor Interestholder until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations (excluding any amounts payable in accordance with paragraphs (ii) and (iii) below) have been paid in full;
 - (ii) *second*, to the Trustee to pay the Investor Percentage of any Excess Trust Expenses;
 - (iii) *third*, to the Back-up Servicer, to pay the Investor Percentage of any unpaid Notice Expenses and any unpaid Transfer Fee (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or 8.3(f) of the Trust Agreement or paragraph (a)(viii) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period — Eligible Account Interest Collections*"); and
 - (iv) *fourth*, the balance to the Subordinated Seller Interestholder.
- (d) An amount equal to the Seller Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period (after deduction of any Investor Principal Shortfall and Seller Interest Shortfall for such date pursuant to Clause 9.2 of the Trust Agreement) shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
- (i) *first*, to the Trustee, to pay the Seller Percentage of all accrued and unpaid Excess Trust Expenses;
 - (ii) *second*, to the Back-up Servicer, to pay the Seller Percentage of any unpaid Transfer Fee and any unpaid Notice Expenses (to the extent such amounts have not already been paid in accordance with Clauses 8.3(e) or 8.3(f) of the Trust Agreement or paragraph (b)(iv) under "*Application of Collections on Trust Distribution Dates—Distributions during the Early Amortisation Period — Eligible Account Interest Collections*");
 - (iii) *third*, to the Investor Interestholder, until all the Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations have been paid in full; and
 - (iv) *fourth*, the balance to the Seller Interestholder.

Distributions following Enforcement Date

On each Trust Distribution Date falling on or after the Enforcement Dates following calculation and transfer of any amounts in accordance with Clauses 8.3 and 9.2 of the Trust Agreement, the Trustee shall apply all Eligible Account Interest Collections standing to the credit of the Interest Collections Ledger and Eligible Account Principal Collections standing to the credit of the Principal Collections Ledger for the most recently ended Collection Period in accordance with the following order of priority (and the Trustee shall give instructions to the Account Bank by 12:00 noon (Seoul time) to remit all amounts payable to the Investor Interestholder on such Trust Distribution Date):

Eligible Account Interest Collections

- (a) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period, (y) any amounts credited to the Interest Collections Ledger from the Trust Reserve Sub-Account on such date pursuant to Clause 8.3 of the Trust Agreement and (z) any amounts credited to the Interest Collections Ledger on such date in respect of Investor Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, as Eligible Account Interest Collections, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the Trustee, to pay the Investor Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Investor Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;

- (ii) *second, pro rata and pari passu*, (x) to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Fees and, if the Originator is not the Servicer, the Investor Percentage of all accrued and unpaid Servicing Expenses for such Collection Period and any prior Collection Periods and (y) to the Back up Servicer, to pay the Investor Percentage of the Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) and the Back-up Servicer Administration Fee, in each case for such Collection Period;
 - (iii) *third*, to the Investor Interestholder, to pay the Required Bond Issuer Amount for such Collection Period (excluding any amounts payable in accordance with paragraph (vi) below);
 - (iv) *fourth*, to credit to the Principal Collections Ledger an amount equal to the Investor Percentage (calculated under paragraph (b) of the definition thereof) of Defaulted Amounts for the related Collection Period and any Defaulted Amounts in respect of any prior Collection Period not already provided for;
 - (v) *fifth*, to credit to the Principal Collections Ledger the balance, for distribution as part of the Investor Percentage of Eligible Account Principal Collections, until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations (excluding any amounts payable in accordance with paragraphs (vi) to (ix) below and paragraphs (c)(ii) to (iv) under "*Application of Collections on Trust Distribution Dates—Distributions following the Enforcement Date—Eligible Account Principal Collections*") have been paid in full;
 - (vi) *sixth*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and the aggregate Won Exchange Amounts in respect of any Junior Swap Termination Amounts payable to the Swap Providers;
 - (vii) *seventh, pro rata and pari passu*, (x) to the Trustee, to pay the Investor Percentage of all accrued and unpaid Excess Trust Expenses, (y) if the Originator is not the Servicer, to the Servicer, to pay the Investor Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount and (z) to the Back-up Servicer, the Investor Percentage of any unpaid Notice Expenses and any unpaid Transfer Fee (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or Clause 8.3(f) of the Trust Agreement);
 - (viii) *eighth*, to the Back-up Servicer, to pay the Investor Percentage of the Transfer Expenses;
 - (ix) *ninth*, to the Servicer (if the Originator is the Servicer), to pay the Investor Percentage of all accrued and unpaid Servicing Fees and Servicing Expenses; and
 - (x) *tenth*, the balance to the Subordinated Seller Interestholder.
- (b) An amount equal to the sum of (x) the Seller Percentage of the Eligible Account Interest Collections for the most recently ended Collection Period and (y) any amounts credited to the Interest Collections Ledger from the Principal Collections Ledger on such date in respect of Seller Interest Shortfall pursuant to Clause 9.2 of the Trust Agreement, shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
- (i) *first*, to the Trustee, to pay the Seller Percentage of all accrued and unpaid Trust Expenses (subject to a cap specified in the CKI Fee Letter) and the Seller Percentage of all amounts (if any) payable in respect of all accrued and unpaid Taxes assessed in respect of the Trust Assets for such Collection Period and any prior Collection Periods;
 - (ii) *second, pari passu and pro rata*, (x) if the Originator is not the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Fees and all accrued and unpaid Servicing Expenses for such Collection Period and any prior Collection Periods and (y) to the Back-up Servicer, to pay the Seller Percentage of all accrued and unpaid Back-up Servicer Standby Fees and all accrued and unpaid Back-up Servicer Expenses (subject to a cap specified in the Back-up Servicer Fee Letter) for such Collection Period and any prior Collection Periods;
 - (iii) *third*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and any Swap Termination Amounts due to

the Swap Providers under the Swap Agreements, to the extent such amounts have not already been paid under paragraphs (a)(iii) and (a)(vi) under "*Application of Collections on Trust Distribution Dates—Distributions following the Enforcement Date —Eligible Account Interest Collections*";

- (iv) *fourth, pari passu and pro rata*, (x) to the Trustee, to pay the Seller Percentage of all accrued and unpaid Excess Trust Expenses, (y) if the Originator is not the Servicer, to the Servicer, to pay the Seller Percentage of all accrued and unpaid Servicing Expenses above the Servicing Expenses Maximum Amount and (z) to the Back-up Servicer, the Seller Percentage of any unpaid Notice Expenses and any unpaid Transfer Fee (to the extent such amounts have not already been paid in accordance with Clause 8.3(e) or 8.3(f) of the Trust Agreement);
- (v) *fifth*, to the Back-up Servicer, to pay the Seller Percentage of the Transfer Expenses;
- (vi) *sixth*, to the Servicer (if the Originator is the Servicer), to pay the Seller Percentage of all accrued and unpaid Servicing Fees and Servicing Expenses; and
- (vii) *seventh*, to the Investor Interestholder until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations have been paid in full; and
- (viii) *eighth*, the balance to the Seller Interestholder.

Eligible Account Principal Collections

- (c) An amount equal to the sum of (x) the Investor Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period, (y) any amounts credited to the Principal Collections Ledger on such date in respect of Investor Principal Shortfall pursuant to Clause 9.2 of the Trust Agreement, (z) any amounts credited to the Principal Collections Ledger pursuant to paragraphs (a)(iv) and (v) under "*Application of Collections on Trust Distribution Dates—Distributions following the Enforcement Date —Eligible Account Interest Collections*" (after deduction of any amounts in respect of Investor Interest Shortfall on such date pursuant to Clause 9.2 of the Trust Agreement), as Eligible Account Principal Collections shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the Investor Interestholder until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations (excluding any amounts payable in accordance with paragraphs (ii) to (iv) below) have been paid in full;
 - (ii) *second*, to the Investor Interestholder, to pay (on behalf of the Swap Providers) the aggregate Won Exchange Amounts in respect of any Extra Charges and Junior Swap Termination Amounts payable to the Swap Providers;
 - (iii) *third*, to the Trustee to pay the Investor Percentage of any Excess Trust Expenses;
 - (iv) *fourth*, to the Back-up Servicer, to pay the Investor Percentage of any unpaid Notice Expenses and any unpaid Transfer Expenses (to the extent such amounts have not already been paid under Clauses 8.3(e) or 8.3(f) of the Trust Agreement or paragraph (a)(vii) under "*Application of Collections on Trust Distribution Dates—Distributions following the Enforcement Date —Eligible Account Interest Collections*"; and
 - (v) *fifth*, the balance to the Subordinated Seller Interestholder.
- (d) An amount equal to the Seller Percentage of the Eligible Account Principal Collections for the most recently ended Collection Period (after deduction of any Investor Principal Shortfall and Seller Interest Shortfall for date pursuant to Clause 9.2 of the Trust Agreement) shall be applied in or towards satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the Trustee, to pay the Seller Percentage of all accrued and unpaid Excess Trust Expenses;

- (ii) *second*, to the Back-up Servicer, to pay the Seller Percentage of any unpaid Transfer Expenses and any unpaid Notice Expenses (to the extent such amounts have not already been paid under Clauses 8.3(e) or 8.3(f) of the Trust Agreement or paragraph (b)(iv) under "*Application of Collections on Trust Distribution Dates—Distributions following the Enforcement Date —Eligible Account Interest Collections*");
- (iii) *third*, to the Investor Interestholder until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations have been paid in full; and
- (iv) *fourth*, the balance to the Seller Interestholder.

APPLICATION OF FUNDS ON SWAP PAYMENT DATES AND BOND PAYMENT DATES

Currency of Payments

The Bond Issuer, as Investor Interestholder, will receive payments in Won on the Investor Interest into the Bond Issuer Won Account on each Trust Distribution Date. The Bond Issuer will use the Won payments received on the Investor Interest to meet its payment obligations to the Bond Secured Parties which may be denominated either in Won or U.S. dollars. In respect of any payment which is due to a Bond Secured Party in Won, the Transaction Administrator will make such payment from the Bond Issuer Won Account in the order of priority set out below. The Bond Issuer will obtain U.S. dollars to enable it to make payments which are denominated in U.S. dollars from the Swap Providers. See "*Bond Issuer Payments on Swap Payment Date*" below. If any other payments to be made on any Bond Payment Date are to be made in a currency other than Korean Won or U.S. dollars (the "**Other Currency**"), each of the Transaction Administrator and, as the case may be, the Security Agent, is authorised to effect all foreign exchange transactions at the prevailing market spot exchange rate obtained from the FX Dealer for the conversion of Won into such Other Currency (and, if no exchange rate is available from the FX Dealer, at such rate as it is able to obtain) in order to effect the payment in the Other Currency through the relevant Bond Issuer FX Account.

Bond Issuer Payments on Swap Payment Dates

The Transaction Administration Agreement will authorise the Transaction Administrator to arrange for the payment from amounts standing to the credit of the Bond Issuer Won Account (see "*Swap Arrangements*" above) of any Korean Won amounts due to the Swap Providers by the Bond Issuer under each Swap Agreement on each Swap Payment Date falling prior to the Early Termination Date (as defined in each Swap Agreement), in each case in accordance with the priority of payments for such Swap Payment Date set out in the Transaction Administration Agreement.

Payments during the Revolving Period and Controlled Amortisation Period

Interest Collections

- (a) The Transaction Administrator (on behalf of the Bond Issuer) shall apply all Interest Collections on deposit in the Bond Issuer Won Account on each Bond Payment Date (or, if specified below, Swap Payment Date) relating to a Collection Period which ends during the Revolving Period or the Controlled Amortisation Period (to the extent of such sums and subject to the provisions of Clause 5.1 of the Transaction Administration Agreement) on such Bond Payment Date or Swap Payment Date in or towards the satisfaction of the following amounts (and in the case of amounts denominated in a currency other than Won, the Won Exchange Amount in relation to such amounts) in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first, pro rata and pari passu*, (x) to pay all Bond Issuer Expenses then due and payable by the Bond Issuer (subject to a cap specified in the relevant fee letter), (y) to the Note Issuer (to pay to the Note Agents), the Bond Agents and the Account Banks, to pay the Agency Fees up to the Agency Fees Maximum Amount and (z) to the Note Issuer, to pay all Note Issuer Expenses (subject to a cap specified in the relevant fee letter);
 - (ii) *second, pro rata and pari passu*, (x) to each Swap Provider, to pay any Swap Termination Amounts due to it under the relevant Swap Agreement (other than Junior Swap Termination Amounts), (y) subject to Clause 5.1(c) of the Transaction Administration Agreement, pro rata, in accordance with their Pro Rata Share, and pari passu to each Swap Provider, to pay the Fixed

Amount payable to it on such Swap Payment Date under the relevant Swap Agreement and (z) to the Bondholder, to pay any Bond Additional Amounts payable in respect of interest on the Bonds on such Bond Payment Date;

- (iii) *third, pro rata and pari passu*, to each Swap Provider, to pay any Extra Charges due to it under the relevant Swap Agreement;
- (iv) *fourth, pro rata and pari passu*, to each Swap Provider, to pay any Junior Swap Termination Amounts due to it under the relevant Swap Agreement;
- (v) *fifth*, to the Note Issuer (to pay to the Note Agents), the Bond Agents and the Account Banks, to pay the balance of the Agency Fees due or accrued due but unpaid on such date; and;
- (vi) *finally*, to the Originator to an account to be advised to the Transaction Administrator by the Originator, following redemption in full of the Notes and satisfaction in full of all Trust Obligations, Bond Issuer Obligations and Note Issuer Obligations and any other payment payable under the Transaction Documents, any remaining amount as a dividend on its holding of Equity Interests in the Bond Issuer.

Principal Collections

- (b) The Transaction Administrator (on behalf of the Bond Issuer) shall apply all Principal Collections on deposit in the Bond Issuer Won Account on each Bond Payment Date (or, if specified below, Swap Payment Date) relating to a Collection Period which ends during the Revolving Period or the Controlled Amortisation Period (to the extent of such sums and subject to the provisions of Clause 5.1 of the Transaction Administration Agreement) on such Bond Payment Date and Swap Payment Date in or towards the satisfaction of the following amounts (and in the case of amounts denominated in a currency other than Won, the Won Exchange Amount in relation to such amounts) in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first, pro rata and pari passu*, (x) to each Swap Provider, to pay any Swap Termination Amounts due to it under the relevant Swap Agreement (other than Junior Swap Termination Amounts), to the extent they have not been already paid under paragraph (a)(ii) under "*Application of Funds on Swap Payment Dates and Bond Payment Dates—Payments during the Revolving Period and Controlled Amortisation Period —Interest Collections*", (y) in the case of a Bond Payment Date relating to a Collection Period which ends during the Controlled Amortisation Period, subject to Clause 5.1(c) of the Transaction Administration Agreement, *pro rata*, in accordance with their Pro Rata Share, and *pari passu* to each Swap Provider, to pay any Won Principal Amounts due to it on such Swap Payment Date under the relevant Swap Agreement and (z) to the Bondholder, to pay any Bond Additional Amounts payable in respect of principal of the Bonds on the Bond Payment Date; and
 - (ii) *finally*, the balance, to be retained in the Bond Issuer Won Account.

Payments during the Early Amortisation Period or following the Enforcement Date

Interest Collections

- (a) The Transaction Administrator (on behalf of the Bond Issuer) shall apply all Interest Collections and other amounts (other than Principal Collections) on deposit in the Bond Issuer Won Account on each Bond Payment Date (or, if specified below, Swap Payment Date) that falls on or after the date on which an Early Amortisation Event is declared to have occurred or falling on or after the Bond Enforcement Date, to the extent of such sums and subject to the provisions of Clause 5.1 of the Transaction Administration Agreement on such Bond Payment Date and Swap Payment Date in or towards the satisfaction of the following amounts (and in the case of amounts denominated in a currency other than Won, the Won Exchange Amount in relation to such amounts) in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first, pro rata and pari passu*, (x) to pay all Bond Issuer Expenses then due and payable by the Bond Issuer (subject to a cap in the relevant fee letter), (y) to the Note Issuer (to pay to the Note

Agents), the Bond Agents and the Account Banks, to pay the Agency Fees (during the Early Amortisation Period only, up to the Agency Fees Maximum Amount) and (z) to the Note Issuer, to pay all Note Issuer Expenses (subject to a cap in the relevant fee letter);

- (ii) *second, pro rata and pari passu* (x) to each Swap Provider, to pay any Swap Termination Amounts due to it under the relevant Swap Agreement (other than Junior Swap Termination Amounts), (y) subject to Clause 5.1(c) of the Transaction Administration Agreement, *pro rata*, in accordance with their Pro Rata Share, and *pari passu* to each Swap Provider, to pay the Fixed Amount payable to it on such Swap Payment Date under the relevant Swap Agreement and (z) to the Bondholder, to pay any Bond Additional Amounts payable in respect of interest on the Bonds on the Bond Payment Date;
- (iii) *third*, to be used as Principal Collections to pay amounts due under "*—Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Principal Collections*", the balance (if any) until all Bond Issuer Obligations, Note Issuer Obligations and Trust Obligations (excluding any amounts payable in accordance with paragraphs (v), (vi) and (vii) below and paragraphs (iii) and (iv) under "*—Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Principal Collections*") have been paid in full;
- (iv) *fourth, pro rata and pari passu*, to each Swap Provider, to pay any Extra Charges due to it under the relevant Swap Agreement;
- (v) *fifth, pro rata and pari passu*, to each Swap Provider, to pay any Junior Swap Termination Amounts due to it under the relevant Swap Agreement;
- (vi) *sixth*, to the Note Issuer (to pay to the Note Agents), the Bond Agents and the Account Banks, to pay the balance of the Agency Fees due or accrued due but unpaid on such date; and;
- (vii) *finally*, to the Originator to an account to be advised to the Transaction Administrator by the Originator, following redemption in full of the Notes and satisfaction in full of all Trust Obligations, Bond Issuer Obligations, Note Issuer Obligations and any other payment payable under the Transaction Documents, any remaining amount as a dividend on its holding of Equity Interests in the Bond Issuer.

Principal Collections

- (b) The Transaction Administrator (on behalf of the Bond Issuer) shall apply all Principal Collections on deposit in the Bond Issuer Won Account on each Bond Payment Date (or, if specified below, Swap Payment Date) that falls on or after the date on which the Early Amortisation Period begins or falling on or after the Bond Enforcement Date (to the extent of such sums and subject to the provisions of Clause 5.1 of the Transaction Administration Agreement) on such Bond Payment Date and Swap Payment Date in or towards the satisfaction of the following amounts (and in the case of amounts denominated in a currency other than Won, the Won Exchange Amount in respect of such amounts) in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):
 - (i) *first*, to the extent that there is any shortfall in the amount of Interest Collections standing to the credit of the Bond Issuer Won Account to satisfy in full the amounts payable under paragraphs (i) and (ii) under "*—Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Interest Collections*", an amount equivalent to such shortfall to be used as Interest Collections to pay such amounts in the order of priority set out in "*—Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Interest Collections*";
 - (ii) *second, pro rata and pari passu* (x) subject to Clause 5.1(c) of the Transaction Administration Agreement, *pro rata*, in accordance with their Pro Rata Share, and *pari passu* to each Swap Provider, to pay the Won Principal Amount payable or, as the case may be, the Party B Final

Exchange Amount to it on such Swap Payment Date under the relevant Swap Agreement and (y) to the Bondholder to pay any Bond Additional Amounts payable in respect of principal of the Bonds on the Bond Payment Date;

- (iii) *third, pro rata and pari passu*, to each Swap Provider, to pay any Extra Charges due to it under the relevant Swap Agreement, to the extent they will not be paid under paragraph (v) under "*Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Interest Collections*";
- (iv) *fourth, pro rata and pari passu*, to each Swap Provider, to pay the balance of any Junior Swap Termination Amounts due to it under the relevant Swap Agreement, to the extent they have not already been paid under paragraph (v) under "*Application of Funds on Swap Payment Dates and Bond Payment Dates— Payments during the Early Amortisation Period or following the Enforcement Date —Interest Collections*"; and
- (v) *finally*, the balance, to be retained in the Bond Issuer Won Account.

APPLICATION OF FUNDS ON NOTE PAYMENT DATES

General

The Note Issuer, as Bondholder, will receive payments in U.S. dollars on the Class A2 Bond into the Note Issuer A2 Account and on the Class A1 Bond into the Note Issuer A1 Account on each Bond Payment Date. The Note Trustee will apply all funds on deposit in the Note Issuer Accounts in satisfaction of the Note Issuer Obligations on each Note Payment Date.

Distributions during Revolving Period and Controlled Amortisation Period

Subject to Clause 8.2 of the Note Trust Deed, all amounts standing to the credit of the Note Issuer A1 Account and, solely where set out below, the Note Issuer A2 Account, on each Note Payment Date relating to a Collection Period which ends during the Revolving Period or the Controlled Amortisation Period will, to the extent of such sums, be applied in or towards the satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):

- (i) *first*, (a) from the Note Issuer A1 Account, *pro rata and pari passu*, (A) to the Note Agents, to pay the Agency Fees up to the Agency Fees Maximum Amount and (B) to pay all Note Issuer Expenses and (b) for so long as the Class A2 Notes are listed on the SGX-ST, from the Note Issuer A2 Account, (A) any fees and expenses payable by the Note Issuer to its Singapore legal advisors from time to time in connection with services related to the listing, approval and authorisation of the Class A2 Notes with, and by, the SGX-ST and the Monetary Authority of Singapore, (B) any fees and expenses payable to the international counsel to the Class A2 Arranger in connection with services related to the Prospectus and (C) any advisory fees and out-of-pocket expenses (including, without limitation, any listing fee payable to the SGX-ST) payable to the Class A2 Arranger in connection with the listing of the Class A2 Notes with the SGX-ST;
- (ii) *second*, (a) from the Note Issuer A1 Account, to the Class A1 Noteholders to pay the Note Interest Amount due or accrued due in respect of the Class A1 Notes but unpaid on such Note Payment Date and (b) from the Note Issuer A2 Account, to the Class A2 Noteholders to pay the Note Interest Amount due or accrued due in respect of the Class A2 Notes but unpaid on such Note Payment Date;
- (iii) *third*, in the case of a Note Payment Date relating to a Collection Period which ends during the Controlled Amortisation Period (a) from the Note Issuer A1 Account, to the Class A1 Noteholders to pay any Scheduled Amortisation Amounts due or accrued due in respect of the Class A1 Notes but unpaid on such Note Payment Date and (b) from the Note Issuer A2 Account, to the Class A2 Noteholders to pay any Scheduled Amortisation Amounts due or accrued due in respect of the Class A2 Notes but unpaid on such Note Payment Date;

- (iv) *fourth, pro rata and pari passu*, to the Note Agents, to pay the balance of the Agency Fees due or accrued due but unpaid on such date; and
- (v) *fifth*, the balance, to be retained in the relevant Note Issuer Account and applied towards payments under this Deed on the next succeeding Note Payment Date.

Distributions during Early Amortisation Period or following Note Enforcement Date

Subject to Clause 8.2 of the Note Trust Deed, all amounts standing to the credit of the Note Issuer A1 Account and, solely where set out below, the Note Issuer A2 Account, on each Note Payment Date which falls during in the Early Amortisation Period or on or after the Enforcement Date will, to the extent of such sums, be applied in or towards the satisfaction of the following amounts in the following order of priority (and in each case only and to the extent that payment or provisions of a higher priority have been made in full):

- (i) *first*, (a) from the Note Issuer A1 Account, *pro rata and pari passu*, (A) to the Note Agents, to pay (i) on each Note Payment Date which falls during Early Amortisation Period, the Agency Fees up to the Agency Fees Maximum Amount or (ii) on each Note Payment Date which falls on or after the Enforcement Date, the Agency Fees and (B) to pay all Note Issuer Expenses and (b) for so long as the Class A2 Notes are listed on the SGX-ST, from the Note Issuer A2 Account, (A) any fees and expenses payable by the Note Issuer to its Singapore legal advisors from time to time in connection with services related to the listing, approval and authorisation of the Class A2 Notes with, and by, the SGX-ST and the Monetary Authority of Singapore, (B) any fees and expenses payable to the international counsel to the Class A2 Arranger in connection with services related to the Prospectus and (C) any advisory fees and out-of-pocket expenses (including, without limitation, any listing fee payable to the SGX-ST) payable to the Class A2 Arranger in connection with the listing of the Class A2 Notes with the SGX-ST;
- (ii) *second*, (a) from the Note Issuer A1 Account, to the Class A1 Noteholders to pay the Note Interest Amount due or accrued due in respect of the Class A1 Notes but unpaid on such Note Payment Date and (b) from the Note Issuer A2 Account, to the Class A2 Noteholders to pay the Note Interest Amount due or accrued due in respect of the Class A2 Notes but unpaid on such Note Payment Date;
- (iii) *third*, (a) from the Note Issuer A1 Account, to the Class A1 Noteholders to pay the aggregate Principal Amount Outstanding under the Class A1 Notes on such Note Payment Date and (b) from the Note Issuer A2 Account, to the Class A2 Noteholders to pay the aggregate Principal Amount Outstanding under the Class A2 Notes on such Note Payment Date;
- (iv) *fourth, pro rata and pari passu*, to the Note Agents, to pay the balance of the Agency Fees due or accrued due but unpaid on such date; and
- (v) *fifth*, the balance, in the case of a Note Payment Date that falls during the Early Amortisation Period, to be retained in the relevant Note Issuer Account and applied towards payments under this Deed on the next succeeding Note Payment Date and, otherwise, to the Note Issuer.

RISK FACTORS

Prior to investing in the Class A2 Notes, prospective investors should carefully consider the risks described below, together with all of the information in this Prospectus.

The following is a summary of certain risks involved in an investment in the Class A2 Notes, of which any prospective investor should be aware. It is not intended to be exhaustive and any prospective investor should also take independent tax, legal and other relevant advice as to the structure and viability of making an investment in the Class A2 Notes.

Risks Relating to the Class A2 Notes

Liability under the Class A2 Notes

The payment obligations of the Class A2 Notes will be the obligations of the Note Issuer and will not be obligations or responsibilities of any other person or entity. In particular, the Class A2 Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Bond Issuer, the Trustee, the Bond Agents, the Note Agents, the Lead Manager, the Class A2 Initial Purchaser, any company in the same group of companies as, or affiliated to, such parties or any other party. None of these persons will accept any liability to the Noteholders whatsoever in respect of any failure by the Note Issuer to pay any amount due under the Class A2 Notes.

Limited Recourse

The Class A2 Noteholders (acting through the Note Trustee) will only have recourse against the Note Issuer if a Note Event of Default under the Class A2 Notes has occurred and such recourse will be limited to the value of enforcement of the Note Secured Property. If the net proceeds of the enforcement of the Note Secured Property are not sufficient to pay in full all amounts due under the Class A2 Notes after all of the amounts having priority over the Class A2 Notes have been paid, the Class A2 Noteholders will not have any further claims against the Note Issuer in respect of any amounts which remain unsatisfied. The Class A2 Notes will not be obligations or responsibilities of, or guaranteed or insured by, any other person or entity other than the Note Issuer. In particular, the Class A2 Notes will not be obligations or responsibilities of, or guaranteed by, the Originator, the Bond Issuer, the Trustee, the Servicer, the Transaction Administrator, the Bond Issuer Administrator, the Bond Issuer Servicer, the Note Issuer Administrator, the Note Trustee, the Lead Manager, the Class A2 Swap Provider, the Security Agent, the Note Trustee or the Note Agents, or any subsidiary or affiliate of any of the foregoing, and none of such persons accepts or will accept any liability whatsoever to the Class A2 Noteholders in respect of any failure by the Note Issuer to pay any amount due under the Class A2 Notes.

Furthermore, none of the Note Issuer, the Bond Issuer or the Trustee (in its capacity as Trustee) has any material assets other than the Note Secured Property, the Bond Issuer Property and the Trust Assets, respectively, and each of the Note Issuer and the Bond Issuer has restricted its business to activities which are consistent with the provisions of the Transaction Documents. Although the transaction structure is designed to minimise the likelihood that either of the Note Issuer or the Bond Issuer will become insolvent, there can be no assurance that any one or more of the Note Issuer, the Bond Issuer or the Trustee will not become insolvent or the subject of a winding-up or liquidation order or proceeding. In the event of the insolvency, winding-up or liquidation of the Note Issuer, the Bond Issuer or the Trustee, the application of relevant insolvency law may have a material adverse effect on the value of the Class A2 Noteholders' claim in the Note Secured Property, the Bond Issuer Property and the Trust Assets, respectively.

Limited Liquidity

The Class A2 Notes comprise a new issue of securities for which there is no current public market. Although approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Class A2 Notes on the Official List of the SGX-ST, no assurance can be given that the Note Issuer will be able to maintain a listing of the Class A2 Notes on the SGX-ST, or that an active trading market for the Class A2 Notes will develop or be sustained. There can be no assurance that a secondary market in the Class A2 Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will be sustained. The market value of the Class A2 Notes may fluctuate depending on factors including, among others:

- (a) prevailing interest rates;
- (b) the credit quality of the Receivables;

- (c) the financial condition and stability of the Korean financial sector;
- (d) political and economic developments in Korea; and
- (e) market conditions for similar securities.

Consequently, any sale of Class A2 Notes by Class A2 Noteholders in any secondary market which may develop may be at a discount from the original purchase price of such Class A2 Notes and an investor in the Class A2 Notes must be prepared to hold the Class A2 Notes for an indefinite period of time or until their maturity. Application has been made to list the Class A2 Notes on the SGX-ST. The Note Issuer does not intend to apply for listing of the Class A2 Notes on any stock exchange other than the SGX-ST.

The Note Issuer will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

The Note Issuer will be subject to reporting obligations in respect of the Class A2 Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what investors in the Class A2 Notes are accustomed to.

Withholding Taxes under the Class A2 Notes

In the event that withholding taxes are imposed on payments to Class A2 Noteholders of amounts due under the Class A2 Notes, the Note Issuer will withhold or deduct the relevant amount from such payment. The Note Issuer is not obliged to make any additional payments as a result of the imposition of such withholding taxes on the Class A2 Notes.

Rating of the Class A2 Notes

The rating assigned to the Class A2 Notes by the Rating Agency is based primarily on:

- (a) the credit quality and diversification of the Receivables;
- (b) assessment of relevant structural features of the transaction; and
- (c) the likelihood of the timely payment of interest and the ultimate payment of principal on the Class A2 Notes on a date that is not later than the Note Legal Maturity Date.

The rating is not a recommendation to purchase, hold or sell the Class A2 Notes, as such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will be sustained for any given period of time or that the rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future so warrant. Any decline in the financial condition of the Note Issuer or the insolvency of the Note Issuer may impair the ability of the Note Issuer to make payments to the Noteholders under the Class A2 Notes and/or result in a downgrading of the ratings of the Class A2 Notes.

A rating does not address the risk of prepayment or the possibility that Noteholders might suffer a lower than anticipated yield. Rating agencies other than the Rating Agency could elect to rate the Class A2 Notes and, if such "shadow ratings" are lower than the comparable ratings assigned to the Class A2 Notes by the Rating Agency, such ratings could have an adverse effect on the value of the Class A2 Notes.

There is no specific obligation on the part of the Bond Issuer, the Note Issuer, the Lead Manager, the Class A2 Initial Purchaser, the Note Trustee or any other person or entity to maintain or procure maintenance of any rating of the Class A2 Notes. Any reduction or withdrawal of a rating will not constitute a Note Event of Default with respect to the Class A2 Notes or an event requiring the Note Issuer to redeem the Class A2 Notes.

Dependence on Collections and Performance of Contractual Obligations

The ability of the Note Issuer to meet its obligations to pay interest and principal on the Class A2 Notes will depend on timely payments under the Investor Interest, the Class A2 Bond and the Class A2 Swap Agreement and on the due performance by the other parties to the Transaction Documents of their obligations thereunder. In addition, payments of interest and principal on the Class A2 Notes will rank *pari passu* with payments of interest and principal on the Class A1 Notes.

No Operating History

The Note Issuer is a newly formed entity with no operating history and no material assets other than the Bonds. The Note Issuer will not engage in any business activity other than the issuance of the Class A2 Notes and the Class A1 Notes, certain activities conducted in connection with the payment of amounts in respect of the Notes and other activities incidental or related to the foregoing. Income derived from the Bonds will be the Note Issuer's principal source of funds.

No Investigation

No investigation, and limited searches and enquiries, have been made by or on behalf of the Note Issuer, the Lead Manager and the Class A2 Initial Purchaser, and no investigations, searches and enquiries have been made by or on behalf of the Note Agents, in respect of the Note Issuer or the Note Security. The Note Agents will not be bound or concerned to make any investigation into the creditworthiness of any party in respect of the Note Security, the validity of any of such party's obligations under or in respect of the Note Security or any of the terms of the Note Security. Prospective investors should take their own tax, legal, accounting and other relevant advice as to the structure and viability of the Class A2 Notes and the collateral therefor and their investment therein.

The Class A2 Noteholders' security interest in the Receivables, if any, will not be perfected against the Accountholders until a later time

Under the Note Trust Deed, the Note Issuer will grant a security interest over the Note Secured Property in favour of the Note Trustee for the benefit of, among others, the Class A2 Noteholders as security for the Class A2 Notes. The Note Issuer is a Bond Secured Party and, as such, a pledgee of the Investor Interest pursuant to the Pledge Agreement. Although the security interests under the Note Trust Deed and the Pledge Agreement will be perfected against the Trustee on the Closing Date, the interest of the Trustee in the Receivables and, in turn, the security interests under the Pledge Agreement and the Note Trust Deed, respectively, will not be perfected until fixed-date stamped notices are delivered to the Accountholders, notifying them of the entrustment of the Receivables from the Originator to the Trustee. Such notices will not be sent to the Accountholders until a Notification Trigger Event has occurred as contemplated in the Trust Agreement. See "*Risks Relating to the Receivables —Perfection*" below.

The Note Trustee will not be obliged to enforce the Note Security and/or repay the Class A2 Notes unless it is directed to do so by the Majority Investor and is indemnified and/or secured to its satisfaction in respect of its costs, charges and expenses

Under the terms of the Note Trust Deed, at any time after a Note Event of Default has occurred and is continuing or after the delivery of a Note Enforcement Notice, the Note Trustee may, at its discretion, take action and proceedings against to enforce the Note Security and/or repayment on the Class A2 Notes and other Note Issuer Obligations in accordance with the terms of the relevant Transaction Documents. The Note Trustee is not, however, obliged to do so unless it is directed to do so by the Majority Investor and is indemnified and/or secured to its satisfaction in respect of all costs and expenses incurred by it in connection with such enforcement action. Under the Note Trust Deed, the Class A2 Noteholders will not be able to directly enforce the Class A2 Notes unless the Note Trustee, having become obliged to do so, fails to do so within a reasonable time and such failure is continuing.

FATCA

Under provisions of U.S. law commonly referred to as "**FATCA**", withholding may be required on, among other things, (i) certain payments made by "foreign financial institutions" (ii) certain U.S. source payments (including dividend equivalent payments) and (iii) payments of gross proceeds from the disposition of assets that can produce U.S. source interest or dividends (including assets that generate dividend equivalent payments), in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Note Issuer is a Reporting Model 1 FFI for these purposes. The Cayman Islands has entered into an intergovernmental agreement (the "**U.S. IGA**") with the U.S. The Note Issuer will be required to comply with the Cayman Islands Tax Information Authority Act (as amended) together with regulations and guidance notes made pursuant to such Act that give effect to the U.S. IGA. To the extent the Note Issuer is a "Reporting Cayman Islands Financial Institution" (as defined in the U.S. IGA), the Note Issuer will be required to undertake due diligence procedures that generally provide for the identification of certain direct and indirect U.S. investors and reporting to the Cayman Islands Tax Information Authority (the "**TIA**") certain information with respect to such investors.

The Cayman Islands Tax Information Authority will exchange such information with the U.S. Internal Revenue Service ("**IRS**") under the terms of the U.S. IGA. Provided the Note Issuer complies with its obligations under the U.S. IGA and the Cayman Islands implementing authorities, the Note Issuer generally will not be subject to withholding under FATCA, either on payments it makes or receives. The Note Issuer will endeavour to comply with these requirements and expects it will be able to do so.

On 29 October 2014, the Cayman Islands along with 50 other jurisdictions signed a Multilateral Competent Authority Agreement (the "**Multilateral Agreement**") to demonstrate its commitment to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"). The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015, which require extensive due diligence to be undertaken on new and pre-existing accounts, were enacted on 16 October 2015 with reporting commencing on such accounts in 2017. With more than 100 countries having since agreed to implement the CRS, which will impose similar reporting and other obligations as the U.S. IGA with respect to the Class A2 Noteholders who are tax resident in other signatory jurisdictions, the Note Issuer will be required to report to the Cayman Islands Tax Information Authority on an annual basis, with account information being disseminated by the Cayman Islands Tax Information Authority to tax authorities around the globe. The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt CRS, which will likely further increase the reporting and/or withholding obligations of the Note Issuer.

Whilst the Class A2 Notes are in global form and held within Euroclear or Clearstream (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Class A2 Notes by the Note Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain from (but excluding) the Note Issuer to (but including) the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Class A2 Notes. However, it should be noted that information relating to Class A2 Noteholders and their investments in the Class A2 Notes may need to be reported under regulations made pursuant to FATCA and/or CRS by financial institutions through which Class A2 Noteholders collect payments made to them under the Class A2 Notes.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Class A2 Notes as a result of FATCA, none of the Note Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Class A2 Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA and similar reporting regimes are particularly complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them.

A Change in Singapore Tax Laws May Adversely Affect the Class A2 Noteholders

The Class A2 Notes to be issued are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore ("**SITA**"), subject to the fulfilment of certain conditions more particularly described in the section "*Taxation—Singapore Taxation*". However, there is no assurance that the Class A2 Notes will continue to be "qualifying debt securities" or that the tax concessions in connection therewith will apply throughout the tenure of the Class A2 Notes should the relevant tax laws, administrative guidelines or circulars be amended or revoked at any time.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to the Secured Overnight Financing Rate ("**SOFR**") as a reference rate in the capital markets and its adoption as an alternative to U.S. Dollar LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The nascent development of Compounded Daily SOFR rates as an interest reference rate for the Eurobond markets, as well as continued development of SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Class A2 Notes.

The use of Compounded Daily SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Class A2 Notes, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Class A2 Notes. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Class A2 Noteholders should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Class A2 Notes referencing Compounded Daily SOFR.

SOFR differs from LIBOR in a number of material respects and has a limited history

Compounded Daily SOFR differs from LIBOR in a number of material respects, including that Compounded Daily SOFR is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SOFR may behave materially differently as interest reference rates for the Class A2 Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR, which is an unsecured rate. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SOFR began in April 2018 and it therefore has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Class A2 Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR such as correlations, may change in the future.

Furthermore, the Note Interest Rate is only capable of being determined at the end of the relevant Reference Period and immediately prior to the relevant Note Payment Date. It may be difficult for Class A2 Noteholders to estimate reliably the amount of interest which will be payable on the Class A2 Notes, and some investors may be unable or unwilling to trade such Class A2 Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Class A2 Notes. Further, in contrast to LIBOR-based notes, if the Class A2 Notes become due and payable as a result of a Note Event of Default under Note Condition 8 (Note Events of Default), or are otherwise redeemed early on a date which is not a Note Payment Date, the final Note Interest Rate payable in respect of the Class A2 Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Class A2 Notes become due and payable.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR

The New York Federal Reserve (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR (in which case a fallback method of determining the interest rate on the Class A2 Notes will apply). The administrator has no obligation to consider the interests of Class A2 Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR.

Risks Relating to the Receivables

Entrustment of Receivables

Under the Trust Agreement, the Originator entrusted to the Trustee on the Initial Entrustment Date, for the benefit of the Interestholders, all of its rights, title, interest and benefit (present and future, actual and contingent) in, to and under:

- (a) all Receivables set out in the Receivables List delivered to the Trustee by the Originator pursuant to the provisions of the Investor Interest Subscription Agreement and existing on the Initial Cut-off Date in the Initial Accounts; and
- (b) all Receivables arising from time to time thereafter in the Initial Accounts until the Trust Termination Date.

On each subsequent Entrustment Date, the Originator may entrust to the Trustee for the benefit of the Interestholders, all of its rights, title, interest and benefit (present and future, actual and contingent) in, to and under all the Receivables arising under Additional Accounts as of the relevant Cut-off Date and all Receivables arising under the Additional Accounts from time to time thereafter until the Trust Termination Date.

Korean counsel to the Lead Manager opined that, subject to certain assumptions and qualifications set forth in their opinion, the entrustment of the Receivables by the Originator to the Trustee pursuant to the Trust Agreement would not be set aside or avoided under the Civil Code, the Trust Act or the Consolidated Insolvency Act of Korea. There can be, however, no assurance that a Korean court would not decide otherwise.

In particular, Korean counsel to the Lead Manager opined that the entrustment of the Receivables existing in the Initial Accounts as of the Initial Cut-off Date will be valid as of the Closing Date, although there is no court precedent directly on point and a Korean court may therefore find to the contrary. In addition, according to Korean counsel to the Lead Manager, the entrustment on the Closing Date of the New Receivables arising from time to time in the Initial Accounts after the Initial Cut-off Date is valid as of the Closing Date.

Korean counsel's opinion will be subject to certain assumptions, including the assumptions that:

- (a) the representations and warranties made by the Originator in the Trust Agreement in respect of the Receivables are true and accurate in all aspects;
- (b) at the time that the Trust Agreement is entered into and at each time that Receivables are entrusted by Lotte Card to the Trustee pursuant to the Trust Agreement, Lotte Card is not "insolvent" and would not be "insolvent" within a reasonably foreseeable future thereafter and none of the Trustee, Lotte Card and the Investor Interestholder is aware that Lotte Card is "insolvent" and none of them is aware of any reason why Lotte Card would be or become "insolvent" within the reasonably foreseeable future thereafter;
- (c) Lotte Card has no knowledge that the transfer of each of the Receivables under the Trust Agreement will harm any of its creditors and has no intent to prefer any of its creditors over its other creditors in respect of the use of the proceeds of such transfer of the Receivables and the Trustee is not aware that Lotte Card has any such knowledge or intention; and
- (d) the Receivables do not constitute all or substantially all of the assets of Lotte Card.

These assumptions are made to satisfy the requirements set forth above for the valid transfer of the Receivables by the Originator to the Trustee. If any of these assumptions proves to be incorrect, or if for any other reason a Korean court determines that all or a part of the entrustment of Receivables to the Trustee is not valid, then such Receivables will not form part of the Trust Assets, and all or a portion of the payments otherwise expected to be made by the Trustee arising from collections on the Receivables (including payments on the Investor Interest) may be delayed or not made at all, resulting in the Bond Issuer not receiving sufficient funds to make payments when due under the Class A2 Bond and, consequently, the Note Issuer not receiving sufficient funds to make payments when due under the Class A2 Notes.

Perfection

The Receivables are the only assets available to the Trustee to support its obligations in respect of the Investor Interest. Korean counsel to the Lead Manager will opine generally that:

- (a) the entrustment of all Receivables on the Closing Date will be perfected against third parties (other than the Accountholders) upon registration of such entrustment with the FSC on such date pursuant to the ABS Act; and
- (b) although there is no court precedent directly on point, the entrustment of all New Receivables on the Closing Date will be perfected against third parties (other than the Accountholders) upon registration of such entrustment with the FSC on such date pursuant to the ABS Act.

Under Korean law, in order to validly perfect an ownership interest in monetary claims or contractual rights, such as the Receivables, against the applicable account debtor, individual written notice must be given to the relevant account debtor. Pursuant to the provisions of the Trust Agreement, such notices are not required to be given to Accountholders until the Early Amortisation Period has commenced or a Servicer Termination Event has occurred. Korean counsel to the Lead Manager has advised that the Trustee's interest in the Receivables, while perfected against third parties, will not be perfected against Accountholders until such notices are delivered.

Breach of Asset Warranties

Under the Trust Agreement, the Originator will make certain Asset Warranties as of each Entrustment Date in respect of the Receivables and the date of creation of each New Receivable in respect of New Receivables. No investigations, searches or enquiries have been made by or on behalf of the Note Issuer, the Lead Manager, the Class A2 Initial Purchaser, the Agents or the Bond Issuer in respect of the Receivables. The Agents shall not be bound or concerned to make any investigation into the creditworthiness of the Receivables or the Accountholders. The parties rely solely on the representations and warranties to be given by the Originator in respect of the Receivables and the Accounts on each Entrustment Date, without further verification. Any breach of the Asset Warranties may adversely affect the cashflow generated from the Receivables and thus may affect the ability of the Note Issuer to make timely payments under the Class A2 Notes.

If there is a breach of any of the Asset Warranties with respect to any Receivable, the Originator will have the obligation to have such Receivables reassigned and to pay the Reassignment Price for such Receivable (and all other Receivables in the Designated Account in which such Receivable arose) to the Trustee. There can be no assurance that the Originator will have sufficient funds to pay the Reassignment Price for the Receivables.

Fluctuation of the Designated Accounts

There can be no assurance that the level at which New Receivables are created in the Designated Accounts will not decrease. In addition, there can be no assurance that any New Receivables will arise. The amount of Receivables to which the Trustee is entitled from time to time will fluctuate as Receivables are reassigned to the Originator, New Receivables are generated in Designated Accounts, existing Receivables are collected, written off as uncollectible or otherwise become subject to a Receivable Balance Adjustment. A significant decline in the amount of New Receivables, or delinquencies or defaults on the Receivables exceeding certain specified levels provided in the Trust Agreement and described herein, may result in reduced Collections on the Receivables and may increase the likelihood of the occurrence of an Early Amortisation Event. If an Early Amortisation Event occurs, the Bond Issuer may be unable to make timely payments of interest and principal on the Class A2 Bond and, consequently, the Note Issuer may be unable to make timely payments of interest and principal on the Class A2 Notes.

Credit Quality

As at the Initial Cut-off Date, the Designated Accounts contained no Receivables with respect to which any due and payable payment had not been made when first due. The Originator has a team of credit analysts to monitor the credit of cardholders including the Accountholders by using credit risk management systems. See "*The Originator—Underwriting*". However, there can be no assurance that the credit risk management procedures employed by the Servicer will be effective or will be maintained at their current levels.

Several factors including competition from other credit card companies may result in a lowering of interest rates and/or credit quality which could affect the credit quality of the Receivables in future Collection Periods.

Reliance on the Servicer

The Receivables in the Designated Accounts will be entrusted by the Originator to the Trustee. The Servicer has been appointed by the Trustee to collect payments and enforce the obligations of each Accountholder, although the Servicer may be terminated on the occurrence of a Servicer Termination Event. If the initial Servicer for any reason ceases to be the Servicer, the Back-up Servicer will become the Servicer. There can be no assurance that the Servicer (including the Back-up Servicer acting as Servicer) will be successful in collecting payments on the Receivables and there can be no assurance that the Servicer will remit all amounts received by it from Accountholders to the Trustee. The Servicer is obliged to transfer Collections received by it from Accountholders using payment methods other than Auto Debit to the Trust Collection Sub-Account, although such amounts may be set-off against any Daily Cash Release payable by the Trustee to the Seller Interestholder, the Subordinated Seller Interestholder and the Servicer. A failure on the part of the Servicer to remit or procure

the remittance of such payments to the Trust Collection Sub-Account in accordance with the Trust Agreement and the Servicing Agreement may adversely affect the Trustee's ability to make payments in respect of the Investor Interest and, in turn, the Bond Issuer's ability to pay interest and/or principal when due on the Class A2 Bond and, ultimately, the Note Issuer's ability to make payments of interest and principal on the Class A2 Notes when due.

Mismatches between Interest Rates

Interest payments by Accountholders under all Receivables are calculated based upon a fixed interest rate and are paid by Accountholders on one of the twenty-seven payment dates throughout each Collection Period. Interest payments on the Class A2 Notes are calculated based on a floating interest rate and are paid on Note Payment Dates. In order to hedge the interest rate risk arising as a result of these differences, the Bond Issuer will enter into a Class A2 Swap Agreement with the Class A2 Swap Provider. See "*Transaction Overview—Swap Arrangements*". Although the Class A2 Swap Agreement is being entered into in order to mitigate the risks associated with, *inter alia*, the mismatch in the interest rates between the Receivables and the Class A2 Bond, there can be no guarantee that the Class A2 Swap Agreement will be sufficient in all circumstances (including following any default by the Class A2 Swap Provider) to hedge such interest rate risk. Such a mismatch in interest rates may adversely affect the Bond Issuer's ability to pay amounts due in respect of the Class A2 Bond and, consequently, the Note Issuer may be unable to make timely payments of interest and principal on the Class A2 Notes.

Furthermore, the Class A2 Swap Agreement may be terminated before its scheduled termination dates (being the Swap Payment Date falling in November 2028) if a Swap Event of Default or a Swap Termination Event occurs under the Class A2 Swap Agreement. In the event that the Class A2 Swap Agreement is so terminated before their scheduled termination dates, a Swap Termination Amount may be payable by the Bond Issuer to the Class A2 Swap Provider. Depending on prevailing market conditions, the amounts payable in any such case may be substantial thus reducing the amount of funds available to the Note Issuer to make payments on the Class A2 Notes.

Exchange controls and other circumstances beyond the control of the Bond Issuer and the Note Issuer

The Receivables and the payments by the Trustee in respect of the Investor Interest are payable in Korean Won. The payment of U.S. dollar amounts due to the Note Issuer under the Class A2 Bond issued by the Bond Issuer and, ultimately, the payment due under the Class A2 Notes will depend upon the future ability of the Bond Issuer to convert the payments made by the Trustee in respect of the Investor Interest in Korean Won into sufficient amounts of U.S. dollars to meet payments due under the Class A2 Bond and to pay the U.S. dollars outside Korea. There can be no assurance that future governmental policies of Korea (including the imposition of exchange controls or remittance restrictions) would not adversely affect the ability of the Bond Issuer to obtain U.S. dollars or the ability of the Bond Issuer to transfer U.S. dollars abroad. Furthermore, delays in the conversion of Korean Won amounts into U.S. dollars coupled with a devaluation of the Korean Won could reduce the amount of U.S. dollars received by the Bond Issuer which could have an adverse effect on the Bond Issuer's ability to pay principal and/or interest under the Class A2 Bond and, ultimately, the Note Issuer's ability to make payments on the Class A2 Notes promptly or at all. In order to mitigate these currency fluctuation, transferability and convertibility risks, the Bond Issuer will enter into the Class A2 Swap Agreement with the Class A2 Swap Provider. See "*Transaction Overview—Swap Arrangements*". There can be no assurance that the swap arrangements will be sufficient in all circumstances (including following any default by the Class A2 Swap Provider) to hedge the currency fluctuation, transferability and convertibility risks fully. Furthermore, the Class A2 Swap Agreement may be terminated before its scheduled termination date if an "Event of Default", "Termination Event" (each as defined in the Class A2 Swap Agreement) or "Additional Termination Event" occurs, including a default by the Class A2 Swap Provider. In the event that the Class A2 Swap Agreement is so terminated before its scheduled termination date, Swap Termination Amounts and Extra Charges may be payable by the Bond Issuer to the Class A2 Swap Provider under the Class A2 Swap Agreement.

Risks Relating to the Class A2 Swap Agreement

Termination of the Class A2 Swap Agreement

The Bond Issuer will enter into the Class A2 Swap Agreement with the Class A2 Swap Provider on or before the Closing Date which is expected to mitigate the interest rate risks, currency fluctuation risks, transferability risks, convertibility risks and timing mismatches set out in "*Risks Relating to the Receivables—Mismatches between Interest Rates*" above and "*Risks relating to the Receivables—Exchange controls and other circumstances beyond the control of the Bond Issuer and the Note Issuer*" above. There can, however, be no

assurance that the Class A2 Swap Agreement will not be terminated before its scheduled termination date if an Event of Default, Termination Event (each as defined in the Class A2 Swap Agreement) or Additional Termination Event occurs, including a default by the Class A2 Swap Provider (see "*Transaction Overview—Swap Arrangements*"). If the Class A2 Swap Agreement is terminated before its scheduled termination date, Swap Termination Amount may be payable by the Bond Issuer to the Class A2 Swap Provider under the Class A2 Swap Agreement and the Bond Issuer will attempt to enter into swap arrangements on substantially similar terms to the Class A2 Swap Agreement. However, no assurance can be given that the Bond Issuer will be able to find a third party willing to enter into replacement swap arrangements or that, even if it were able to enter into replacement swap arrangements, the terms of any such replacement swap arrangements would not be significantly less favourable to the Bond Issuer and, ultimately, to the Class A2 Noteholders.

Risks Relating to the Originator's Business

Market Conditions

In recent years, credit card and other consumer debt has increased significantly in Korea. The Originator's large exposure to credit card and other consumer debt means that it is exposed to changes in economic conditions affecting Korean consumers in general. For example, a rise in unemployment, an increase in interest rates, a downturn in the real estate market, or a general contraction or other difficulties affecting the Korean economy may lead Korean consumers to reduce spending (a substantial portion of which is conducted through credit card transactions), which in turn leads to reduced earnings for the Originator's credit card business, as well as to higher default rates on credit card loans, deterioration in the quality of the Originator's credit card assets and increased difficulties in recovering written-off assets from which a significant portion of the Originator's revenues is derived. Any of these developments could have a material adverse effect on the Originator's business, financial condition and results of operations and consequently on the ability of the Note Issuer to make timely payments of principal and interest on the Class A2 Notes.

Government Measures

In addition, Government policies aimed at protecting small- and medium-sized enterprises, such as the reduction of fees chargeable to small- and medium-sized merchants, could have a material adverse effect on the Originator's revenues. Starting in 2019, the Government expanded the definition of small- and medium-sized merchants from those with annual sales of up to KRW500 million to those with annual sales of up to KRW3 billion, and lowered fees chargeable to small- and medium-sized merchants by up to 0.65 per cent. The Government also lowered fees chargeable to merchants with annual sales between KRW3 billion and KRW10 billion by 0.3 per cent. and those chargeable to merchants with annual sales between KRW10 billion and KRW50 billion by 0.22 per cent. The Government has also amended the calculation method of marketing costs so as to charge certain marketing costs to large-sized merchants having direct benefits from such marketing activities and also to apply a marketing expense cap on the basis of annual sales. In 2021, the Government also announced an adjustment plan, which, from 2022, additionally reduces the merchant fees to small- and medium-sized merchants chargeable by credit card companies by up to 0.3 per cent. In 2024, the scope of small- and medium-sized merchants having the benefit of reduction of fees chargeable has been expanded to include corporate taxi operators. Furthermore, the Government may also introduce tax incentives and other measures to encourage the use of cheque cards (akin to debit cards in the U.S. where all outstanding balances are settled monthly) in lieu of credit cards in an attempt to pre-empt a potential rise in delinquency among credit card users, and if cheque cards are widely used in lieu of credit cards, this would reduce interest income from credit cards, which generally have a longer repayment period than that of cheque cards, and may have an adverse impact on the Originator's revenues and results of operations and consequently on the ability of the Note Issuer to make timely payments of principal and interest on the Class A2 Notes.

Regulatory Sanctions

The Originator's operations are heavily regulated and subject to various laws and regulations imposing various requirements and restrictions relating to supervision and regulation. Such regulation and supervision are primarily for the benefit and protection of the Originator's customers, not for the benefit of investors in the Originator's securities, and could limit the Originator's discretion in operating its business. Non-compliance with applicable statutes or regulations could result in the suspension or revocation of any license or registration at issue, as well as the imposition of civil fines and criminal penalties. In addition, changes in the accounting rules or their interpretation could have an adverse effect on the Originator's business and earnings. Such changes may be more restrictive or result in higher costs than current requirements or otherwise materially affect the Originator's business, results of operations or financial conditions.

While the Originator believes that it is currently in compliance with applicable regulatory requirements in all material respects, failure to do so, whether inadvertently or otherwise, could have a material adverse effect on the Originator's operations and on its reputation generally. No assurance can be given that applicable laws or regulations will not be amended or construed differently, that new laws and regulations will not be adopted or that the Originator will not be prohibited by laws from adjusting the rates of interest and fees it charges to its customers to a level commercially desirable to the Originator, any of which could materially adversely affect the Originator's business, financial condition or results of operations, and in turn may adversely affect the ability of the Note Issuer to make timely payments of principal and interest on the Class A2 Notes.

Competition

Competition in the credit card and consumer finance businesses remains intense as existing credit card companies, commercial banks, consumer finance companies and other financial and mobile telecommunications institutions in Korea have made significant investments and engaged in aggressive marketing campaigns and further matures and becomes more saturated in terms of the number of cardholders and transaction volume, the average credit quality of the Originator's customers may deteriorate if customers with higher credit quality borrow from the Originator's competitors rather than the Originator and it may become more difficult for the Originator to attract and maintain quality customers.

Maintenance of Market Position

The Originator's ability to maintain its market position and continue its asset growth in the future will depend on, among others, its ability to (i) develop and market new products and services that are attractive to its customers, (ii) generate funding at commercially reasonable rates and in amounts sufficient to support preservation of assets and further asset growth, (iii) develop the personnel and systemic infrastructure necessary to manage its growth and increasingly diversified business operations and (iv) manage increasing delinquencies. In addition, external factors such as competition and Government regulation in Korea may limit the Originator's ability to maintain its growth, and economic and social developments in Korea, such as changes in consumer confidence levels or spending patterns, as well as changes in the public perception of credit card usage and consumer debt, could have an adverse impact on the growth of the Originator's credit card assets in the future. Furthermore, if the Originator fails to simultaneously manage its asset quality and its asset growth or sacrifices asset quality in exchange for asset growth, its delinquency ratio may be adversely affected. If the rate of growth of the Originator's assets declines or becomes negative or its delinquency ratio increases, the business, financial condition and results of operations of the Originator may be adversely affected, which in turn may adversely affect the ability of the Note Issuer to make timely payments of principal and interest on the Class A2 Notes.

Customer Base

Increasing consumer and corporate spending and borrowing on the Originator's card products and growth in card lending balances depend in part on the Originator's ability to develop and issue new or enhanced card and prepaid products and increase revenue from such products and services. The Originator's future earnings and profitability also depend on its ability to attract new cardholders, reduce cardholder attrition, increase merchant coverage and capture a greater share of customers' total credit card spending in Korea and overseas. The Originator may not be able to manage and expand cardholder benefits in a cost-effective manner or contain the growth of marketing, promotion and reward expenses to a commercially reasonable level. If the Originator is not successful in increasing customer spending or in containing costs or cardholder benefits, its financial condition, results of operations and cash flow could be negatively affected, which in turn may have an adverse effect on the ability of the Note Issuer to make timely payments of principal and interest on the Class A2 Notes.

The Ongoing Pandemic of COVID and any Possible Recurrence of Other Types of Widespread Infectious Diseases

Since December 2019, there has been an outbreak of the COVID-19 which has spread to several countries around the world, including Korea. Concerns about the spread of contagious diseases in the past have caused governments to take measures to prevent the spread of the diseases. The outbreak of communicable diseases such as COVID-19, H7N9 strain of flu, the H1N1 virus and MERS on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect Korea and other economies.

In particular, the recent global outbreak of COVID-19 has resulted in changes in consumer behavior, the implementation of restrictions intended to slow the spread of COVID-19, including quarantines, government-

mandated actions, stay-at-home orders, restrictions on travel and public transport, prolonged closures of workplaces and other restrictions, all of which have negatively impacted the global economy as well as the Originator's business and created significant volatility and disruption of financial markets.

The continued and widening spread of COVID-19 has led to disruption and volatility in the global capital markets, which could increase the Originator's funding costs, limit the Originator's access to the capital markets or result in a decision by lenders not to extend credit to the Originator. Accordingly, the Originator may in the future have difficulty accessing debt and capital on attractive terms, or at all, which could have a material adverse effect on the Originator's business, results of operations and financial condition.

In 2021 and 2022, the Korean and global economies showed signs of recovery from the pandemic recession in 2020, due largely to aggressive fiscal and monetary measures implemented by the governments. In addition, the Government and certain governmental authorities across the world began lifting many of the restrictions put in place to slow the spread of COVID-19, and vaccines have begun to be administered around the world. However, developments with respect to COVID-19 have been occurring at a rapid pace and the risk remains that circumstances could deteriorate. For example, as the new COVID-19 variant spreads, some countries may reimpose mobility restrictions. In addition, rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated in many economies including Korea.

There is no assurance that the development of treatments and the widespread administration of vaccines will be successful in containing the virus and its variants and allowing for the restoration of economic activity to pre-pandemic levels. While it is not possible to predict the duration or full magnitude of harm from COVID-19, in the event that outbreaks of COVID-19 or its new variants cannot be effectively and swiftly contained, it could have a material adverse effect on the Originator's business, financial condition, results of operations and cash flows. In addition, there can be no assurance that there will not be a serious outbreak of another contagious diseases in the future.

Risks Relating to Korea

Legislation

Korean consumer protection laws regulate the creation, enforcement and collection of consumer loans, including consumer credit accounts and receivables. The most significant of such laws include the Financial Consumer Protection Act, the Specialised Credit Financial Business Act, the Instalment Transactions Act and the Door-to-Door Sales Act. These laws:

- (a) impose on credit card companies disclosure requirements in respect of certain rates including interest rates, discount rates and default charge rates, payment methods and matters related to the use of stolen or lost cards;
- (b) limit customer and merchant liability for unauthorised use;
- (c) prohibit a transfer of sales slips to any party other than credit card companies;
- (d) prohibit sales slips from being produced by any party other than credit card merchants; and
- (e) impose on credit card companies the obligations to explain key terms and conditions of the credit card membership and to provide copy of the relevant documents to customers.

Changes or additions to such laws may impede the Servicer's collection efforts on the Receivables or may reduce the finance charges and other fees that the Originator may charge on Accounts, in either case resulting in reduced collections on the Receivables. A Receivable that does not comply with consumer protection laws may not be valid or enforceable in accordance with its terms against the applicable Accountholder, which would constitute a breach of an Asset Warranty relating to such Receivable.

The Corporate Restructuring Promotion Act (Act No. 18113, 20 April 2021) was enacted and became effective on 20 April 2021 and expired on 15 October 2023. A successor Corporate Restructuring Promotion Act (Act No. 19852, 26 December 2023) (the "**CRPA**") was enacted and became effective on 26 December 2023. The CRPA restricts certain financial creditors' ability to enforce security interests given by a company which may not be able to repay its borrowings without external financial support or additional borrowings (other than borrowings in the ordinary course of business) (a "**Failing Company**"), and is intended, among other things, to promote the corporate restructuring of Korean companies by market mechanisms. If the Originator becomes a Failing

Company under the CRPA, the Note Issuer's ability to make payments on the Class A2 Notes may be adversely affected.

The Trustee could be considered a "creditor financial institution" of the Originator for the purposes of the CRPA because the Financial Supervisory Service of Korea (the "FSS") has determined that, in a sale of assets under the ABS Act, any claims against the Originator arising under the Originator's warranties against defects in the assets sold by the Originator could be considered "provision of credit" for the purposes of the CRPA. Therefore, if the Originator becomes a "**failing company**" (as defined in the CRPA) and the Trustee has recourse claims against the Originator, the Trustee may be deemed to have provided credit to the Originator under the CRPA. In such circumstances, a resolution of the committee of the creditors of the Originator may restrict the Trustee from exercising its recourse claims against the Originator and/or may require the Trustee to provide new credit to the Originator.

If the Trustee objects to such resolution and offers to sell its claims against the Originator to the committee of the creditors (representing the creditor financial institutions consenting to such resolution) or waives its claims against the Originator, the Trustee may avoid such additional funding obligation. However, it is not entirely clear whether the Trustee may avoid the additional funding obligation by offering its claims against the Originator for sale or waiving its claims since there has been neither any clear guidance from the government authorities nor any established practice on matters relating to the procedure to sell or the consequences of waiving creditors' claims. Any requirement on the part of the Trustee to provide credit to the Originator in such circumstances, may adversely affect the Trustee's ability to make payments in respect of the Investor Interest, the Bond Issuer's ability to make payments on the Class A2 Bond, and, ultimately, the Note Issuer's ability to make payments on the Class A2 Notes promptly when due or at all. In addition, if the Trustee waives its claims against the Originator including, without limitation, the Trustee's right to require the Originator to repurchase the Receivables in order to avoid any additional funding obligation, such waiver by the Trustee may adversely affect the Trustee's ability to make payments in respect of the Investor Interest, the Bond Issuer's ability to make payments on the Class A2 Bond, and, ultimately, the Note Issuer's ability to make payments on the Class A2 Notes promptly when due or at all.

Regulation by the FSC

The Originator's business is subject to regulation by the FSC which may require the payment of fines, prohibit the Originator from acquiring new customers or impose other penalties in circumstances where the Originator is in breach of FSC regulations. No assurance can be given that circumstances will not arise that entitle the FSC to impose fines or other penalties on the Originator in the future or to issue further regulations which may have a restrictive effect on the ability of the Originator to generate new Accounts.

Adverse Economic Developments

Both the Originator and the Bond Issuer are incorporated in Korea and substantially all of the Originator's operations and customers, including the Accountholders, are located in Korea. The Originator, the Bond Issuer and the Accountholders are subject to political, economic, legal and regulatory risks specific to Korea.

Future recovery and growth of the economy is subject to many factors beyond the control of the Originator and the Bond Issuer. In Korea, uncertainties remain as to the future directions of key macro- and microeconomic indicators such as exports, consumption, demand for business products and services, unemployment rates, debt service burden of households and businesses, the general availability of credit and the asset value of real estate and securities may further deteriorate.

In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices and the general weakness of the global economy, mainly due to the COVID-19 pandemic and more recently due to Russia's invasion of Ukraine and ensuing sanctions against Russia, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. The value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has also fluctuated. Furthermore, as a result of adverse global and Korean economic conditions, there has been volatility in the stock prices of Korean companies in recent years. Future declines in the Korea Composite Stock Price Index ("**KOSPI**") and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect the Originator's business, financial condition and results of operations.

Political instability may further adversely affect the Korean economy and cause volatility in the stock prices of Korean companies.

Developments that could adversely affect Korea's economy in the future include the following:

- fiscal difficulties, political turbulence and increased sovereign default risks in select countries in Europe and the resulting adverse effects on the global financial markets;
- adverse change or increased volatility in macroeconomic indicators, including interest rates, inflation level, foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of U.S. Dollar, Euro or Japanese Yen or revaluation of the Renminbi), stock market indices and inflows and outflows of foreign capital;
- the occurrence of severe health epidemics in Korea or other parts of the world, such as the ongoing COVID-19 pandemic;
- continued volatility or deterioration in Korea's credit and capital markets;
- adverse developments in the economies of countries and regions that are Korea's important export markets (such as the United States, Europe, China and Japan or in emerging market economies in Asia or elsewhere), including as a result of economic and trade tensions between the United States and China and uncertain implications of the United Kingdom's exit from the European Union;
- deterioration in economic or diplomatic relations between Korea and its major trading partners or allies, as a result of trading or territorial disputes or disagreements in foreign policy, such as the ongoing trade dispute between Korea and Japan;
- substantial decrease in the market prices of Korean real estate market;
- a continuing rise in the level of household debt and an increase in delinquency and credit default by retail or small- and medium-sized enterprise borrowers;
- a rise in unemployment or stagnation of real wages;
- an increase in social expenditures to support an ageing population or decreases in productivity due to shifting demographics;
- social and labor unrest;
- a decline in consumer confidence and a slowdown in consumer spending and corporate investments;
- a widening fiscal deficit from a decrease in tax revenues and an increase in the Government's expenditures for COVID-19 relief measures, fiscal stimulus, unemployment compensation and other economic and social programs;
- political gridlock within the government or in the legislature, which prevents or disrupts timely and effective policy making;
- political scandal, including but not limited to, bribery, power abuse and illegal dealings by the government officials;
- investigation on chaebols and arrest of their senior management, which causes volatility of the Korean stock market and delays decision making of major businesses in Korea;
- laws, regulations or other government actions (financial, economic or otherwise) that fail to achieve desired policy objectives, produce adverse unintended consequences or otherwise constrain or distort sound economic activities;

- loss of investor confidence arising from corporate accounting irregularities and corporate governance issues, including in respect of certain chaebols;
- any other developments that has a material adverse effect on the global or Korean economy, such as geopolitical tensions (such as in the Middle East, the former republics of the Soviet Union and the Korean peninsula), an act of war, a terrorist act, a breakout of an epidemic or natural or man-made disasters;
- hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future) and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets; and
- an increase in the level of tensions or an outbreak of hostilities in the Korean peninsula.

Any developments that could adversely affect Korea's economic recovery are likely also to have a material adverse effect on the Originator's business, financial condition and results of operations.

Labour Unrest

A downturn in the Korean economy, as well as the associated increase in the number of corporate restructurings and bankruptcies, may cause large-scale layoffs and increased unemployment in Korea. Increased unemployment may lead to social unrest and substantially increase the Government's expenditure for unemployment compensation and other costs for social programmes. There can be no assurance that layoffs will not occur in the future or that labour unrest will not continue or escalate further. Increasing unemployment and continuing labour unrest could disrupt the operations of the Servicer and its ability to service the Receivables and could affect financial matters in Korea generally, depressing the prices of listed Korean securities and the value of the Won relative to other currencies. These results would be likely to have an adverse effect on Korean economic conditions.

Tensions between Korea and North Korea

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon and ballistic missile programs as well as its hostile military actions against Korea.

Since April 2018, North Korea has held a series of bilateral summit meetings with Korea and the United States to discuss peace and denuclearization of the Korean peninsula. Most recently, at the end of July 2021, the inter-Korean communication lines were restored for the first time since June 2020, when North Korea severed all inter-Korean governmental communication, but days later, North Korea stopped answering routine calls from Korea in apparent protest of the joint U.S.-Korea military exercises scheduled for August 2021. Although in October 2021, North Korea began answering military and liaison office communication lines again, there can be no assurance that the level of tension on the Korean peninsula will not escalate in the future or that such escalation will not have a material adverse impact on the Korean economy and the Originator. Despite some mixed signs of improved relationship between North Korea and Korea as well as the United States in recent years, North Korea has not ceased its missile testing, heightening tensions, and the outlook of discussions with North Korea remains uncertain.

North Korea's economy also faces severe challenges, including severe inflation and food shortages, which may further aggravate social and political tensions within North Korea. In addition, reunification of Korea and North Korea may suddenly occur in the future, which would entail significant economic commitment and expenditure by Korea that may outweigh any resulting economic benefits of reunification. Any further increase in tension or uncertainty relating to the military, political or economic stability in the Korean peninsula, including a breakdown of diplomatic negotiations over the North Korean nuclear program, occurrence of military hostilities, heightened concerns about the stability of North Korea's political leadership or its actual collapse, a leadership crisis, a breakdown of high-level contacts or accelerated reunification could have a material adverse effect on the Korean economy and/or the economies of other countries in Asia, in general, and the financial condition of the Originator's financial positions. This in turn could adversely affect the market value of the Class A2 Notes and the ability of the Note Issuer to make payments under the Class A2 Notes promptly when due if at all.

Other Risks

There is no regulation of the Note Issuer by any regulatory authority

The Note Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation, and the Note Issuer will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Note Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Note Issuer or the holders of the Class A2 Notes. An investment in the Class A2 Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

No Operating History

The Bond Issuer is a newly-formed entity and has no operating history and no material assets other than the Investor Interest. The Bond Issuer will not engage in any business activity other than the issuance of the Class A2 Bond, certain activities conducted in connection with the payment of amounts in respect of the Class A2 Bond and other activities incidental or related to the foregoing. Income derived from the Investor Interest will be the Bond Issuer's principal source of funds.

Limited Recourse Obligations of the Bond Issuer

The Class A2 Bond Conditions will provide that recourse against the Bond Issuer in relation to its obligations under the Class A2 Bond and all other obligations under the Transaction Documents will be limited to amounts from time to time available for such obligations in accordance with the Transaction Administration Agreement. If such amounts are insufficient to pay in full all amounts due under the Class A2 Bond after payment of all amounts having priority over the Class A2 Bond, the Note Issuer will have no further claim against the Bond Issuer in respect of any unpaid amounts and the liability of the Bond Issuer with respect to such unpaid amounts shall be extinguished.

None of the equityholders, officers, directors or incorporators of the Bond Issuer, the Lead Manager, the Transaction Administrator, the Class A2 Swap Provider and the Security Agent, any of their respective affiliates or any other person or entity (other than the Bond Issuer) will be obligated to make payments on the Class A2 Bond. The Note Issuer must rely on payments received in respect of the Class A2 Bond for the payment of interest and principal of the Class A2 Notes and no assurance can be given that such payments will be sufficient to ensure that the Note Issuer has sufficient funds to pay all amounts due on the Class A2 Notes.

Transfers of the Class A2 Bond

Under the Financial Investment Services and Capital Markets Act and the Regulations on Issuance, Public Disclosure, etc. of Securities, a transfer of the Class A2 Bond by the Note Issuer to a Korean Resident (as such term is defined in the Foreign Exchange Transaction Law (Law No. 5550, 16 September 1998), as amended, and the Presidential Decree and regulations thereunder (collectively, the "FETL"), currently an individual who has an address or a place of residence in Korea or a legal entity which has its main office in Korea) within one year of the date of its issuance would not be permitted subject to certain exceptions prescribed by applicable Korean laws and regulations. If the Bond Issuer breaches such prohibition, it may be subject to sanctions by the FSC. The Note Issuer has covenanted in the Bond Subscription and Agency Agreement that it will not transfer the Class A2 Bond to a Korean Resident within one year of the Closing Date (except as otherwise permitted by applicable Korean laws and regulations). This may restrict the actions which the Note Trustee may take upon enforcement of the Note Security.

Withholding Taxes under the Class A2 Bond

All payments in respect of the Class A2 Bond will be made free and clear of, and without withholding or deduction for, any present or future Taxes (including Taxes imposed by Korea), unless such withholding or deduction is required by law. In that event, the Bond Issuer is obliged to gross up and otherwise compensate the Bondholder for the lesser amounts that the Bondholder will receive as a result of the imposition of such Taxes. Income derived from the Investor Interest will be the Bond Issuer's only source of funds. No assurance can be given that such funds will be sufficient to enable the Bond Issuer to make such gross-up or compensation payments in full or at all.

Forward-looking Statements

Included in this Prospectus are various forward-looking statements, including statements regarding the Note Issuer's and the Originator's expectations and projections for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. These statements are forward-looking and reflect current expectations of the relevant party. Although such parties believe that the expectations reflected in the forward-looking statements are reasonable, they can give no assurance that such expectations will prove to be correct. They are subject to a number of risks and uncertainties, including changes in the economic and political environments in Korea. In light of the many risks and uncertainties surrounding Korea, investors should keep in mind that such parties cannot guarantee that the forward-looking statements described in this Prospectus will transpire. All subsequent written and oral forward-looking statements attributable to such parties or persons acting on behalf of such parties are expressly qualified in their entirety by the reference to these risks.

Regulatory Initiatives may have an Adverse Impact

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

Investors in the Class A2 Notes are responsible for analysing their own regulatory position and none of the Note Issuer or the Lead Manager make any representation to any prospective investor or purchaser of the Class A2 Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future. In particular, investors should note that the Basel Committee on Banking Supervision ("**BCBS**") has approved a series of significant changes to the Basel regulatory capital and liquidity framework (such changes being referred to by the BCBS as "**Basel III**"), including revisions to the securitisation framework which may result in increased regulatory capital requirements in respect of certain positions. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements. As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, UCITS funds and institutions for occupational retirement provisions. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Class A2 Notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Class A2 Notes.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Note Issuer, the Servicer, the Originator or the Lead Manager or any other party makes any representation that the information described above is sufficient in all circumstances for such purposes.

Securitisation Regulation Requirements

The Securitisation Regulation applies to the Class A2 Notes, as does Regulation (EU) 2017/2401, which amends certain provisions of Regulation (EU) No 575/2013 as it relates to securitisation (the "**CRR Amendment Regulation**"). Amongst other things, the Securitisation Regulation and the CRR Amendment Regulation together include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. In relation to due diligence requirements, the Securitisation Regulation requires that, prior to holding a securitisation position, EU institutional investors are required to verify the matters required by Article 5(1) of the Securitisation Regulation and to conduct a due diligence assessment in accordance with Article 5(2). In relation to risk retention, the Securitisation Regulation amends the manner in which the retention requirements apply by imposing a direct obligation of compliance with the risk retention requirements on EU originators, sponsors or original lenders. However, while the Securitisation Regulation came into force on 1 January 2019, not all of the proposed technical standards and official guidance in relation to certain provisions of the Securitisation Regulation have yet been finalised. Notably, technical standards in relation to the manner in which reporting should be carried out in relation to a securitisation is yet to be finalised. The timing for finalisation of these pieces of guidance by the relevant authorities remains unclear. As such, there is a degree of uncertainty around the manner in which compliance with certain elements of the new regulations will be achieved.

Notwithstanding the above, the Note Issuer has concluded that it has taken reasonable steps to comply with the requirements of Article 7 of the Securitisation Regulation to the extent the Securitisation Regulation applies to the Class A2 Notes. In relation to the due diligence requirements for institutional investors that are set out in Article 5 of the Securitisation Regulation, any prospective investor to which these requirements apply should make themselves aware of such requirements and should ensure that the requirements which need to be satisfied prior to holding a securitisation position have been complied with prior to an investment in the Class A2 Notes by such investor. In addition, any such investor should ensure that it will be able to comply with the ongoing requirements of Article 5 in relation to an investment in the Class A2 Notes. Relevant investors are required to assess independently and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements.

With respect to the commitment of the Originator to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Note Issuer (or by the Servicer on the Note Issuer's behalf), please see the statements set out in the section headed "*Regulatory Requirements*". None of the Note Issuer, the Servicer, the Originator or the Lead Manager provides any assurance that the information provided in this Prospectus, or any other information that will be provided to investors in relation to the Class A2 Notes (including without limitation any investor report or loan level data that is published in relation to the Class A2 Notes) is sufficient for the satisfaction by any investor of the requirements in Article 5 of the Securitisation Regulation as they apply to that investor.

Investors should note that the requirements of Article 5 apply in addition to any other applicable regulatory requirements applying to such investor in relation to an investment in the Class A2 Notes. Various transaction parties are subject to the requirements of the Securitisation Regulation.

Although the Note Issuer believes that the transaction is in compliance with the requirements of the Securitisation Regulation (to the extent it applies to the Class A2 Notes), as discussed above and below there is at present some uncertainty in relation to some of these requirements, including in particular with regard to the transparency obligations imposed under Article 7 of the Securitisation Regulation. The Lead Manager is not responsible for any obligations of the Note Issuer or the Originator under the Securitisation Regulation. With regard to the transparency requirements set out in Article 7 of the Securitisation Regulation, each of the Originator in its capacity as originator and the Note Issuer (as the designated entity under Article 7(2) of the Securitisation Regulation) has certain direct obligations imposed upon it.

Should the Originator or the Note Issuer not comply with the direct obligations under Article 7, the Originator or the Note Issuer could face certain regulatory issues, inclusive of fines and pecuniary sanctions, which may impact on the Originator's and the Note Issuer's ability to perform their respective functions under the Transaction Documents, including the Note Issuer's obligations under the Class A2 Notes. Investors should note that failure to comply with one or more of the requirements of the Securitisation Regulation may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the Class A2 Notes acquired by the relevant investor. Investors should

note that at the date of this Prospectus, this Transaction does not meet the criteria for STS securitisations and consequently that no STS notification is currently envisaged to be made with respect to the Class A2 Notes.

CRA3 Compliance

Prospective investors are responsible for ensuring that an investment in the Class A2 Notes is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings. In this context, prospective investors should note the provisions of Regulation 462/2013 (EU) which amends Regulation (EC) 1060/2009 on Credit Rating Agencies (together, "**CRA3**") which became effective on 20 June 2013. CRA3 addresses the use of credit ratings for regulatory purposes and requires, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument (as defined in CRA3) to appoint at least two credit rating agencies to provide credit ratings independently of each other.

The Note Issuer is incorporated in the Cayman Islands and the Class A2 Notes will be listed on the SGX-ST. Prospective investors are required to independently assess and determine the relevance of CRA3 and, as the case may be, whether the Class A2 Notes and the investors' investment in the Class A2 Notes are in compliance with the requirements under CRA3.

USE OF PROCEEDS

The aggregate proceeds of the offering of the Class A2 Notes will be used by the Note Issuer to purchase the Class A2 Bond from the Bond Issuer on the Closing Date.

The Bond Issuer will use the proceeds of the issuance of the Class A2 Bond to the Note Issuer (having converted such proceeds into Korean Won under the Class A2 Swap Agreement) to purchase the Investor Interest from the Trustee.

The Originator will bear the expenses of the issuance of the Class A2 Notes and will use the net proceeds from the entrustment of the Accounts to the Trustee to finance and/or refinance, in whole or in part, new or existing eligible social projects compliant with the relevant eligibility criteria as set out in the Originator's "Sustainable Financing Framework" issued in April 2021 (as opined on by Sustainalytics in a "Second Party Opinion" dated 30 April 2021).

TERMS AND CONDITIONS OF THE CLASS A2 NOTES

Point-Plus Twenty-Ninth International Limited (the "**Note Issuer**") has issued the U.S.\$160,000,000 Class A2 Floating Rate Secured Social Notes due 2028 (the "**Class A2 Notes**") pursuant to the resolutions of the board of directors of the Note Issuer passed on 14 August 2024, 14 August 2024, 23 August 2024 and 9 September 2024. The Class A2 Notes are constituted by a note trust deed (the "**Note Trust Deed**") dated on or about 12 September 2024 (the "**Closing Date**") between, *inter alios*, the Note Issuer and Citicorp International Limited (the "**Note Trustee**") and are secured by the security described below. The following terms and conditions of the Class A2 Notes are subject to the detailed provisions of the Note Trust Deed and the Note Agency Agreement (as defined below).

The Class A2 Noteholders are entitled to the benefit of, agree to be bound by and are deemed to have notice of the provisions of:

- (a) the Note Trust Deed;
- (b) the note agency agreement dated on or about the Closing Date among, *inter alios*, the Note Trustee, Citibank, N.A., London Branch (the "**Principal Paying Agent**", the "**Class A2 Note Registrar**", the "**Principal Transfer Agent**" and the "**Class A2 Interest Calculation Agent**"), Walkers Fiduciary Limited (the "**Note Issuer Administrator**"), the Note Issuer and the Note Trustee (the "**Note Agency Agreement**");
- (c) the note issuer administration agreement dated on or about the Closing Date among, *inter alios*, the Note Issuer Administrator and the Note Issuer (the "**Note Issuer Administration Agreement**");
- (d) the pledge agreement dated on or about the Closing Date among, *inter alios*, Supreme Twenty-Ninth Securitization Specialty Co., Ltd. (the "**Bond Issuer**"), the Note Issuer and Citibank Korea Inc. (the "**Security Agent**") (the "**Pledge Agreement**");
- (e) the security assignment dated on or about the Closing Date among, *inter alios*, the Bond Issuer, the Note Issuer and the Security Agent (the "**Security Assignment**");
- (f) the equity pledge agreement dated on or about the Closing Date among, *inter alios*, Lotte Card Co., Ltd., the Note Issuer and the Security Agent (the "**Equity Pledge Agreement**");
- (g) the bank agreements relating to the Note Issuer Accounts dated on or about the Closing Date among, *inter alios*, Citibank, N.A., Hong Kong Branch (an "**Account Bank**"), the Note Issuer and the Note Trustee (the "**Note Issuer Account Bank Agreements**");
- (h) the bond subscription and agency agreement dated on or about the Closing Date among, *inter alios*, the Bond Issuer, the Security Agent and the Note Issuer (the "**Bond Subscription and Agency Agreement**");
- (i) the fee letter dated on or about the Closing Date among, *inter alios*, the Bond Issuer, Citibank, N.A., London Branch, Citibank, N.A., Hong Kong Branch and Citicorp International Limited (the "**Citibank Fee Letter**" and together with the Note Trust Deed, the Note Agency Agreement, the Note Issuer Administration Agreement, the Note Issuer Account Bank Agreements, the Pledge Agreement, the Equity Pledge Agreement, the Security Assignment, the Bond Subscription and Agency Agreement and any other agreements and documents delivered or executed in connection with any of the foregoing, , the "**Note Transaction Documents**"); and
- (j) the master schedule of definitions, interpretation and construction clauses dated 28 August 2024 signed by, *inter alios*, the Note Trustee and the Note Issuer (the "**Master Definitions Schedule**"). Copies of the Note Transaction Documents and the Master Definitions Schedule will be available for inspection at the Specified Office of the Principal Paying Agent and at the registered office of the Note Issuer.

Capitalised terms used in these terms and conditions of the Class A2 Notes (the "**Note Conditions**") and not otherwise defined herein bear the meaning ascribed to them in the Master Definitions Schedule.

1. Form, Denomination and Title

(a) **Form and Denomination:** The Class A2 Notes are in registered form, will initially be represented by a registered global note in substantially the form set out in Part A of Schedule 3 to the Note Trust Deed (the "**Class A2 Global Note**") and will be issued in the amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. A definitive note certificate (each, a "**Definitive Note Certificate**") will be issued to each Class A2 Noteholder in respect of its registered holding of Class A2 Notes in the circumstances specified in the Class A2 Global Note. Each Definitive Note Certificate will be serially numbered with an identifying number which will be recorded on the relevant Definitive Note Certificate and in the register of Class A2 Noteholders (the "**Class A2 Note Register**") which will be kept by the Class A2 Note Registrar in accordance with the Note Agency Agreement. Notwithstanding any other provision herein contained, so long as any of the Class A2 Notes are evidenced by the Class A2 Global Note, each holder of a beneficial interest in such Class A2 Notes will be bound by, and will be deemed to have agreed to, the rules and procedures of the clearing system through which transfers of, and payments of principal of, interest on or other payments (if any) in respect of, such Class A2 Notes are made.

(b) **Title:** Title to the Class A2 Notes will only pass by registration in the Class A2 Note Register. Interests in Class A2 Notes represented by the Class A2 Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be. The holder of the Class A2 Global Note may (except as ordered by a court of competent jurisdiction or otherwise required by Law) be treated at all times as the absolute owner of the Class A2 Global Note for the purposes of making payments thereon (regardless of any notice of ownership, trust or other interest therein) and no person shall be liable for treating such holder. The Note Issuer, each Note Agent and the Note Trustee may deem and treat the registered holder of any Class A2 Note as the absolute owner thereof (whether or not overdue, and notwithstanding any notice of ownership, trust or any interest thereon or writing thereon or notice of any previous loss or theft thereof) for all purposes and no person will be liable for so treating the holder. In these Note Conditions, "**Class A2 Noteholder**" and (in relation to a Class A2 Note) "**Holder**" means the person in whose name a Class A2 Note is registered.

(c) **Transfers:** If Definitive Note Certificates have been issued, subject to Note Conditions 1(f) and 1(g), a Class A2 Note may be transferred by depositing the Definitive Note Certificate issued in respect of that Class A2 Note, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, at the Specified Office of the Class A2 Note Registrar or any of the Transfer Agents in respect of the Class A2 Notes. In respect of any such transfer, the Class A2 Note Registrar, the relevant Transfer Agent and/or the Note Issuer shall be entitled to request any information as to the source of payment used by any such transferee for purchasing the relevant Class A2 Notes or otherwise, as may be required to permit the Note Issuer to discharge its obligations under the Laws of the Cayman Islands.

(d) **Delivery of Definitive Note Certificates:** Each new Definitive Note Certificate to be issued upon a transfer of Class A2 Notes in accordance with Note Condition 1(c) above will, within ten (10) business days of receipt by the Class A2 Note Registrar or, as the case may be, any relevant Transfer Agent of the form of transfer, be made available for collection at the Specified Office of the Class A2 Note Registrar or such relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Class A2 Notes (but free of charge to the holder and at the Note Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the Specified Office of each Note Agent.

Where only some of the Class A2 Notes in respect of which a Definitive Note Certificate is issued are to be transferred or redeemed, a new Definitive Note Certificate in respect of the Class A2 Notes not so transferred or redeemed will, within seven (7) business days of deposit or surrender of the original Definitive Note Certificate with or to the Class A2 Note Registrar or any relevant Transfer Agent, be made available for collection at the Specified Office of the Class A2 Note Registrar or such relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Class A2 Notes not so transferred or redeemed (but free of charge to the holder and at the Note Issuer's expense) to the address of such holder appearing on the Class A2 Note Register.

For the purposes of this Note Condition 1, "**business day**" means any day on which banks are open for business in the place of the Specified Office of the Class A2 Note Registrar or the relevant Transfer Agent with whom a Definitive Note Certificate is deposited in connection with a transfer.

(e) **Registration of Definitive Note Certificates:** Registration of a transfer of Class A2 Notes will be effected without charge by or on behalf of the Note Issuer, the Class A2 Note Registrar or any relevant Transfer

Agent, but upon payment (or the giving of such indemnity as the Note Issuer, the Class A2 Note Registrar or (as the case may be) any relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(f) **Closed Period:** No Class A2 Noteholder may require the transfer of a Class A2 Note to be registered during the period of ten (10) calendar days ending on the due date for any payment of any amount on the Class A2 Notes.

(g) **Note Agency Agreement:** All transfers of Class A2 Notes and entries on the Class A2 Note Register will be made in accordance with the provisions of the Note Agency Agreement and the detailed regulations concerning transfer of Class A2 Notes as set forth in Schedule 2 to the Note Agency Agreement. The regulations may be changed by the Note Issuer, with the prior written approval of the Class A2 Note Registrar, the Transfer Agents in respect of the Class A2 Notes, the Majority Investor and the Note Trustee. A copy of the current regulations will be delivered (free of charge) by the Class A2 Note Registrar to any Class A2 Noteholder who may request it.

2. Status and Security

(a) **Status:** The Class A2 Notes constitute direct, general, limited recourse, unconditional and unsubordinated obligations of the Note Issuer, secured in accordance with the provisions of the Note Trust Deed, as described above. The Class A2 Notes will at all times rank *pari passu* among themselves and at least *pari passu* with the Class A1 Notes (as defined below) and all other present and future, direct, general, unsubordinated and unsecured obligations of the Note Issuer, save for such obligations as may be preferred by provisions of Law that are both mandatory and of general application.

"Class A1 Notes" means the U.S.\$150,000,000 Class A1 Floating Rate Secured Social Notes due 2028 issued pursuant to the resolutions of the board of directors of the Note Issuer passed on 14 August 2024, 14 August 2024, 23 August 2024 and 9 September 2024 and the Note Trust Deed and "Class A1 Noteholders" means the holders of the Class A1 Notes.

(b) **Security:** The obligations of the Note Issuer to the Class A1 Noteholders and the Class A2 Noteholders under, respectively, the Class A1 Notes and the Class A2 Notes are secured pursuant to the provisions of the Note Trust Deed. Under the Note Trust Deed, the Note Issuer has:

(i) assigned by way of first fixed security in favour of the Note Trustee all its rights, title, interest and benefit (present and future, actual and contingent) in, to and under the Note Subscription Agreements and each Note Transaction Document (including, without limitation, the Pledge Agreement, the Security Assignment and the Equity Pledge Agreement) to which it is a party, including in each case, without limitation, all its rights to receive payment of any amounts which may become payable to the Note Issuer (in its capacity as Note Issuer or Bondholder) thereunder and all payments received by the Note Issuer (in its capacity as Note Issuer or Bondholder) thereunder, all rights to serve notices and/or make demands thereunder and/or to take such action as is required to cause payments to become due and payable thereunder, its security interest in the Bond Issuer Property and the Equity Pledge Assets created by the Pledge Agreement, the Security Assignment and the Equity Pledge Agreement, all rights of action in respect of any breach thereof, and all rights to claim and receive damages or obtain other relief in respect thereof;

(ii) charged by way of first fixed charge in favour of the Note Trustee all its rights, title, interest and benefit (present and future, actual and contingent) in and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Note Issuer Accounts and any other bank account (other than the bank account referred to in sub-paragraph (v) below) in which the Note Issuer may at any time acquire any rights, title, interest or benefit, together with all interest accruing from time to time thereon and the debts represented thereby;

(iii) assigned by way of first fixed security in favour of the Note Trustee all its rights, title, interest and benefit (present and future, actual and contingent) in, to and under the Bonds and all other contracts, deeds and documents, present and future, to which the Note Issuer is or may become a party;

(iv) charged and agreed to charge by way of first fixed security in favour of the Note Trustee all its rights, title, interest and benefit (present and future, actual and contingent) in and to all other assets and property that it has acquired or may acquire (other than the proceeds of the Note Issuer's share capital,

the transaction fee payable to the Note Issuer by the Bond Issuer and the bank account where such amounts are deposited); and

(v) charged by way of first floating charge to the Note Trustee the whole of its undertaking and all of its property and assets, whatsoever and wheresoever situate, present and future (other than the proceeds of the Note Issuer's share capital, the transaction fee payable to the Note Issuer by the Bond Issuer and the bank account where such amounts are deposited) to the extent not otherwise effectively charged by way of fixed charge or otherwise effectively assigned as security as described above.

The Note Trustee (in its capacity as trustee for the benefit of the Noteholders and in its individual capacity), the Class A1 Noteholders, the Class A2 Noteholders, the Note Agents and the Note Issuer Administrator (together, the "**Note Secured Parties**") have, through the Note Trustee, the benefit of the above described security interests to secure sums due to each of them pursuant to the Notes and the Note Transaction Documents to which they are a party.

The Note Secured Parties have the benefit of the security given by the Note Issuer to the Note Trustee pursuant to the Note Trust Deed. The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the holders of the Class A1 Notes and the holders of the Class A2 Notes each as a separate class.

(c) **Priority:** Payments on the Class A2 Notes during the Revolving Period, the Controlled Amortisation Period, the Early Amortisation Period or following a Note Enforcement Date shall be applied by the Note Trustee in accordance with the provisions of Clause 8 of the Note Trust Deed.

3. Interest

(a) **Accrual of Interest:** The Class A2 Notes shall bear interest from and including the Closing Date in accordance with this Note Condition 3. Interest will cease to accrue on each Class A2 Note from the due date for redemption thereof unless, upon due presentation of such Class A2 Note, payment of principal is improperly withheld or refused or default is otherwise made in payment thereof. In such event, interest will continue to accrue in accordance with this Note Condition 3 (both before and after judgment in respect thereof is obtained) up to, but excluding, the date on which, upon further presentation thereof, payment in full of the relevant amount is made or (if earlier) the seventh day after the date upon which notice is duly given to the Holder of such Class A2 Note (in accordance with Note Condition 15) that, upon further presentation thereof being duly made, such payment will be made; *provided that* such payment is in fact made.

(b) **Note Payment Dates and Interest Periods:** Interest will be payable on the Class A2 Notes monthly in arrear on the 27th day of each month or, if such day is not a Business Day, the next succeeding Business Day unless that day falls in the next calendar month, in which case the first preceding day which is a Business Day (each, a "**Note Payment Date**") commencing in October 2024. Interest on the Class A2 Notes will be payable by reference to successive interest periods (each, an "**Interest Period**"). The initial Interest Period will commence on (and include) the Closing Date and end on (but exclude) the initial Note Payment Date. Each successive Interest Period will commence on and include a Note Payment Date and end on (but exclude) the next succeeding Note Payment Date.

(c) **Note Rate of Interest:** The rate of interest (the "**Note Rate of Interest**") payable in respect of the Class A2 Notes in respect of an Interest Period will be the sum of:

(i) either (x) prior to the termination of the Class A2 Swap Agreement, the Floating Rate (as defined in the Class A2 Swap Agreement) in respect of the relevant Interest Period as determined by the Class A2 Calculation Agent (as defined in the Class A2 Swap Agreement) in accordance with the provisions of the Class A2 Swap Agreement and notified to the Note Trustee or (y) if the Class A2 Swap Agreement has been terminated and not replaced or the Class A2 Calculation Agent fails to determine the Floating Rate under the Class A2 Swap Agreement, the applicable USD-SOFR rate as determined by the Class A2 Interest Calculation Agent in accordance with the provisions of the Class A2 Swap Agreement ("**USD-SOFR**") in respect of the relevant Interest Period and notified to the Note Trustee; and

(ii) a margin of 0.68 per cent. per annum;

provided that if the Note Rate of Interest is a negative number, it shall be deemed to be zero.

(d) **Determination of Interest Amounts:** The Class A2 Interest Calculation Agent, along with the Principal Paying Agent will, as soon as practicable after receipt of notice of determination of the Floating Rate from the Class A2 Calculation Agent or, as the case may be, after determination of USD-SOFR under Note Condition 3(c) above, calculate the amount of interest (the "**Note Interest Amount**") payable in respect of the Class A2 Notes for such Interest Period. The Note Interest Amount will be calculated by applying the Note Rate of Interest for such Interest Period to the Principal Amount Outstanding of such Class A2 Notes as at the first day of such Interest Period, multiplying the product by the actual number of days elapsed in such Interest Period divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(e) **Publication:** The Class A2 Interest Calculation Agent will, subject to receipt of notice from the Class A2 Calculation Agent (if an Early Termination Date in respect of the Class A2 Swap Agreement has not occurred, which such notification will be delivered to the Class A2 Interest Calculation Agent by the Class A2 Calculation Agent as soon as practicable after such determination and in any event not later than two (2) Business Days after the date of calculation of the Floating Rate under the Class A2 Swap Agreement) or after the Class A2 Interest Calculation Agent's determination (in the circumstances set out in Note Condition 3(c)) of USD-SOFR in respect of the relevant Interest Period, cause each Note Rate of Interest and Note Interest Amount determined by it, together with the relevant Note Payment Date, to be notified by electronic transmission to the Note Issuer, the Paying Agents in respect of the Class A2 Notes, the Note Trustee, the Originator, the Security Agent, the Transaction Administrator, the Class A2 Swap Provider, the Rating Agency and the Majority Investor as soon as practicable after such determination but in any event not later than two (2) Business Days after the date of determination by the Class A2 Interest Calculation Agent. Notice thereof shall also promptly be given to the Class A1 Noteholders in accordance with Note Condition 15. The Class A2 Interest Calculation Agent will be entitled to recalculate any Note Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(f) **Certificates to be Final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Note Condition 3 by the Class A2 Interest Calculation Agent will (in the absence of manifest error) be binding on the Transaction Administrator, the Class A2 Swap Provider, the Note Issuer, the Note Agents and the Class A2 Noteholders and (subject as aforesaid) no liability to any such person will attach to the Class A2 Interest Calculation Agent or (in the circumstances referred to in paragraph (g) below) the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) **Failure of Class A2 Interest Calculation Agent:** If the Class A2 Interest Calculation Agent fails at any time to determine a Note Rate of Interest or to calculate a Note Interest Amount as aforesaid, the Principal Paying Agent may determine such Note Rate of Interest or calculate such Note Interest Amount and such determinations and/or calculations made by the Principal Paying Agent shall be deemed to have been made by the Class A2 Interest Calculation Agent.

(h) **Limited Recourse:** The Note Issuer's liability to make payments in respect of interest on the Class A2 Notes may only be satisfied in accordance with Note Condition 17.

4. Amortisation and Redemption

(a) **Redemption on Maturity:** Unless previously redeemed in full, the Note Issuer will redeem the Class A2 Notes, to the extent of funds available therefor in accordance with the priority of payments set forth in the Note Trust Deed in full on the Note Payment Date falling in November 2027 (the "**Note Expected Maturity Date**") at the Class A2 Note Redemption Amount as at such date. The "**Class A2 Note Redemption Amount**" means, on any date, an amount equal to the Principal Amount Outstanding of the Class A2 Notes as at such date plus accrued and unpaid interest thereon to, but excluding, such date.

If insufficient funds are available to redeem the Class A2 Notes at the Class A2 Note Redemption Amount on the Note Expected Maturity Date, the Note Issuer will continue to make payments of principal and interest on the Class A2 Notes on each succeeding Note Payment Date to the extent of funds available therefor in accordance with the priority of payments set forth in the Note Trust Deed until the Class A2 Notes have been redeemed in full at the Class A2 Note Redemption Amount or until the Note Payment Date falling in November 2028 (the "**Note Legal Maturity Date**") on which date the Note Issuer will redeem the Class A2 Notes in full at the Class A2 Note Redemption Amount as at such date.

(b) **Revolving Period:** During the Revolving Period, no principal in respect of the Class A2 Notes will be paid.

(c) **Controlled Amortisation Period:** On each Note Payment Date relating to a Collection Period which ends during the Controlled Amortisation Period, principal in respect of the Class A2 Notes shall be paid in the following scheduled instalments (each, a "**Scheduled Amortisation Amount**").

Note Payment Date falling in:	Scheduled Amortisation Amounts
	(U.S.\$)
June 2027	26,666,667.00
July 2027	26,666,667.00
August 2027	26,666,666.00
September 2027	26,666,667.00
October 2027	26,666,667.00
November 2027	26,666,666.00

(d) **Early Amortisation Period:** On each Note Payment Date that falls in the Early Amortisation Period, or on or after the Enforcement Date principal in respect of the Class A1 Notes and the Class A2 Notes shall be repaid, to the extent of funds available therefor in accordance with the priority of payments set forth in the Note Trust Deed, in an aggregate principal amount equal to the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at such date, until the Class A1 Notes and the Class A2 Notes have been redeemed in full at the Class A1 Note Redemption Amount (as defined in the terms and conditions of the Class A1 Notes) and the Class A2 Note Redemption Amount, respectively.

(e) **Mandatory Redemption:** Upon receipt of a Bond Redemption Notice from the Bond Issuer, the Note Issuer shall redeem the Class A1 Notes and the Class A2 Notes in whole at the Class A1 Note Redemption Amount and the Class A2 Note Redemption Amount (as defined in the terms and conditions of the Class A2 Notes), respectively, to the extent of funds available therefor in accordance with the priority of payments set forth in the Note Trust Deed, on the next succeeding Note Payment Date.

(f) **No Purchase by Note Issuer:** The Note Issuer will not be permitted to purchase any of the Class A2 Notes.

(g) **Cancellation:** All Class A2 Notes redeemed in full will be cancelled by the Paying Agents in respect of the Class A2 Notes or the Class A2 Note Registrar to whom such Class A2 Notes are presented for redemption or surrender, and may not be resold or reissued. The Paying Agents in respect of the Class A2 Notes will destroy the cancelled Definitive Note Certificates in its possession unless otherwise instructed by the Note Issuer.

5. Payments

(a) **Payments:** Payments of principal and interest on the Class A2 Notes will be made to the person in whose name the Class A2 Note is registered in the Class A2 Note Register (or to the first-named of joint holders) by electronic funds transfer to the registered account of each Class A2 Noteholder; *provided that* the Principal Paying Agent shall have received the required funds in full from the Note Issuer in accordance with the terms of the Note Agency Agreement. If Definitive Note Certificates have been issued, payments of the final amount due in respect of principal will only be made upon evidence of delivery of the Definitive Note Certificates to a Paying Agent. So long as any Class A2 Notes are evidenced by the Class A2 Global Note, payments of principal and interest in respect thereof will be made in accordance with the rules and procedures of the relevant clearing system from time to time in effect.

(b) **Registered Account and Registered Address:** For the purposes of this Note Condition 5, a Class A2 Noteholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it, details of which appear on the Class A2 Note Register at the close of business on the record date which is the Clearing System Business Day immediately prior to the due date for payment, where "**Clearing System Business Day**" means Monday to Friday (inclusive) in each week except 25th December and 1st January, and a Class A2 Noteholder's "**registered address**" means its address appearing on the Class A2 Note Register at that time.

(c) **Payments Subject to Fiscal Laws:** All payments in respect of the Class A2 Notes are subject in all cases to any applicable fiscal or other laws and regulations.

(d) **Business Day:** Where payment is to be made by electronic funds transfer to a Class A2 Noteholder's registered account, payment instructions (for value on the due date or, if that date is not a Business Day, for value on the next Business Day) will be initiated or, in the case of a payment of the final amount due in respect

of principal on the relevant Class A2 Note, on the Business Day on which the relevant Definitive Note Certificate is surrendered at the Specified Offices of the relevant Paying Agents or the Class A2 Note Registrar.

(e) **No Payment for Delay:** Class A2 Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount:

- (i) if the Class A2 Noteholder is late in surrendering its Definitive Note Certificate (if required to do so);
- (ii) if a transfer made in accordance with paragraph (d) above arrives after the due date for payment; or
- (iii) if the due date is not a Business Day.

(f) **Unpaid Amount:** If the amount of principal or interest, if any, which is due on the Class A2 Notes is not paid in full, the Class A2 Note Registrar will annotate the Class A2 Note Register with a record of the amount of principal or interest, if any, in fact paid.

(g) **Specified Offices of Paying Agents and Class A2 Note Registrar:** The initial Paying Agents in respect of the Class A2 Notes and the initial Class A2 Note Registrar and their respective initial Specified Offices are set out at the end of each Definitive Note Certificate. The Note Issuer may, subject to the provisions of the Note Transaction Documents, vary or terminate the appointment of any of the Paying Agents or of any other Note Agent and appoint additional or other Note Agents. Notice of any such termination or appointment and of any changes in their Specified Offices will be given to the Class A2 Noteholders in accordance with Note Condition 15.

(h) **Partial Payments:** If a relevant Paying Agent makes a partial payment in respect of any Class A2 Note, the Note Issuer shall procure that the amount and date of such payment are noted on the Class A2 Note Register and, in the case of partial payment upon presentation of a Definitive Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Definitive Note Certificate.

6. Covenants

The Note Issuer will covenant in the Note Trust Deed that other than as set out in the Note Transaction Documents or with the consent in writing of the Note Trustee (acting on the instructions of the Majority Investor), and until the later of (i) the Release Date and (ii) the first date on which all amounts payable in respect of the Class A2 Notes have been paid in full, it shall, *inter alia*:

- (a) not engage in any activity or do anything whatsoever except:
 - (i) enter into and perform its obligations under the Transaction Documents, the Class A2 Notes and any agreements contemplated by any of the foregoing;
 - (ii) enforce any of its rights, whether under any of the documents referred to in sub-paragraph (i) above or otherwise;
 - (iii) at all times comply with any direction given by the Note Trustee (acting on the instructions of the Majority Investor) pursuant to the Transaction Documents; and
 - (iv) perform any act incidental to or necessary in connection with the above paragraphs;
- (b) not create any mortgage, charge, pledge, other security interest or Liens, except those security interests contemplated in the Note Trust Deed;
- (c) not have any subsidiaries;
- (d) not, subject to paragraphs (a) and (b) above, dispose of or otherwise deal with any of its property or other assets or any part thereof or interest therein (including without limitation its rights in respect of the agreements referred to in Clauses 5.2(a)(i) and (iii) of the Note Trust Deed);

- (e) not pay any dividend or make any other distribution to its shareholders;
- (f) not issue any shares (other than such equity as is already in issue on the Closing Date);
- (g) not purchase, own, lease or otherwise acquire any real property (including office premises or like facilities) and/or movable property (including securities (other than Eligible Investments));
- (h) not, without the consent of the Majority Investor, consent to any variation of, or exercise any powers of consent or waiver pursuant to, the Class A2 Notes, the Note Transaction Documents, the Note Subscription Agreements, or any other agreement relating to the issue of the Class A2 Notes or any related transactions;
- (i) not consolidate or merge with any other legal entity or convey or transfer its properties or assets substantially as an entirety to any Person or legal entity or commingle assets with those of any other entity;
- (j) not amend or alter its constitutive documents;
- (k) not exercise any voting rights in respect of any Class A2 Notes held or beneficially owned by it;
- (l) not take any action permitting the Note Security not to constitute a valid first priority security interest over the Note Secured Property;
- (m) not, without the consent of the Majority Investor, open or have an interest in any account whatsoever with any bank or other financial institution (other than the Note Issuer Accounts and the account referred to in Note Condition 2(b)(v)); and
- (n) not have any employees.

7. Taxation

All payments of principal and interest in respect of the Class A2 Notes by the Note Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any authority in any applicable jurisdiction having power to tax, unless such withholding or deduction is required by Law. If any such withholding or deduction is required by Law, the Note Issuer or the Paying Agents in respect of the Class A2 Notes (as the case may be) shall make such payments in accordance with Note Condition 5 after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Note Issuer nor any of the Paying Agents in respect of the Class A2 Notes will be obliged to make any additional payments to the holders of the Class A2 Notes in respect of such withholding or deduction.

8. Note Events of Default

The Note Trustee shall, upon the written instructions of the Majority Investor, (subject to being indemnified, pre-funded and/or secured to its satisfaction) as soon as reasonably practicable, give notice (a "**Note Enforcement Notice**") to the Note Issuer and the Rating Agency at any time on or after the occurrence of any of the following events (each, a "**Note Event of Default**"), declaring the Notes to be immediately due and repayable whereupon the Class A1 Notes and the Class A2 Notes shall accordingly immediately become due and repayable at the Class A1 Note Redemption Amount and the Class A2 Note Redemption Amount, respectively, without any further action or formality:

- (a) default is made in the repayment of the outstanding principal amount of any of the Class A1 Notes or the Class A2 Notes on the Note Legal Maturity Date or in the payment of any interest in respect of any of the Class A1 Notes or the Class A2 Notes and such default continues for three (3) Business Days after written notice by the Note Trustee to the Note Issuer;
- (b) default is made by the Note Issuer in the performance or observance of any obligation, condition or provision binding on it under the Transaction Documents to which it is a party (other than any obligation for the payment of any principal or interest on the Notes) and, except where such default is not capable of remedy, such default continues for seven (7) days after written notice delivered by the Note Trustee to the Note Issuer;

- (c) an order is made by any competent court or an effective resolution is passed for the winding-up or dissolution of the Note Issuer;
- (d)
 - (i) the Note Issuer stops payment of its debts (within the meaning of any applicable bankruptcy Law), or is unable to pay its debts as and when they fall due; or
 - (ii) the Note Issuer ceases or, through an official action of the board of directors, or meeting of the shareholders, of the Note Issuer, threatens to cease, to carry on all or any substantial part of its business;
- (e) one or more final judgments from which no further appeal or judicial review is permissible under Applicable Law are awarded against the Note Issuer in an aggregate amount in excess of U.S.\$10,000;
- (f) proceedings are initiated against the Note Issuer under any applicable liquidation, insolvency, composition, re-organisation or other similar Laws including, for the avoidance of doubt, presentation to the court of an application for an administration order, or an administrative receiver or other receiver, administrator or other similar official is appointed in relation to the Note Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Note Issuer or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Note Issuer or a distress, execution, attachment, sequestration, diligence or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of the Note Issuer and, in any of the foregoing cases, it shall not be discharged, annulled or withdrawn within fourteen (14) days;
- (g) any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of any of the Notes on behalf of the Note Issuer and the performance of the Note Issuer's obligations under any of the Notes or any of the Transaction Documents is withdrawn or modified or otherwise ceases to be in full force and effect, or it is unlawful for the Note Issuer to comply with, or the Note Issuer contests the validity or enforceability of or repudiates, any of its obligations under the Notes, the Note Trust Deed or any of the other Transaction Documents;
- (h) the Note Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar Laws or makes a conveyance or assignment for the benefit of its creditors generally (or any class of its creditors) or enters into an arrangement or composition with its creditors generally (or any class of its creditors); or
- (i) any representation or warranty made by the Note Issuer in any of the Transaction Documents proves to be incorrect or misleading in any material respect when made.

The Note Issuer shall provide written confirmation to the Note Trustee on each anniversary of the Closing Date that, as far as it is aware, no Note Event of Default or other matter which is required to be brought to the attention of the Note Trustee has occurred.

9. Enforcement

- (a) **Enforcement Proceedings:** The Note Trustee:
 - (i) shall (upon the written instructions of the Majority Investor) take such proceedings and/or other action as it may think fit against the Note Issuer or any other person to enforce its obligations under the Class A2 Notes and the other Note Transaction Documents and, after the Note Security has become enforceable, take such action as it may think fit to enforce the Note Security; and
 - (ii) shall not be bound to take any such proceedings or action or give any such directions as are referred to in sub-paragraph (i) above, unless the Note Trustee is indemnified, pre-funded and/or secured to its satisfaction within reasonable time.
- (b) **Limitation on Class A2 Noteholders:** Enforcement of the Note Security shall be the only remedy against the Note Issuer available to the Note Trustee for the repayment of any sums due in respect of the Class A1 Notes and the Class A2 Notes. No Class A1 Noteholder or Class A2 Noteholder shall be entitled to proceed directly against the Note Issuer or enforce the Note Security unless the Note Trustee, having become bound so to enforce the Note Security, fails to do so within a reasonable period and such failure shall be continuing.

(c) **Following Note Enforcement Notice:** Following the service of a Note Enforcement Notice, all amounts received by the Note Trustee under this Note Condition 9 shall be applied in accordance with Clause 8 of the Note Trust Deed.

(d) **Majority Investor:** Subject always to the provisions of these Note Conditions and the Note Transaction Documents:

(i) the Note Trustee has agreed to exercise its rights in relation to the Note Secured Property (except the Note Trustee Excluded Rights) in accordance with the written instructions of the Majority Investor and the provisions of Clause 16.11 of the Note Trust Deed; and

(ii) the Majority Investor shall have the sole right, power and authority (and none of the other Note Secured Parties shall have such right, power or authority) to control and/or direct and/or veto any actions or inactions of the Note Trustee and to direct the exercise of any of the rights of the Note Secured Parties (other than in relation to the Note Trustee Excluded Rights) and to waive any breach by any party under any Note Transaction Document or the occurrence of an Early Amortisation Event or a Note Event of Default.

10. Indemnification of the Note Trustee

(a) **Indemnity:** Subject to the provisions of the Transaction Documents, the Note Trustee is entitled to be indemnified by the Bond Issuer and the Note Issuer on a joint and several basis and relieved from responsibility and from taking enforcement proceedings or enforcing or directing enforcement of the Note Security unless indemnified, pre-funded and/or secured to its satisfaction within reasonable time (subject to the provisions of the Note Trust Deed).

(b) **Business Transactions:** The Note Trustee and any of its affiliates is entitled to enter into business transactions with any of the Note Secured Parties or any other person without accounting to the Class A2 Noteholders for any profit resulting therefrom.

(c) **Note Trustee not Responsible for Loss:** The Note Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, the Note Trust Deed or any deeds or documents relating thereto or to the Class A2 Notes being held by any banker, banking company or any company whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers on behalf of the Note Trustee.

(d) **Note Agents not Agents of Class A2 Noteholders:** In acting under the Note Agency Agreement and in connection with the Class A2 Notes, the Note Agents act solely as agents of the Note Issuer and (to the extent provided therein) the Note Trustee and do not assume any obligations towards or relationships of agency or trust with or for any of the Class A2 Noteholders.

11. Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of the Noteholders (and the Class A2 Noteholders) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Note Conditions or the provisions of any of the Note Transaction Documents.

The quorum at any meeting of Noteholders or, as the case may be, Class A2 Noteholders for passing an Extraordinary Resolution shall be one or more persons being or representing Noteholders or, as the case may be, Class A2 Noteholders holding at least 67 per cent. of the then Principal Amount Outstanding of the Notes or, as the case may be, the Class A2 Notes or, at any adjourned meeting, one or more persons being or representing Noteholders or, as the case may be, Class A2 Noteholders whatever the aggregate Principal Amount Outstanding of the Notes or, as the case may be, Class A2 Notes so held or represented by such persons(s), except that, at any meeting the business of which is:

(i) to change any date fixed for payment of principal or interest in respect of the Notes or the Class A2 Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or the Class A2 Notes or to alter the method of calculating the amount of any payment in respect of such Notes or Class A2 Notes on redemption or maturity or the date for any such payment;

- (ii) to effect the exchange or sale of the Notes or the Class A2 Notes for or the conversion of such Notes or Class A2 Notes into or the cancellation of the Notes or the Class A2 Notes in consideration of shares, stock, notes, bonds and/or other obligations and/or securities of the Note Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (iii) to change the currency in which amounts due in respect of the Notes or the Class A2 Notes are payable;
- (iv) to change the quorum required at any meeting of the Noteholders or the Class A2 Noteholders or the majority required to pass an Extraordinary Resolution;
- (v) to amend paragraph 5.2 of Schedule 1 to the Note Trust Deed or the provisos to paragraph 6 of Schedule 1 to the Note Trust Deed, Clause 8 of the Note Trust Deed or this Note Condition 11;
- (vi) to alter the priority of the Note Security or the priority of the application of any proceeds of enforcement of the Note Security under the Note Trust Deed; or
- (vii) to modify the provisions of paragraphs (b), (c) or (d) of Note Condition 9, the definition of "Majority Investor" set out in the Master Definitions Schedule or any other provision which has the effect of restricting or limiting the rights of the Note Trustee to take any action under or in connection with these Note Conditions or any Note Transaction Document or to give any notice, consent or approval for the purposes of these Note Conditions or any Note Transaction Documents, unless in any such case, in the opinion of the Note Trustee, such modification would not be materially prejudicial to the interests of the Noteholders; *provided that* no such modification shall have any effect unless made with the written consent of the Note Trustee,

(each, a "**Basic Terms Modification**"), such resolution shall be an Extraordinary Resolution, and the necessary quorum for passing such resolution shall be one or more persons being or representing Noteholders or, as the case may be, Class A2 Noteholders holding at least 67 per cent. of the then Principal Amount Outstanding of the Notes or, as the case may be, the Class A2 Notes.

An Extraordinary Resolution passed at any meeting of Class A2 Noteholders shall be binding on all Class A2 Noteholders whether or not they are present at the meeting. The majority required for an Extraordinary Resolution shall be 67 per cent. of the votes cast on the resolution.

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of the Class A2 Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Class A1 Noteholders (to the extent that there are Class A1 Notes outstanding) or an Extraordinary Resolution of all Noteholders.

An Extraordinary Resolution to approve any matter other than a Basic Terms Modification passed at any meeting of the Holders of the Class A2 Notes shall not be effective unless:

- (a) the Note Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A1 Noteholders (to the extent the Class A1 Notes are outstanding); or
- (b) (to the extent that the Note Trustee is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A1 Noteholders (to the extent that the Class A1 Notes are outstanding).

Subject as provided in the Note Trust Deed, the Note Issuer is entitled to receive notice of and to attend meetings of the Class A2 Noteholders.

12. Modification and Waivers

- (a) **Note Trustee's Power to Modify and Waive:** Subject to the conditions and qualifications set forth in the Note Trust Deed, the Note Trustee may, upon the written instructions of the Majority Investor, concur with the Note Issuer or any other relevant parties in making:

- (i) any modification of these Note Conditions or any of the Note Transaction Documents (other than a Basic Terms Modification) which the Note Trustee (acting on the instructions of the Majority Investor) deems proper to make; *provided that* the Note Trustee (acting on the instructions of the Majority Investor) is of the opinion that such modification will not be materially prejudicial to the interests of the Class A2 Noteholders and the Note Issuer has given prior written notice thereof to the Rating Agency;
- (ii) any modification of these Note Conditions or any of the Note Transaction Documents which, in the opinion of the Note Trustee (acting on the instructions of the Majority Investor), is to correct a manifest error or is of a formal, minor or technical nature; or
- (iii) any waiver or authorisation of any breach or proposed breach of these Note Conditions or any of the Note Transaction Documents if, in the opinion of the Note Trustee (acting on the instructions of the Majority Investor), such modification, waiver or authorisation is not materially prejudicial to the interests of the Class A2 Noteholders; *provided that* the Note Issuer has given prior written notice thereof to the Rating Agency.

Any such modification, waiver or authorisation shall be binding on all Class A2 Noteholders and each other Note Secured Party and, if the Note Trustee so requires, notice thereof shall be given by the Note Issuer to the Class A2 Noteholders in accordance with Note Condition 15 as soon as practicable thereafter.

(b) **Note Trustee not Liable for Consequences:** Subject to the provisions of the Note Trust Deed, where the Note Trustee is required in connection with the exercise of its powers, trusts, authorities, duties and discretions to have regard to the interests of the Class A2 Noteholders, it shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Class A2 Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Note Trustee shall not be entitled to require, and no Class A2 Noteholder shall be entitled to claim, from the Note Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Class A2 Noteholders.

13. Replacement of Definitive Note Certificates

If any Definitive Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Class A2 Note Registrar (the "**Replacement Agent**") upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Note Issuer and/or the Replacement Agent may reasonably require. Mutilated or defaced Definitive Note Certificates must be surrendered to the Class A2 Note Registrar before replacements will be issued.

14. Substitution of Principal Debtor

The Note Trustee may agree to the substitution of any person in place of the Note Issuer as principal debtor under the Note Transaction Documents and the Class A2 Notes; *provided that* prior written notice has been given to the Rating Agency and *provided further that* any such substitution shall be binding on the Class A2 Noteholders. Such substitution shall be subject to the relevant provisions of the Note Trust Deed and to such amendments thereof as the Note Trustee may deem appropriate.

15. Notices

All notices to Class A2 Noteholders will be valid if mailed to them at their respective addresses in the Class A2 Note Register maintained by the Class A2 Note Registrar or, for so long as the Class A2 Notes are listed on the SGX-ST, by publication on the website of the SGX-ST. Any such notice shall be deemed to have been given on the seventh day after being so mailed.

For so long as any of the Class A2 Notes are represented by the Class A2 Global Note and such Class A2 Global Note is held on behalf of Euroclear and/or Clearstream, any notice to the Class A2 Noteholders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Note Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

For so long as the Class A2 Notes are listed on the SGX-ST, notices will also be published by publication on the website of the SGX-ST by (i) delivery of the relevant notice by the Note Issuer (or the relevant listing agent on behalf of the Note Issuer) to the SGX-ST; (ii) and written instruction by the Note Issuer (or the relevant listing agent on behalf of the Note Issuer) to the SGX-ST to publish such notice on the website of the SGX-ST.

A copy of each notice given in accordance with this Note Condition 15 shall be provided by the Note Issuer to the Rating Agency and the relevant listing agent, and the relevant listing agent shall, for so long as the Class A2 Notes are listed on the SGX-ST, deliver a copy of such notice to the SGX-ST.

The Note Trustee shall be at liberty (but not obliged) to approve an alternative method of giving notice to the Class A2 Noteholders if, in its opinion, such alternative method is reasonable having regard to market practice then prevailing and to the requirements of the SGX-ST; *provided that* notice of such other method is given to the Class A2 Noteholders in such manner as the Note Trustee shall require.

16. Prescription

Claims for payment of principal and interest will not be enforceable unless a Class A2 Note is presented for payment within a period of ten years in respect of principal, or five years in respect of interest, from the payment dates relating thereto.

17. Limited Recourse and No Petition

(a) **Limited Recourse:** The Class A2 Noteholders agree that, notwithstanding the covenant in Clause 3.1 of the Note Trust Deed in respect of payment of the Note Issuer Obligations, any other provision of the Note Trust Deed or any other Note Transaction Document which imposes on the Note Issuer an obligation at any time to make any payment to any Class A2 Noteholder, the rights of recourse of the Class A2 Noteholders against the Note Issuer, and the liability of the Note Issuer, shall be limited to the Note Secured Property. The Class A2 Noteholders further agree that the Note Issuer's obligations herein or in the Transaction Documents are solely the corporate obligations of the Note Issuer and that no party will have any recourse against any of the corporate service providers, incorporators, shareholders, members, directors, or officers of the Note Issuer for any claims, losses, damage, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated thereby. Accordingly, no Class A2 Noteholder shall have any claim or recourse against the Note Issuer or any of its directors, officers, shareholders, members, corporate service providers or incorporators in respect of any amount which is or remains, or will remain, unsatisfied when no further amounts are receivable or recoverable in respect of the Note Secured Property and all funds comprising the Note Secured Property and/or representing the proceeds of realisation thereof have been applied in accordance with the provisions of the Note Trust Deed, and any unsatisfied amounts shall be waived and extinguished and shall not revive; *provided that*, for the avoidance of doubt, such extinguishment shall not in any way affect the other obligations of the Note Issuer to the Class A2 Noteholders pursuant to any other Note Transaction Documents.

(b) **No Petition:** Each Class A2 Noteholder further undertakes to the Note Issuer that it will not petition a court for, or take any other action or commence any proceedings for, the liquidation, winding-up or reorganisation of the Note Issuer, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Note Issuer or of all or any of the Note Issuer's revenues and assets, until one year and a day after the unconditional and irrevocable payment and discharge in full of all sums outstanding and owing in respect of the Class A2 Notes and all other Note Issuer Obligations; *provided that*, nothing in this paragraph (b) shall:

(i) prevent the Note Trustee (acting on the written instructions of the Majority Investor) from initiating any such action as aforesaid for the purpose of enforcing the Note Issuer Obligations or from obtaining a declaratory judgment as to the obligations of the Note Issuer under the Note Transaction Documents owed to any Class A2 Noteholder (*provided that* no action is taken to enforce or implement such judgment); or

(ii) prevent any Class A2 Noteholder to the Note Transaction Documents from lodging a claim in any action as aforesaid which is initiated by any Person (other than the Note Trustee acting on the written instructions of the Majority Investor).

(c) **Survival:** The terms of this Note Condition 17 shall survive the termination, redemption and/or maturity of the Class A2 Notes.

18. Provision of Documents

Each Class A2 Noteholder (which for the purpose of this Note Condition 18 shall include any beneficial owner of an interest in a Class A2 Note) shall timely furnish the Note Issuer, the Note Trustee, or any other authorised delegate thereof any U.S. federal income tax form or certification (such as IRS Form W-9 (Request for Taxpayer Identification Number and Certification), IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individual)), IRS Form W-8BEN-E (Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)), IRS Form W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting), IRS W-8EXP (Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting), or IRS Form W-8ECI (Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States), or any successors to such forms) that the Note Issuer, the Note Trustee or the Transaction Administrator or any such delegate may reasonably request, and any documentation, agreements, certifications or information that is reasonably requested by the Note Issuer, the Note Trustee or any such delegate (a) to permit the Note Issuer, the Note Trustee, a Note Agent or any other authorised delegate thereof to make payments to it without, or at a reduced rate of, deduction or withholding, (b) to enable the Note Issuer, the Note Trustee or their respective agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Note Issuer or its agents receive payments, and (c) to enable the Note Issuer, the Note Trustee or their respective agents to satisfy reporting and other obligations under the Code, FATCA, CRS or any other law and shall update or replace such documentation and information as appropriate or in accordance with its terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation or information may result in the imposition of withholding or back-up withholding upon payments to such Class A2 Noteholder. Amounts withheld pursuant to applicable tax laws shall be treated as having been paid to such Class A2 Noteholder by the Note Issuer. In addition, each Class A2 Noteholder agrees that the Note Issuer may provide information to the IRS, the Tax Information Authority of the Cayman Islands or any other non-U.S. taxing authority regarding such Class A2 Noteholder's investment in the Class A2 Notes, including any information relevant to the Note Issuer's FATCA Compliance and compliance with CRS.

In this Note Condition 18, "**FATCA Compliance**" means compliance with FATCA and CRS as necessary so that (a) no tax, fines or other penalties will be imposed or withheld pursuant thereto in respect of payments to or for the benefit of the Note Issuer, the Note Trustee, the Transaction Administrator or their respective agents and (b) the Note Issuer can comply with an agreement entered into under section 1471(b) of the Code and/or any Applicable Laws of the Cayman Islands or other Law enacted in connection with FATCA and CRS.

Each Class A2 Noteholder shall provide the Note Issuer or its agents with such information and documentation that may be required for the Note Issuer to achieve compliance with the Cayman AML Regulations and shall update or replace such information or documentation, as may be necessary (the "**Holder AML Obligations**"). Each purchaser and subsequent transferee of a Class A2 Note, by its acceptance of an interest in such notes, agrees to comply with the Holder AML Obligations. For the purposes of this Note Condition 18, "**Cayman AML Regulations**" means the Anti-Money Laundering Regulations (as amended) and any legislation, regulations, rules and/or guidance implementing the same in the Cayman Islands as amended and revised from time to time.

19. Cayman Islands Data Protection

Under the Cayman Islands Data Protection Act (as amended) (the "**Data Protection Legislation**"), individual data subjects have rights and the Note Issuer as data controller has obligations with respect to the processing of personal data by the Note Issuer and delegates. Any breach of the Data Protection Legislation by the Note Issuer could lead to enforcement action.

Each Class A2 Noteholder (which for the purpose of this Note Condition 19 shall include any beneficial owner of an interest in a Class A2 Note) acknowledges and agrees that personal data may in certain circumstances be required to be supplied to the Note Issuer in order for an investment in the Class A2 Notes to continue or to enable the Class A2 Notes to be redeemed.

The Note Issuer has published a Privacy Notice (the "**Data Privacy Notice**"), which provides Class A2 Noteholders with information on the Note Issuer's use of their personal data in accordance with the Data Protection Legislation and which can be viewed at: <https://www.walkersglobal.com/external/SPVDPNNotice.pdf>.

20. Contracts (Rights of Third Parties) Act 1999 and Trustee Act 2000

No person shall have any right to enforce any term or condition of any Class A2 Note under the Contracts (Rights of Third Parties) Act 1999. The provisions of this Note Condition 20 shall not apply to the Majority Investor.

The Note Trust Deed contains provisions which have the effect of giving priority, to the extent permitted by Law, to the provisions of the Note Trust Deed over the relevant provisions of the Trustee Act 1925 and/or the Trustee Act 2000.

21. Governing Law

These Note Conditions, the Class A2 Notes and the Note Transaction Documents (other than the Note Issuer Administration Agreement), and any non-contractual obligations arising out of or in connection with them, are each governed by, and will be construed in accordance with, English Law. The Note Issuer has irrevocably submitted to the non-exclusive jurisdiction of the English courts for all purposes in connection with such documents and has designated a person in England to accept service of any process on its behalf.

The Note Issuer Administration Agreement is governed by and will be construed in accordance with the Laws of the Cayman Islands.

REGULATORY REQUIREMENTS

The Originator will retain a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Securitisation Regulation (which does not take into account any corresponding national measures). In addition, the Originator will retain a subordinated interest of not less than 5 per cent in the beneficial interest in the trust as required by the ABS Act which has been amended with effect from 12 January 2024. As at the Closing Date, such interest will comprise an interest in the Seller Interest and the Subordinated Seller Interest which, in aggregate, is not less than 5 per cent. of the beneficial interest in the Trust, in accordance with Article 6(3)(b) of the Securitisation Regulation and Article 33-3 of the ABS Act. Any change to the manner in which such interest is held will be notified to the Class A2 Noteholders.

The Originator will undertake to the Lead Manager in the Class A2 Note Subscription Agreement that, for so long as any Class A2 Notes remain outstanding, it will: (a) retain on an ongoing basis, a material net economic interest of not less than 5 per cent. in the nominal value of the securitisation (the "**Retained Exposures**") in accordance with Article 6(1) of the Securitisation Regulation (which does not take into account any corresponding national measures); (b) at all relevant times comply with the requirements of Article 7(1)(e)(iii) of the Securitisation Regulation by confirming the risk retention of the Originator as contemplated by Articles 6(1) and 6(3)(b) of the Securitisation Regulation on a monthly basis; and (c) not sell, hedge or otherwise mitigate the credit risk under or associated with the Retained Exposures except to the extent permitted under the Securitisation Regulation. As at the Closing Date, such interest will comprise retention of the Seller Interest and the Subordinated Seller Interest which, in aggregate, is not less than 5 per cent. of the beneficial interest in the Trust.

Neither the Note Issuer nor the Note Trustee will be under any obligation to monitor the compliance by the Originator with its covenant regarding the Retained Exposures in the Class A2 Note Subscription Agreement, and will not be under any obligation to take any action in relation to non-compliance with such covenant (unless otherwise directed by the Majority Investor or Note Secured Parties in accordance with the Transaction Documents).

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant and none of the Note Issuer nor any relevant party makes any representation that the information described above or in the Prospectus is sufficient in all circumstances for such purposes. For further information please refer to the Risk Factor entitled "*Regulatory Initiatives may have an Adverse Impact*".

EXPECTED AVERAGE LIFE OF THE CLASS A2 NOTES

The average life of the Class A2 Notes refers to the average amount of time that each U.S. dollar of principal will remain outstanding. If an Early Amortisation Event is declared the average life of the Class A2 Notes will be influenced by, amongst other things, the rate at which the principal amount outstanding of the Class A2 Bond is repaid. Provided that an Early Amortisation Event does not occur, the principal of the Class A2 Bond and the Class A2 Notes are expected to be due and payable in accordance with a predetermined principal amortisation schedule.

As a result of the predetermined principal amortisation schedules on the Class A2 Bond and hence the Class A2 Notes, there are not expected to be variations in the average life of the Class A2 Notes due to changes in prepayments or defaults on the underlying Receivables. Based on the predetermined principal amortisation schedule on the Class A2 Notes and the Closing Date being 12 September 2024, the average life of the Class A2 Notes will be 3 years.

Expected Note Amortisation Schedule

Note Payment Date falling in:	Scheduled Amortisation Amounts:
	(U.S.\$)
June 2027	26,666,667.00
July 2027	26,666,667.00
August 2027	26,666,666.00
September 2027	26,666,667.00
October 2027	26,666,667.00
November 2027	26,666,666.00

THE NOTE ISSUER

General

Point-Plus Twenty-Ninth International Limited (the "**Note Issuer**") was incorporated as an exempted company under the laws of the Cayman Islands with limited liability on 5 July 2024. The registration number of the Note Issuer is WC-411894. The registered office of the Note Issuer is at the offices of Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The telephone number of the Note Issuer is +1-345-814-7600. The authorised share capital of the Note Issuer is U.S.\$250, divided into 250 ordinary shares of U.S.\$1.00 each which are fully paid up and held by Walkers Fiduciary Limited (the "**Share Trustee**"). The Share Trustee holds the 250 shares on trust for charitable purposes pursuant to a Declaration of Trust dated 29 July 2024. The Note Issuer is not a subsidiary of, and its management and general operations are not controlled by the Lead Manager.

The Note Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities.

The Note Issuer's Legal Entity Identifier code is 254900XEJ8HBUWRJ0V66.

Principal Activities

The Note Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation, execution and issue of the Class A1 Notes and the Class A2 Notes, and the documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The objects of the Note Issuer are set out in Clause 3 of its Memorandum of Association and are unrestricted. As an exempted company, the Note Issuer may not trade in the Cayman Islands with any person except in furtherance of the business of the Note Issuer carried on outside the Cayman Islands. The Note Issuer will covenant to observe certain restrictions on its activities which are described in Note Condition 6.

The Note Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of, borrowing under, purchase, sale or entering into of the Transaction Documents and any Note Secured Property. The Note Issuer will establish bank accounts with Citibank, N.A., Hong Kong Branch for the purposes of, among other things, facilitating payments of principal and interest with respect to the Class A2 Notes.

Directors

The Directors of the Note Issuer are as follows:

Name	Principal Occupation
Natalia Knapik	Assistant Vice President
Aoife Kenny	Vice President
Priscilla Shire	Senior Vice President

The business address of Aoife Kenny and Priscilla Shire is the same as the registered office of the Note Issuer at Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The business address of Natalia Knapik is Walkers Professional Services (Middle East) Limited, Unit C1404, Level 14, Burj Daman, Dubai International Financial Centre, Dubai United Arab Emirates.

Walkers Fiduciary Limited of 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands is the administrator of the Note Issuer. Its duties include the provision of certain management, administrative and related services. The Note Issuer Administrator may retire at any time upon giving not less than three months' notice in writing of such retirement to the Note Issuer and the Note Trustee; *provided that* such retirement may not take effect until a replacement Note Issuer Administrator has been appointed in accordance with the terms of the Note Issuer Administration Agreement.

Financial Statements

The financial year of the Note Issuer runs from 1 January to 31 December. Since the date of its incorporation, no financial statements of the Note Issuer have been prepared.

The Note Issuer is not required by Cayman Islands law to prepare and file audited financial statements on an annual basis. The Note Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of the Note Issuer's affairs and to explain its transactions and to file the same with the registered office of the Note Issuer in the Cayman Islands.

THE BOND ISSUER

General

Supreme Twenty-Ninth Securitization Specialty Co., Ltd. (the "**Bond Issuer**") was incorporated on 11 July 2024 under the laws of Korea as a limited liability securitisation specialty company (*yuhanhoesa*) under the ABS Act and the Korean Commercial Code with registration number 110114-0339984. The registered office of the Bond Issuer is at 50 Saemunan-ro, Jongno-gu, Seoul 03184, Korea and its telephone number is: +822-3455-2536.

The Bond Issuer is a special purpose vehicle and has no prior operating experience. The Bond Issuer does not have any subsidiaries nor employees.

Principal Activities

The principal objects of the Bond Issuer are set out in its Articles of Incorporation and are, *inter alia*, to carry out activities pursuant to the ABS Act and will include entering into agreements necessary for the performance of the obligations under the transaction specified in the Securitisation Plans registered with the FSC.

The Bond Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation, execution and issue of the Class A2 Bond, and the documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The Bond Issuer will covenant to observe certain restrictions on its activities which are defined in the terms and conditions of the Class A2 Bond.

Director

The director of the Bond Issuer (the "**Sole Director of the Bond Issuer**") is Hyung Ill Cho of B01, 17 Gwanak-ro 10-gil, Gwanak-gu, Seoul 08791, Korea. There are no potential conflicts of interest between Hyung Ill Cho's private interests and other duties and his duties to the Bond Issuer.

Equity Capital

The authorised equity capital of the Bond Issuer consists of KRW20,000 divided into 200 units of a nominal or par value of KRW100 each. 200 units have been issued at par and are fully-paid, with one unit being held by the Originator and 199 units by Hyung Ill Cho.

Capitalisation and Indebtedness

The capitalisation of the Bond Issuer as at the date of this Prospectus, adjusted for the Bonds to be issued on the Closing Date, is as follows:

	As at 12 September 2024
	(KRW)
Equity Capital	
200 units of KRW100 each issued and fully paid	20,000
Total Share Capital	20,000
Loan Capital	
Class A1 Bond*	200,250,000,000
Class A2 Bond*.....	213,600,000,000
Total Loan Capital	413,850,000,000
Total Capitalisation.....	413,850,020,000

* Converted at the rate of U.S.\$ 1.00: KRW1,335.00.

Note: Other than as described above, there has been no material change in the capitalisation of the Bond Issuer as at the date hereof.

As of the Closing Date, the Bonds were held by the Note Issuer.

Save as disclosed elsewhere in this Prospectus, at the date of this Prospectus the Bond Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans,

liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

There are no other outstanding loans or subscriptions, allotments or options in respect of the Bond Issuer.

There has been no material adverse change in the financial position of the Bond Issuer since the date of its incorporation.

Financial Year

The financial year of the Bond Issuer runs from 1 January to 31 December. The first financial statements of the Bond Issuer will be published for the financial year ending 31 December 2024. There has been no material change in the activities of the Bond Issuer since its incorporation.

The Bond Issuer has appointed Daejoo Accounting Corporation having its principal office at 2913, Nambusunhwan-ro, Gangnam-gu, Seoul, Republic of Korea, a member of the Korean Institute of Certified Public Accountants, as its auditors.

THE CLASS A2 SWAP PROVIDER

On 28 August 2024, the Bond Issuer entered into a swap agreement with DBS Bank Ltd., Seoul Branch ("**Class A2 Swap Agreement**").

As of the date of the Prospectus, the long-term issuer default rating of DBS Bank Ltd. is "AA- (stable)" by Fitch.

The Class A2 Swap Agreement will be governed by English law and is documented on standard forms published by the International Swaps and Derivatives Association, Inc. as modified by the schedule thereto and including the credit support deed and confirmation. The Class A2 Swap Agreement is intended to provide a hedge against mismatches between the rates of interest under the Receivables and the Investor Interest and the rate of interest payable under the Class A2 Bond and Korean Won payments receivable by the Bond Issuer under the Investor Interest and the U.S. dollars amounts payable by the Bond Issuer under the Class A2 Bond. Although it is intended that the Class A2 Swap Agreement (together with the Class A1 Swap Agreement) will provide a hedge against substantially all of the Won/U.S. dollar and interest rate mismatches between the amounts due on the Class A2 Bond and the amounts received by the Bond Issuer under the Investor Interest, no assurance can be given that any such mismatch will not occur. See "*Transaction Overview—Swap Arrangements*".

THE TRUST AND THE TRUSTEE

The Trust has been formed in accordance with the laws of Korea and the provisions of the Trust Agreement by and among the others the Originator and the Trustee.

The Trust is governed by the Trust Agreement. Pursuant to, and in accordance with, the Trust Agreement, the Trustee will hold, administer and manage the assets of the Trust, issue the Trust Interests, make periodic payments on the Trust Interests, and enter into agreements necessary for the performance of its obligations under the transaction. The Trustee will, pursuant to the Servicing Agreement, appoint the Servicer to provide collection and management services in relation to the Receivables and all other Trust Assets.

The Trust will terminate on the Trust Termination Date which is, (A) if the Unwind Agreement has not been executed, the date which is five Business Days (or such other period as the Majority Investor, the Trustee and the Originator may agree) after the earlier to occur of (i) the date on which all Trust Obligations, Bond Issuer Obligations and Note Issuer Obligations have been paid in full, (ii) the Bond Legal Maturity Date and (iii) the Note Legal Maturity Date or (B) if the Unwind Agreement has been executed, such date as defined in the Unwind Agreement.

The Trustee is a Korean bank established in 1983 and is an affiliate of Citibank, N.A. The Trustee has a long-term issuer default rating of "A-" and a short-term issuer default rating of "F1" by Fitch with stable outlook.

If at any time the Trustee or any successor trustee fails to satisfy the Trustee Eligibility Criteria or a Trustee Termination Event occurs, then the Investor Interestholder (acting on the written instructions of the Majority Investor) may terminate the appointment of the Trustee.

THE ORIGINATOR

Overview

General

Lotte Card Co., Ltd. (the "**Company**", the "**Originator**" or "**Lotte Card**") was established in 2002. The Company is a subsidiary of Korea Retail Card Holdings (which, as of 31 December 2023, owned approximately 59.8% of the Company's common shares outstanding).

Lotte Card offers its products and services through the network of 34 nationwide branches and 32 card centers located throughout Korea, as well as through the internet and a network of 966 sales agents (as of 31 December 2023).

As of 31 December 2021, 2022 and 2023, respectively, Lotte Card had 9.0 million, 9.4 million and 9.7 million effective individual cardholders.

Total assets of Lotte Card as of 31 December 2023 amounted to KRW 22.6 trillion and its net income amounted to KRW 368 billion, compared to total assets of KRW 21.3 trillion and net income of KRW 278 billion as of 31 December 2022 and total assets of KRW 17.1 trillion and net income of KRW 226 billion as of 31 December 2021.

As of 31 December 2023, Lotte Card's capital adequacy ratio, determined in accordance with FSC requirements, was 14.96 per cent.

As of 31 December 2023, Lotte Card had 1,321 full-time, permanent employees and 243 contract and part-time employees who are employed on a temporary basis. Lotte Card's headquarters are located at Concordian Building 76, Saemunan-ro, Jongno-gu, Seoul 03185 Korea.

Lotte Card Co., Ltd. and Subsidiaries Consolidated Statements of Financial Position 31 December 2023 and 2022

	2023	2022
		<i>(in millions of KRW)</i>
Assets		
Cash and deposits	11,423	7,687
Financial assets measure at fair value through profit or loss	5,047	11,996
Credit card assets at amortized cost	162,893	141,203
Other Financial assets measured at amortized cost	38,118	41,020
Derivative assets held for the purpose of hedging	1,122	1,952
Investments in associates	1,389	1,392
Assets for defined benefit plans	325	392
Property and equipment, net	603	1,382
Intangible assets, net	1,405	2,423
Investment property	-	11
Deferred tax assets	795	441
Other non-financial assets	2,452	3,254
Total assets	225,571	213,153
Liabilities		
Borrowings and debentures, net of debenture issuance costs	174,241	167,362
Derivative liabilities held for the purpose of hedging	568	187
Provisions	759	824
Current tax liabilities	907	475
Deferred tax liabilities	81	112
Other financial liabilities	15,264	12,853

Other non-financial liabilities	2,675	2,185
Total liabilities	194,496	183,999
Equity		
Share capital	3,737	3,737
Share premium	27	21
Hybrid securities	1,994	1,994
Other financial liabilities	-157	427
Other non-financial liabilities	25,473	22,634
Non-controlling interest	-	340
Total equity	31,075	29,154
Total liabilities and equity	225,571	213,153

Lotte Card Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
31 December 2023 and 2022

	2023	2022
		<i>(In millions of KRW)</i>
Revenue from Credit Card	469,562	372,845
Gains on valuation and disposition of financial assets at FVTPL	30,714	24,550
Gains on disposition financial assets measured at amortized cost	184,028	94,941
Gains on foreign currency transaction	39,215	38,880
Gains on transaction and valuation of derivatives	42,765	101,213
Interest income amortized using effective interest method	1,650,717	1,393,099
Others	129,443	117,453
Operating Income	2,546,444	2,142,981
Interest expenses	591,695	341,677
Loss on valuation and disposition of financial assets at FVTPL	620	235
Loss on disposition financial assets measured at amortized cost	2,606	172
Provision for credit loss allowance	683,856	478,704
Selling and operating expenses	610,609	536,162
Administrative expenses	365,815	347,149
Loss on foreign currency transaction	50,715	105,974
Loss on transaction and valuation of derivatives	8,338	17,910
Others	228	49
Operating Expenses	2,314,483	1,828,032
Operating profit	231,961	341,949
Net non-operating income (expense)	(9,491)	17,304
Profit before income tax expense	222,469	332,253
Income tax expense	534	765
Profit from continuing operations	169,092	255,720
Profit from discontinuing operations	198,782	22,319
Profit for the year	367,874	278,039
Other comprehensive income(loss) for the year	(69,803)	37,689
Total comprehensive income(loss) for the year	298,071	315,728
Total comprehensive income for the year attributable to:		
Shareholders of the Parent Company	297,363	311,802
Non-controlling interests	708	3,926

The Accounts

The Company benefits from the Lotte Group's captive customer base through collaborations, and offers a range of products, including credit and debit card issuance and settlement, loans and mobile payment.

Each new customer enters into one or more agreements (each, a "**Card Agreement**") with the Company which governs their account with the Company (each, an "**Account**") and the issuance of credit cards (each, a "**Card**") to the customer (each, an "**Accountholder**"). Each holder of a Card issued under an Account is a "**Cardholder**". The Company may alter the terms of a Card Agreement by giving one (1) month's notice to the Accountholder. The Company offers the following services to Cardholders:

- Credit card services providing the Accountholder with limited credit to purchase products and services ("**Credit Card Services**"), for which payment must be made either (i) in full on the immediately succeeding monthly payment date (the "**Lump Sum Basis**") or (ii) on a revolving basis subject to a minimum monthly payment of the greater of (x) 10 per cent. of the amount outstanding and (y) KRW 50,000 (the "**Revolving Payment Basis**").
- Cash advances via ATM/CD machines, through the Internet and by telephone ("**Cash Advances**"), for which payment by the Accountholder must be made either (i) on the Lump Sum Basis or (ii) on the Revolving Payment Basis.
- Card Loan via ATM/CD machines, through the Internet and by telephone ("**Card Loan**"). Credit limit of minimum KRW1 million and maximum KRW50 million for a loan period between 6 to 60 months.
- The option to purchase products and services from specified merchants on an equal principal instalment basis ("**Instalment Services**"), for which payments must be made over a fixed term of 2 months up to a maximum of 24 months.

The Company offers five basic types of Cards: Mastercard, Visa, JCB, AMEX, and UPI. Lotte Card also has various product affiliations across retail, telecommunications, home appliance and oil industries for issuance of co-brand cards. Fees and costs associated the co-brand cards are shared by the affiliated concerns and Lotte Card, which also conduct joint marketing campaigns from time to time.

Each Accountholder is allocated a credit limit and each month the Company advises Accountholders of the credit limit relating to its Card(s) in a monthly billing statement. A sub-limit is established for Cash Advances. The Cash Advances limit cannot exceed 40 per cent. of the overall credit limit established for the Account, and is generally between 30 to 35 per cent. of the total credit limit established for the Account. Accountholders are required to settle their outstanding balances in accordance with the Card Agreement and may choose a monthly settlement date from a list of 13 possible payment dates (currently the 1st through the 27th of each month). Settlement dates around the end of each month are the most popular since salaries in Korea are commonly paid at the end of the month.

Origination and Marketing

General

In general, Lotte Card markets and originates new Accounts through 5 different channels, which consist of marketing through sales agents, affiliation-related solicitation through strategic alliances, marketing through the internet, telemarketing and voluntary customer application:

- *Marketing through Sales Agents:* The use of external sales agents from card agencies is an effective marketing *channel* for attracting new cardholders.
- *Co-branding and Affiliation-related Solicitation:* Lotte Card attracts new Accounts with affiliated companies that have a strategic alliance with Lotte Card.
- *Marketing through the Internet:* Lotte Card actively utilises its website to attract new customers.

- *Telemarketing:* Lotte Card outsources telemarketing activities to an external company. The telemarketers receive commission fees based on origination of new accounts.
- *Voluntary Customer Application:* Customers visit card center or a digital channel such as App of the Company to apply for a Card product that they want. This marketing channel is gradually becoming a significant source of new Cardholders.

Potential customers complete an application form for a Card, specifying personal details such as salary, employment, employer, address and residence status. The application will also specify the credit limit requested.

Application Process

There are several stages between the receipt of an application from a potential customer to the issuance of a Card.

Stage 1: Evaluation of Applicant

The Company adopts a two-step credit evaluation for each applicant. As a first step, following the upload of the application form and verified identification documents onto the Company's systems, the applicant's profile information, including credit score, delinquency status, financial transaction history, and disposable income, is automatically evaluated. If the applicant is not rejected automatically at this stage, then an underwriter from the Company's Credit Analysis Department will verify the applicant's income and payment capability and the other approval criteria set forth below.

Stage 2: Information Verification

Each applicant's name, identification and payment capability must be verified. Verification is undertaken by sales agents and branch employees and by underwriters in person and by telephone at various stages of the underwriting process.

Stage 3: Credit Card Issuance

Once an application is approved, a credit card number is assigned and the Card is generated. The Card is sent to the applicant, who then registers the Card via ARS, the internet or by visiting a card center of Lotte Card.

Customer Information Protection

Lotte Card has recently instigated a number of strong measures to protect the personal information of its customers. The Company has appointed a Chief Information Security Officer (CISO), Chief Privacy Officer (CPO) and Credit Information Administrator/ Protector (CIAP) and also has a two separate organizations dedicated to information protection policies and security technologies, respectively. Lotte Card reinforced its IT security system to strengthen security. Lotte Card has been fully committed to protecting customer information and has renewed Information Security Management System (ISO27001) certification in 2021 and obtained Payment Card Industry Data Security Standard (PCI DSS) certification from Broad Band Security in 2023.

Credit Card Renewal

Renewing a Card is the process of re-issuing the card when it expires. Renewal of the validity of the Card is provided to Cardholders who are not delinquent with payments on their Card or cards issued by other institutions. Eligibility for renewal is determined 6 months prior to the expiration of the Card.

Underwriting

All applicants are reviewed and evaluated using Lotte Card's written policies and procedures including credit scoring methodologies. The Company uses two credit scoring systems, as described below.

After a determination of eligibility is made based on the factors set forth above, Lotte Card utilises a credit scoring system known as the Application Scoring System ("ASS"), under which an applicant's creditworthiness is assessed and the accuracy of information provided is reviewed. The ASS takes into account information provided by the applicant as well as information on an applicant's outstanding

credit experience and payment history, obtained from the Company's internal records, external databases, and generates a credit grade which ranges from 1 to 12. Key criteria used in the ASS include the applicant's occupation, position in the workplace, gender, age, type of residential property, duration of delinquencies with other card companies and the sum of cash advances made under other cards. Lotte Card then utilises its internal matrix based on the ASS credit grade and the applicant's external credit bureau grade for final assessment. If approved, the applicant's overall credit limit and Cash Advance sub-limit are determined.

Lotte Card continues to monitor and review the creditworthiness of a Cardholder on an ongoing basis, utilising a second system known as the "**Behavior Scoring System**" or "**BSS**". The BSS evaluates factors such as the number of months since Card issuance, Card balance, delinquency status for the preceding month, Cardholder occupation and type of residential property. The behavioural score generated is used to upgrade or downgrade a Cardholder's grading or reduce the Cardholder's credit limit.

To monitor the credit status of its Accountholders, the Company periodically accesses information from external sources, including:

- The database of the Korea Credit Information Services (*Shinyongjeongbowon*), which contains the number of credit cards an applicant holds and details of certain previous delinquencies;
- A shared database maintained since 1998 by the Company and other financial institutions which contains the delinquency payment history of each of their customers (the database is only accessible by these companies and only records payments in excess of KRW100,000 that are more than five (5) days delinquent); and
- Korean credit rating agencies, which provide accumulated loan information in respect of individuals and information in respect of department store credit cards on a subscription basis.

Finance Charges and Fees

Lotte Card derives revenues from annual membership fees paid by Cardholders, interest charged on Card balances, fees and interest charged on Cash Advances and Card Loans, interest charged on deferred payments and merchant fees paid by retail and service establishments. Merchant fees and interest on Card Loan constitute the largest source of revenue for Lotte Card.

The annual fees for Cards vary depending on the type of Card and the benefits offered thereunder. For its standard Cards, the Company charges an annual membership fee in a range from KRW 5,000 to KRW 600,000 per credit card.

Lotte Card charges a periodic finance charge at a fixed rate of interest ranging from 4.9 per cent. to 19.9 per cent. per annum on the outstanding balance under an Account. There is no periodic finance charge assessed on Credit Card Service balances for which payment is made on the Lump Sum Basis provided that the payment is paid on or before the applicable settlement date. Periodic finance charges on Cash Advances and Instalment Services are based on fixed interest rates determined by reference to the credit scoring of the Accountholder and the number of scheduled instalments. The charges for Cash Advances range from 4.9 per cent. to 19.9 per cent. per annum, while charges for Instalment Services are from 8.1 per cent. to 19.9 per cent. per annum.

Lotte Card also charges the fees charged by other financial institutions, such as a fee for Cash Advances rendered through the use of an automated teller machine.

Lotte Card charges merchant fees ranging from 0.5 per cent. to 2.3 per cent. of the purchased amount, depending on the merchant type, with the average charge being 1.59 per cent. in 2023. Mark-up fees, borne by the Cardholder, are charged for international purchases made on a Lump-Sum Basis. VISA International charges and MasterCard International each charge a mark-up fee of 1 per cent.

If an Account is delinquent, a delinquency fee is charged in addition to the periodic finance charge described above, calculated on the principal balance owed and the period of delinquency, measured in

days. The delinquency fee rate is additionally charged 3.0 per cent to the normal interest rate to a maximum rate of 19.9 per cent. per annum.

Although making payments on a revolving basis is more common in many other countries, this payment method is still in its early stages of development in Korea. Cardholders in Korea are generally required to repay their purchases within approximately 14 to 44 days of purchase depending on their payment cycle, except in the case of Instalment Services where the repayment term is typically three to six months. Accounts that remain unpaid after this period are deemed to be delinquent, and Lotte Card levies late charges on and closely monitors such accounts. For purchases made on an instalment basis, Lotte Card charges interest on unpaid amounts at rates that vary according to the terms of repayment.

Accountholders are required to settle their outstanding balances in accordance with the terms of the credit cards they hold. Accountholders may choose the monthly settlement date. Settlement dates around the end of each month are the most popular since salaries are typically paid at the end of the month. An Accountholder is required to select a settlement date when the account is opened. The cardholder may change the settlement date after the account has been opened but no more than once every two months.

Servicing

Transaction Approval Process

Credit card transaction approvals are primarily conducted electronically through the "valued-added network" of 17 companies ("**VAN companies**") which collect transaction information and send it electronically to the Company for approval. If a merchant is not connected to a VAN company, it must telephone the Company directly to verify the transaction. During the approval process, the Company checks whether the transacting party is an approved Cardholder, whether the Card has been stolen or terminated, whether the merchant is registered with the Company and whether the transaction amount exceeds approved credit limits.

Almost all of the sales transactions are initially electronically transferred to the Company by VAN companies or directly by merchants. Physical sales slips and invoices are either collected by the Company or are sent by merchants and affiliated banks to the Company by mail. Sales slips and invoices are matched by random sampling against the approval information before payments to merchants are computed.

Billing Process

The Company sends a billing statement to the relevant Accountholder which includes charges incurred on all Cards issued under his or her Account and amounts due under any outstanding Card Loans, by physical mailing or electronic mail. Billing statements are also available online by password-controlled access to Lotte Card's internet web site. The Company offers a variety of payment dates to each Accountholder. See "*—Overview—The Accounts*" above. Each statement consolidates all activity during the month on each Card issued under the Account.

Verification and Payments to Merchant

Prior to making payment to merchants, the Company verifies the validity of the sales transaction information.

Upon completion of the verification process, the Company makes payment to the merchant generally within two (2) business days after receipt of the transaction information.

Payment Method

Auto Debit

A majority of Cardholders use the Auto Debit repayment method, whereby Lotte Card automatically withdraws payments from a bank account designated by the Cardholder or borrower with an allied bank or member of the CMS network of KFTC.

CMS

An alternative method of repayment offered to Cardholders is the Cash Management Service ("**CMS**"). If a Cardholder chooses the CMS option, the Cardholder completes a CMS application form (obtained from one of the financial institutions listed below) to request a money transfer to the collection account of Lotte Card established at the same institution. Cardholders can make a real time CMS payment over the telephone or via internet banking. A number of Korean banks participate in the CMS system, including KB Kookmin Bank, Shinhan Bank etc.

ARS and Internet

Cardholders can check amounts due for a billing cycle using the automated response system ("**ARS**") or via the internet. The Cardholder designates an account for payment from which Lotte Card immediately draws the payment amount.

Delinquencies

Failure to make full payment of billed amounts by the payment due date will cause late fees to accrue.

Lotte Card has a contractual right to declare an event of default and accelerate the maturity of any delinquent payment if a Cardholder fails to repay for more than 2 consecutive months. In practice, however, Lotte Card will take such action only after all other collection methods have been exhausted.

Restructuring

Lotte Card may offer certain customers to restructure delinquent payments allowing the Cardholder to make payments in instalments. In general, the payment terms for restructured loans consist of an optional down payment and subsequent mandatory monthly interest and principal payments. The restructured loan payment period is subject to a maximum length of 60 months. These restructured loans do not form part of the Receivables Pool. Any Accounts which become restructured Accounts will cease to be Eligible Accounts.

Write-offs

Lotte Card can charge-off debts, with FSS approval, on a quarterly basis for balances with an estimated loss of over KRW 10 million. A minimum of six months' delinquency period is required for charge-offs.

DESCRIPTION OF THE RECEIVABLES

General

The Receivables are a pool of Won-denominated credit card receivables consisting of amounts owed by Accountholders on certain Accounts designated from time to time (the "**Designated Accounts**") for Credit Card Services, Instalment Services, Cash Services and including finance charges, other fees and charges and any other amounts owed by Accountholders thereunder. See "*Master Definitions Schedule*" and "*The Originator*".

On the Closing Date, the Originator will entrust to the Trustee all of its rights and interest in all Receivables existing on the Initial Cut-off Date in certain Accounts and all Receivables arising from time to time thereafter in such Accounts. From time to time during the Revolving Period or the Controlled Amortisation Period, the Originator may (subject to certain conditions precedent set forth in the Trust Agreement) entrust to the Trustee for the benefit of the Interestholders all of its rights and interest in the Receivables arising under specified Additional Accounts at the relevant entrustment date and from time to time thereafter in such Accounts. The entrustment of Receivables by the Originator will be for a period commencing on the date of entrustment and ending on the earlier of (a) the date on which all Trust Obligations, Bond Issuer Obligations and Note Issuer Obligations have been paid in full and (b) the Note Legal Maturity Date.

From time to time during the Revolving Period and the Controlled Amortisation Period, the Trustee may, subject to the conditions specified in the Trust Agreement, upon written request from the Originator, reassign to the Originator all of the Trustee's rights and interest in the Receivables then existing and arising from time to time thereafter in certain Designated Accounts identified by the Originator. Following such reassignment, the relevant Accounts and any receivables arising thereunder will no longer be Trust Assets.

If an Asset Warranty is breached in respect of any Receivable, the Trustee may reassign such Receivable (together with all other Receivables in the Designated Account in which such Receivable arose) to the Originator, and the Originator will be required to accept such reassignment and to pay the Reassignment Price to the Trust for such Receivables. If the Originator does not accept the reassignment of such Receivable and it subsequently becomes a Defaulted Receivable, the Originator shall indemnify the Trustee in an amount equivalent to the Reassignment Price for such Receivable. Prior to the payment by the Originator of the Reassignment Price for any such Receivables, Collections on such Receivables (other than Seller Collections) will be treated as Eligible Account Collections.

Accordingly, the amount of Receivables to which the Trustee is entitled from time to time will fluctuate as Designated Accounts are removed from, or added to the Trust, as Receivables are reassigned, as New Receivables are generated in Designated Accounts and as existing Receivables are collected, written-off as uncollectible or otherwise become subject to a Receivable Balance Adjustment.

The Receivables

As at the Initial Cut-off Date, there were 430,988 Designated Accounts with an aggregate Receivable Balance of KRW 693,705,940,670. As at such date, the average Receivable Balance per Designated Account was KRW 1,609,571, the average credit limit was KRW 41,718,108 and the average Receivable Balance as a percentage of the average credit limit was 3.8 per cent.

The following tables summarise the Accounts by various criteria as at the Initial Cut-off Date. The characteristics of the Receivables Pool will change over time and there can be no assurance that the Receivables Pool will have characteristics similar to those presented in the following tables as at any date other than the Initial Cut-off Date. The figures in each column may not add up to the stated total due to rounding.

Composition of Accounts by Age of Accountholders (as of 8 July 2024) (in KRW)

Account Holder's Age	No. of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
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Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
20~29	30,234	6.81	47,241,246,717	1,273,811,832	29,678,847,322	12,741,167,691	-	3,547,419,872
30~39	108,481	25.55	177,253,870,337	4,313,396,001	99,236,716,307	53,658,920,196	198,358,807	19,846,479,026
40~49	151,411	38.17	264,781,984,328	11,703,883,397	123,718,538,197	81,913,519,872	1,489,420,396	45,956,622,466
50~59	140,842	29.47	204,411,246,160	12,997,663,083	100,268,271,470	56,810,440,263	1,973,285,020	32,361,586,324
60~70	20	0.00	17,593,128	4,000,000	4,641,000	7,333,916	-	1,618,212

Composition of Accounts by Account Age
(as of 8 July 2024) (in KRW)

Account Age	No. of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
6 month ~ 1 year	105,010	21.27	147,550,851,270	2,926,918,068	84,191,929,253	43,672,152,740	-	16,759,851,209
1 year ~ 2 year	131,934	29.6	205,304,858,843	5,340,904,661	120,823,867,533	73,796,291,217	-	5,343,795,432
2 year ~ 3 year	13,275	2.8	19,453,491,169	1,127,101,912	10,822,637,892	5,447,470,572	-	2,056,280,793
3 year ~ 4 year	6,520	1.36	9,453,580,561	664,142,671	4,598,263,208	1,955,331,935	-	2,235,842,747
above 4 year	174,249	44.97	311,943,158,827	20,233,687,001	132,470,316,410	80,260,135,474	3,661,064,223	75,317,955,719

Composition of Accounts by Payment Method
(as of 8 July 2024) (in KRW)

Payment Method	No. of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
Auto debit	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900

Composition of Accounts by BSS Score
(as of 8 July 2024) (in KRW)

Credit Score	No. of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
413~499	33,560	12.08	83,794,452,343	12,330,229,882	47,425,561,102	12,554,245,759	533,503,627	10,950,911,973
500~599	56,840	19.63	136,199,432,130	12,427,335,460	70,077,777,991	23,625,466,004	1,813,474,892	28,255,377,783
600~699	107,441	26.45	183,464,739,707	5,276,734,153	91,752,206,211	48,744,602,259	1,277,074,150	36,414,122,934
700~799	193,804	29.35	203,630,130,035	252,165,761	103,581,734,589	81,627,366,604	36,961,554	18,131,901,527
800 or above	39,343	12.49	86,617,186,455	6,289,057	40,069,734,403	38,579,701,312	50,000	7,961,411,683

Composition of Accounts by Outstanding Principal Balance
(as of 8 July 2024) (in KRW)

Account Principal Balance	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
0 - 4,999,999	402,860	60.89	422,429,304,622	10,780,165,189	204,383,455,153	156,028,786,585	996,839,347	50,240,058,348
5,000,000 - 9,999,999	20,454	20.13	139,645,014,188	11,751,796,770	81,401,249,332	19,841,598,748	1,395,455,315	25,254,914,023
10,000,000 - 14,999,999	4,238	7.38	51,174,417,135	4,488,021,900	28,921,742,521	6,317,602,530	539,360,607	10,907,689,577

15,000,000 - 19,999,999	1,731	4.31	29,931,251,704	2,081,933,555	15,935,693,749	5,175,433,073	329,531,092	6,408,660,235
20,000,000 - 24,999,999	663	2.13	14,751,001,988	626,005,005	7,371,536,952	3,277,515,522	173,076,286	3,302,868,223
25,000,000 - 29,999,999	486	1.94	13,457,445,825	251,581,042	6,346,405,160	3,834,926,700	144,415,959	2,880,116,964
30,000,000 - 34,999,999	182	0.85	5,870,405,451	68,221,247	2,471,336,211	2,272,029,283	45,095,749	1,013,722,961
35,000,000 - 39,999,999	157	0.85	5,882,112,063	91,270,386	2,223,193,596	2,910,229,713	11,962,503	645,455,865
40,000,000 - 44,999,999	82	0.5	3,500,617,026	51,899,219	1,125,749,849	2,018,637,104	14,327,365	290,003,489
45,000,000 - 49,999,999	81	0.56	3,893,662,972	49,760,000	1,398,941,583	1,965,710,652	11,000,000	468,250,737
50,000,000 - 54,999,999	19	0.14	976,200,260	6,000,000	332,571,385	615,678,292	-	21,950,583
55,000,000 - 59,999,999	10	0.08	575,701,087	-	57,254,630	404,000,559	-	114,445,898
60,000,000 - 64,999,999	13	0.12	811,212,621	31,300,000	484,624,566	253,608,987	-	41,679,068
65,000,000 - 70,000,000	12	0.12	807,593,728	14,800,000	453,259,609	215,624,190	-	123,909,929

Composition of Accounts by Total Credit Limit
(as of 8 July 2024) (in KRW)

Credit Limit	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
0 ~ 1 million	3,278	0.16	1,094,579,360	7,860,000	382,070,836	507,333,922	829,538	196,485,064
1 ~ 2 million	10,263	1.02	7,091,609,905	282,021,620	3,463,969,650	2,571,943,406	14,654,715	759,020,514
2 ~ 3 million	8,287	1.4	9,677,934,968	528,275,010	5,156,556,033	2,874,968,988	27,564,857	1,090,570,080
3 ~ 4 million	10,149	2.28	15,847,997,636	1,366,765,164	8,755,448,585	3,611,510,264	74,858,979	2,039,414,644
4 ~ 5 million	5,304	1.57	10,920,475,256	1,079,168,896	5,823,980,674	2,092,964,279	87,136,583	1,837,224,824
5 ~ 6 million	6,838	2.14	14,833,020,203	1,536,638,811	7,845,130,212	2,940,936,207	125,351,286	2,384,963,687
6 ~ 7 million	4,978	1.87	12,966,498,119	1,580,179,764	6,980,865,284	2,208,413,189	136,494,979	2,060,544,903
7 ~ 8 million	3,705	1.54	10,656,133,100	1,462,020,296	5,351,833,492	1,551,944,746	166,021,866	2,124,312,700
8 ~ 9 million	3,072	1.29	8,938,008,452	1,228,481,923	4,424,209,586	1,401,232,641	102,642,833	1,781,441,469
9 ~ 10 million	3,015	1.29	8,922,570,780	1,100,880,665	4,546,294,725	1,369,072,956	127,324,019	1,778,998,415
10 ~ 11 million	4,255	1.78	12,381,684,506	1,454,114,473	6,399,075,247	2,099,891,822	150,907,659	2,277,695,305
11 ~ 12 million	1,841	0.74	5,106,073,123	653,493,031	2,486,155,141	829,125,265	64,288,062	1,073,011,624
12 ~ 13 million	2,244	1.01	7,016,068,408	869,435,718	3,617,055,151	1,068,563,921	76,273,833	1,384,739,785
13 ~ 14 million	1,869	0.78	5,432,592,290	639,872,102	2,809,912,619	878,567,541	58,813,578	1,045,426,450
14 ~ 15 million	1,780	0.69	4,797,595,795	495,720,475	2,512,412,397	881,477,943	103,857,553	804,127,427
15 ~ 16 million	1,903	0.84	5,836,186,434	756,871,601	3,014,354,966	949,148,704	39,502,381	1,076,308,782
16 ~ 17 million	1,628	0.63	4,345,435,875	448,269,245	2,361,752,241	654,473,074	53,969,348	826,971,967
17 ~ 18 million	1,507	0.57	3,954,975,227	366,012,692	2,050,170,617	704,006,285	59,793,271	774,992,362
18 ~ 19 million	1,659	0.59	4,085,006,761	442,298,982	2,216,010,935	741,672,102	34,627,384	650,397,358
19 ~ 20 million	1,523	0.56	3,865,671,192	303,576,467	2,195,044,874	606,119,832	36,329,679	724,600,340
20 ~ 21 million	3,666	1.44	9,970,481,247	816,907,999	5,647,478,653	2,284,659,813	30,500,616	1,190,934,166
21 ~ 22 million	1,387	0.4	2,753,662,849	166,319,532	1,525,579,897	530,083,448	24,917,893	506,762,079
22 ~ 23 million	1,426	0.44	3,032,183,733	206,143,125	1,733,004,078	613,256,374	12,237,097	467,543,059
23 ~ 24 million	1,618	0.49	3,417,619,187	242,936,661	1,943,422,608	680,416,430	40,295,828	510,547,660
24 ~ 25 million	1,564	0.51	3,550,419,482	242,830,546	2,015,686,240	703,500,870	14,815,999	573,585,827
25 ~ 26 million	1,520	0.43	2,990,467,752	220,564,738	1,667,966,512	687,265,959	28,419,434	386,251,109
26 ~ 27 million	1,774	0.45	3,120,452,930	134,093,300	1,862,833,595	686,379,668	23,576,859	413,569,508
27 ~ 28 million	1,965	0.49	3,409,388,443	141,488,308	2,022,704,574	784,466,618	30,649,999	430,078,944
28 ~ 29 million	2,488	0.58	4,018,484,645	201,915,811	2,253,865,038	976,660,795	14,391,350	571,651,651
29 ~ 30 million	2,884	0.6	4,176,512,245	134,524,142	2,363,946,537	1,078,063,092	24,020,666	575,957,808
30 ~ 31 million	5,045	1.21	8,409,291,580	222,294,034	4,305,164,688	2,535,220,468	65,860,045	1,280,752,345

31 ~ 32 million	5,938	0.94	6,551,793,287	141,905,252	3,502,770,428	2,132,222,266	19,146,458	755,748,883
32 ~ 33 million	5,956	1.03	7,161,849,423	221,178,271	4,028,508,947	2,110,041,131	8,467,942	793,653,132
33 ~ 34 million	5,158	1.05	7,284,252,048	241,232,516	4,299,287,368	1,814,992,583	34,079,728	894,659,853
34 ~ 35 million	8,478	1.59	11,058,876,112	279,670,892	6,222,438,641	3,305,101,947	42,380,370	1,209,284,262
35 ~ 36 million	6,102	1.36	9,431,253,761	293,408,940	5,689,759,255	2,238,375,403	40,435,670	1,169,274,493
36 ~ 37 million	4,950	1.24	8,629,065,185	368,640,542	5,096,477,469	1,910,786,039	41,949,396	1,211,211,739
37 ~ 38 million	5,185	1.29	8,918,274,709	313,114,620	5,158,117,100	2,045,162,285	28,161,576	1,373,719,128
38 ~ 39 million	5,033	1.26	8,710,266,899	296,436,406	5,285,100,634	2,103,350,035	27,559,322	997,820,502
39 ~ 40 million	7,227	1.68	11,666,871,540	461,915,424	6,582,700,366	3,131,056,572	19,482,165	1,471,717,013
40 ~ 41 million	5,334	1.29	8,929,389,541	246,738,109	4,517,486,768	2,987,042,753	45,863,581	1,132,258,330
41 ~ 42 million	6,746	1.2	8,322,337,954	250,334,421	4,376,542,462	2,621,762,005	28,313,217	1,045,385,849
42 ~ 43 million	6,057	1.19	8,284,088,638	259,487,970	4,171,524,987	2,729,193,987	36,403,725	1,087,477,969
43 ~ 44 million	5,098	1.1	7,636,458,543	216,102,994	4,164,711,643	2,202,294,494	29,307,291	1,024,042,121
44 ~ 45 million	9,523	1.75	12,138,086,253	271,358,872	6,193,980,914	4,184,257,540	53,314,434	1,435,174,493
45 ~ 46 million	7,823	1.52	10,554,834,320	262,105,655	5,604,102,329	3,267,665,120	32,423,413	1,388,537,803
46 ~ 47 million	6,732	1.26	8,732,327,437	272,172,853	4,512,555,730	2,591,290,615	27,293,864	1,329,014,375
47 ~ 48 million	7,809	1.53	10,646,627,963	373,983,493	5,710,767,732	3,109,816,587	19,396,078	1,432,664,073
48 ~ 49 million	10,969	1.86	12,876,790,734	253,256,900	6,412,568,500	4,408,159,118	31,109,823	1,771,696,393
49 ~ 50 million	15,965	3.22	22,311,036,792	471,957,739	11,685,141,529	7,379,060,489	44,650,774	2,730,226,261
50 million ~	190,470	42.85	297,242,378,048	5,465,777,313	139,958,515,809	106,756,410,347	1,200,397,207	43,861,277,372

Composition of Accounts by Payment Date
(as of 8 July 2024) (in KRW)

Payment Date	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
1	37,943	8.71	60,426,166,663	2,614,423,743	34,560,351,183	13,299,418,112	336,101,946	9,615,871,679
5	25,595	5.67	39,312,051,531	2,076,786,630	22,155,832,002	7,432,933,492	395,851,428	7,250,647,979
7	4,218	1.03	7,163,174,904	345,221,631	4,351,935,000	1,180,192,324	29,403,208	1,256,422,741
10	31,899	8.42	58,404,249,675	2,423,048,670	29,706,577,390	16,416,759,876	271,560,381	9,586,303,358
14	111,638	24.23	168,129,275,647	4,112,842,312	72,739,975,631	73,302,366,972	220,656,194	17,753,434,538
15	38,278	10.12	70,171,047,170	3,455,994,841	36,363,105,703	18,037,149,267	526,295,389	11,788,501,970
17	9,711	2.60	18,008,292,808	957,920,787	9,425,234,942	4,589,789,848	93,448,829	2,941,898,402
20	30,375	7.11	49,303,025,084	2,628,412,555	26,221,164,629	12,740,519,759	223,812,239	7,489,115,902
21	15,323	3.29	22,811,361,649	1,138,929,874	11,267,073,669	6,277,712,838	294,787,842	3,832,857,426
22	7,051	1.61	11,193,909,925	672,177,061	5,097,427,156	2,984,937,149	169,309,140	2,270,059,419
23	8,364	1.92	13,293,879,382	717,155,066	6,826,875,198	3,594,239,853	43,797,575	2,111,811,690
24	20,022	5.03	34,884,958,287	1,668,102,491	19,805,356,259	8,464,513,222	191,519,345	4,755,466,970
25	90,571	20.26	140,604,547,945	7,481,738,652	74,386,105,534	36,810,849,226	864,520,707	21,061,333,826

Composition of Accounts by Geographical Distribution
(as of 8 July 2024) (in KRW)

Geographical Distribution	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
Gangwon	9,015	2.02	14,044,888,012	594,581,850	7,862,028,098	3,625,832,106	66,348,414	1,896,097,544
Gyeonggi	118,834	27.31	189,431,107,491	8,078,413,522	96,128,497,807	57,114,750,627	736,683,931	27,372,761,604
Gyeongnam	27,652	6.43	44,594,531,336	2,237,541,695	22,775,210,888	11,914,763,001	253,213,114	7,413,802,638

Gyeongbuk	14,980	3.33	23,115,285,502	1,019,241,514	12,594,117,104	6,215,100,436	120,414,014	3,166,412,434
Gwangju	9,740	2.11	14,651,975,912	671,724,574	7,116,519,495	4,364,496,684	75,991,062	2,423,244,097
Daegu	11,750	2.68	18,604,640,018	812,054,581	9,674,784,734	5,454,611,466	91,664,018	2,571,525,219
Daejeon	10,996	2.38	16,478,245,065	561,894,502	8,650,422,441	4,977,671,988	109,974,873	2,178,281,261
Busan	55,828	13.76	95,432,954,510	4,773,009,174	46,837,542,025	26,318,695,488	812,427,705	16,691,280,118
Seoul	85,787	20.15	139,773,941,604	5,527,826,919	67,480,751,078	47,223,608,983	716,313,044	18,825,441,580
Sejong	2,995	0.60	4,153,283,913	163,552,788	2,145,111,262	1,318,537,386	24,750,828	501,331,649
Ulsan	9,376	2.10	14,587,487,306	722,780,321	7,397,035,931	3,978,538,921	73,773,580	2,415,358,553
Incheon	25,286	6.03	41,818,587,237	1,941,403,213	22,518,823,489	11,461,911,703	195,545,198	5,700,903,634
Jeonnam	9,849	2.20	15,237,241,387	574,398,098	8,343,764,256	3,962,860,256	52,647,466	2,303,571,311
Jeonbuk	11,340	2.55	17,705,811,298	685,120,643	9,544,751,139	4,943,822,751	94,443,859	2,437,672,906
Jeju	4,344	1.16	8,025,629,320	382,590,251	4,010,256,377	2,407,409,140	47,887,407	1,177,486,145
Chungnam	13,362	3.06	21,249,518,632	806,250,114	11,833,129,093	5,921,328,276	88,585,439	2,600,225,710
Chungbuk	9,854	2.13	14,800,812,127	740,370,554	7,994,269,079	3,927,442,726	100,400,271	2,038,329,497

Composition of Accounts by Number of Credit Cards per Accountholder
(as of 8 July 2024) (in KRW)

No of credit cards	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
1	283,738	54.15	375,653,085,542	15,261,409,571	201,715,092,668	117,439,267,991	1,774,055,221	39,463,260,091
2	103,416	27.55	191,102,126,520	8,836,652,451	91,934,490,050	56,320,135,359	1,032,192,119	32,978,656,541
3	31,712	11.51	79,844,242,876	3,654,313,413	37,210,184,739	20,844,606,884	521,375,835	17,613,762,005
4	8,481	4.22	29,247,041,869	1,543,753,092	13,819,730,995	6,695,461,182	221,817,992	6,966,278,608
5	2,442	1.58	10,994,295,418	649,772,147	5,005,711,021	2,428,823,898	53,197,376	2,856,790,976
6 or more	1,199	0.99	6,865,148,445	346,853,639	3,221,804,823	1,403,086,624	58,425,680	1,834,977,679

Composition of Accounts by Delinquency History
(as of 8 July 2024) (in KRW)

Frequency	No of Accounts	%	Total principal balance	Cash Advance	Instalment Purchase	Lump Sum	Revolving CA	Revolving LS
Total	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900
0	430,988	100.00	693,705,940,670	30,292,754,313	352,907,014,296	205,131,381,938	3,661,064,223	101,713,725,900

THE SERVICER

The Trustee has appointed Lotte Card as the Servicer to provide certain collection, reporting and management services in relation to the Receivables (see "*Transaction Overview—Servicing*"). As of 31 December 2023, Lotte Card provided collections and management services for KRW5.6 trillion worth of card receivables. The Originator has established procedures for servicing receivables such as segregating the administrative records relating to the underlying accounts as well as the loan agreements from other property and agreements it manages and administers.

Under the terms of the Servicing Agreement, the Servicer is required to service the Receivables in accordance with the Credit Card Guidelines and the Servicer's duties and obligations include:

- the collection of amounts in respect of the Receivables;
- communications with Accountholders;
- keeping records relating to the administration of the Receivables;
- taking enforcement action in relation to Receivables;
- preparing the Monthly Servicer Report and delivering it to, amongst others, the Bond Issuer, the Note Trustee and the Back-up Servicer; and
- upon termination of its appointment, serving jointly with the Back-up Servicer the notices required to be served on Accountholders in relation to the change of Servicer.

The Servicer is required to deposit into the Trust Collection Sub-Account all amounts received by it in respect of Receivables on the Seoul Business Day following (i) the date of receipt of the confirmation file from each Automatic Debit Bank or KFTC in the case of payments received by Auto Debit and (ii) on the third Seoul Business Day after receipt in respect of other payment methods.

For so long as the Servicer is the Originator, the Servicer is entitled to a Servicing Fee of 0.01 per cent. per annum of the aggregate Receivable Balance of all Receivables on the first day of the Collection Period immediately preceding each Trust Distribution Date.

RATING

Certain characteristics of the Receivables and the arrangements for the protection of the Class A2 Noteholders in respect of the risks involved have been reviewed by the Rating Agency. It is a condition of the issuance of the Class A2 Notes that they are assigned a rating of "AAAsf" by Fitch. This rating relates to the timely payment of interest on the Class A2 Notes and full payment of principal of the Class A2 Notes on the Note Legal Maturity Date. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment, if any, or the receipt of default interest and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

SUMMARY OF PROVISIONS RELATING TO CLASS A2 NOTES IN GLOBAL FORM

The Class A2 Notes will be initially in the form of the Class A2 Global Note which is deposited on or around the Closing Date with the Common Depositary for Euroclear and Clearstream.

The Class A2 Global Note will become exchangeable in whole, but not in part, for Notes in definitive certificated form ("**Definitive Note Certificates**") in minimum denominations of USD200,000 and integral multiples of USD1,000 in excess thereof at the request of the holder of the Class A2 Global Note against presentation and surrender of the Class A2 Global Note to the Class A2 Note Registrar if either Euroclear or Clearstream is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so (an "**Exchange Event**").

Whenever the Class A2 Global Note is to be exchanged for Definitive Note Certificates, the Note Issuer will procure the prompt delivery (free of charge to the holder) of such Definitive Note Certificates, duly authenticated, in an aggregate principal amount equal to the principal amount of the Class A2 Global Note to the holder of the Class A2 Global Note against the surrender of the Class A2 Global Note at the Specified Office of the Class A2 Note Registrar within seven (7) business days of the occurrence of the relevant Exchange Event.

In addition, the Class A2 Global Note will contain provisions which modify the terms and conditions of the Class A2 Notes as they apply to the Class A2 Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Class A2 Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Class A2 Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Note Issuer in respect of the Class A2 Notes. A record of each payment made on the Class A2 Global Note, distinguishing between any payment of interest and principal will be endorsed on the Class A2 Global Note by the Principal Paying Agent to which such Class A2 Global Note was presented for the purpose of making such payment and such record will be *prima facie* evidence that the payment in question has been made.

Notices: Notwithstanding Note Condition 15, while any of the Class A2 Notes are represented by the Class A2 Global Note and the Class A2 Global Note is deposited with the Common Depositary for Euroclear and Clearstream, notices to Class A2 Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream and, in any case, such notices will be deemed to have been given to the Class A2 Noteholders in accordance with Note Condition 15 on the date of delivery to Euroclear and Clearstream.

Transfers: For so long as the Class A2 Notes are represented by the Class A2 Global Note, the Class A2 Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, or, as the case may be, Clearstream and the Note Issuer, the Principal Paying Agent and the Note Trustee may treat each person who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular principal amount of the Class A2 Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the principal amount of the Class A2 Notes standing to the account of any person will be conclusive and binding for all purposes) and as the holder of such principal amount of the Class A2 Notes for all purposes, other than with respect to the payment of interest and repayment of principal on the Class A2 Notes, the right to which will be vested solely in the holder of the Class A2 Global Note and in accordance with its terms.

THE KOREAN CREDIT CARD INDUSTRY

Introduction of Credit Cards in Korea

Credit cards were originally introduced in Korea by retailers who would issue cards to their customers as a payment method. In 1969, Shinsegae Department Store issued Korea's first domestic credit card to its shoppers.

Korean banks entered the credit card sector in 1978 when Korea Exchange Bank issued international credit card under a license agreement with VISA International, Inc., which was followed by Kookmin Bank in 1980. In 1982, several commercial banks jointly established the Bank Credit Card Association (later renamed "BC Card" in 1987), which issued cards for its participants. In addition, foreign credit card companies such as American Express Company and Diners Company International Ltd. entered the Korean market in 1980 and 1984, respectively. The enactment of the Credit Card Business Act in 1987 restricted the operation of credit card business to government-licensed firms. As a result, Korea Exchange Bank and Kookmin Bank transferred their respective credit card related operations to their affiliated companies. In the late 1980s, large conglomerates, also known as *chaebols*, such as Lotte Group and LG Group, acquired existing credit card companies and entered into the credit card market. The entrance of new credit card companies that were affiliated to banks, which had a well-established customer base, and *chaebols* contributed to the broadening use of credit cards in Korea.

Currently, the Korean credit card industry (excluding independent merchants providing credit cards for sole use with such merchants) is comprised of 11 banks with credit card operations and eight independent credit card companies, four of which are bank-affiliated credit card companies and four of which are monoline credit card companies. All of the independent credit card companies in Korea are either bank- or chaebol-affiliated. Chaebol-affiliated credit card companies include Hyundai Card, Samsung Card and Lotte Card. The current credit card landscape in Korea is set forth in the table below:

Classification	Number	Companies
Independent Credit Card Companies	8	
Bank Affiliated	4	Shinhan Card, KB Kookmin Card, Hana Card and Woori Card
Specialty	4	Samsung Card, Hyundai Card, Lotte Card, BC Card
Banks Operating Credit Card Business (11)	11	Standard Chartered Bank Korea Limited, Industrial Bank of Korea, NH Bank, iM Bank, Pusan Bank, Kyongnam Bank, Citibank Korea, Jeju Bank, Suhyup Bank, Jeonbuk Bank, Kwangju Bank

Growth

Credit card companies in Korea primarily provide financing for purchase of merchandise and services, payment for which must be made either (i) in full on each monthly payment date (i.e., lump sum), (ii) in equal monthly instalment over as pre-selected period of time (i.e., instalment) or (iii) on a revolving basis subject to a minimum percentage of the amount outstanding on each monthly payment date (i.e., revolving). Credit card companies also provide cash advance services, under which card members may borrow cash from automatic teller machines or cash dispensers subject to daily interest charges, and card loan services, which are small amount unsecured loans provided to card members.

Credit card companies began to play a significant role after 1997 in Korea. The growth of the credit card industry mirrored the rebound of Korean economy following the 1997 Asian financial crisis. In 1998, the Government introduced a set of policies to promote the use of credit cards. In 1999, the Government abolished the KRW700,000 limit on cash advances a cardholder may receive in a given billing cycle. In 1999, a shared merchant system was introduced to increase the convenience of credit card usage. Under this shared merchant system, if one or more credit card companies enter into an agreement with a merchant to allow their cardholders to use their credit cards to purchase such merchant's merchandise or service, then such merchant is required to accept the credit cards issued by every other credit card company in Korea under the same terms as set forth under the original agreement. This shared merchant legislation was followed by a new tax policy aimed at improving transparency in the Korean tax system, the effect of which was to encourage credit card usage. In September 1999, the Korean National Tax Service introduced an income deduction scheme, which allows a

taxpayer a deduction from taxable income an amount equal to 10 per cent. of the aggregate card purchase volume amount in a given taxable year that exceeds 10 per cent. of such taxpayer's total gross income for such taxable year, subject to a maximum amount a taxpayer can deduct which can vary from year to year. In addition, the Government commenced operating a state-run monthly lottery for credit card users in 2000.

In the late 1990s and early 2000s, credit card companies, led by Lotte Card and LG Card Co., Ltd., developed new services and aggressively marketed their products. Cash advance and card loan services were granted to more members and the limits on such advances and loans were raised. Membership reward programmes were introduced and expanded, and various discount benefits were provided to credit card members. The credit card companies hired "credit planners" who were paid by the number of new card member recruits, and the more aggressive credit planners signed up new card members off the street with little or no background or credit check.

The Government's incentives to promote credit card usage, together with aggressive marketing of credit card companies, contributed to the overall growth of the credit card industry in Korea during this period. The growth in credit card service use was also attributable to the absence of a personal checking system in Korea and the absence of alternative consumer finance products. From 1998 to 2002, the transaction amount related to (i) credit card purchases, repayable in full or in instalments, grew at a compound annual growth rate ("CAGR") of 71.3 per cent. and (ii) cash advances grew at a CAGR of 81.4 per cent. according to the Credit Finance Association of Korea. The total number of credit cards issued in Korea was approximately 42.0 million in 1998 and approximately 104.8 million in 2002, representing an increase of 149.5 per cent. The number of credit cards per card user grew from 2.0 cards in 1998 to 4.6 cards in 2002. The overall growth of the credit card industry in Korea according to the Credit Finance Association of Korea is set forth in the table below:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Credit card transaction volume (billions)										
Credit card purchases	501,221	534,931	596,032	627,341	664,014	700,952	705,246	779,035	883,953	941,874
Cash advances	63,326	59,503	59,328	59,266	60,768	59,124	54,084	55,138	57,411	57,498
Total	564,547	594,434	655,360	686,607	724,782	760,076	759,330	834,173	941,364	999,372
Number of credit card in issue (thousands)	92,321	93,095	95,639	99,462	105,063	110,976	113,729	117,689	124,172	129,802
Number of credit cards per economically active person*	3.5	3.5	3.5	3.6	3.8	3.9	4.1	4.2	4.4	4.4
Number of merchants (tens of thousands)	234	242	250	257	269	281	290	299	310	316

Source: The Credit Finance Association Korea

* Economically active person* means a working age person of 15 years of age or older who is capable of working and is either currently employed or seeking employment

Recent Status

Korea currently has a relatively high credit card penetration ratio in terms of number of cards per capita and card usage compared to private consumption. Korean consumers settle more than 70 per cent. of their consumption spending using a credit card according to the Credit Finance Association of Korea. The prevalence of credit card usage among Korean consumers is also reflected in the number of credit cards per economically active person, which was 4.4 cards per economically active person as of 31 December 2023.

The Korean credit card industry has been showing steady growth due to an increase in personal expenditure and consumption and an increase in credit card transactions since 2005. Due to this steady growth, competition among credit card companies has intensified which has resulted in increased credit card benefits to customers.

These developments have helped independent credit card companies more than bank operated credit card businesses because independent credit card companies can focus solely on the credit card business. As banks have focused more on mortgage loans, which is their primary retail business, their credit card businesses consequently have declined. As a result, this has contributed to the growing market share of independent credit card companies.

In addition, credit card companies have enhanced their credit risk management capabilities. Since the commencement of the global financial crisis in 2008, credit card companies have taken measures to reduce their credit risk by managing credit limits and reassessing their customer group, among others, while maintaining the quality of their asset portfolios and cardholders. Despite strengthening credit card regulations by the Government and the possibility of reduced profitability due to increased competition, the credit card industry has maintained steady growth. It maintained a steady level of profitability mainly due to lowering credit costs

through improving asset quality and a decrease in funding costs amidst a low interest rate environment. The capital adequacy ratio of the independent credit card companies increased from 19.0 per cent. in 2005 to 19.8 per cent in 2023, according to the FSS. As of 31 December 2023, the capital adequacy ratio of all independent credit card companies exceeded the 8.0 per cent. guideline provided by the FSC. From 2008 to 2023, the quality of the assets of the independent credit card companies improved. The average delinquency ratio of the independent credit card companies fell from 3.43 per cent as of 31 December 2008 to 1.63 per cent. as of 31 December 2023 according to the FSS.

REGULATION AND SUPERVISION OF THE KOREAN CREDIT CARD INDUSTRY

The Korean credit card industry is primarily governed by the Specialised Credit Financial Business Act (the "SCFBA") which regulates the business activities of Specialised Credit Financial Business Companies ("SCFCs") licensed by, or registered with, the Financial Services Commission of Korea (the "FSC"). The businesses of SCFCs consist of (i) credit cards, (ii) leasing businesses, (iii) instalment financing and (iv) technology venture capital.

The SCFBA requires licensing and/or registration of SCFCs and regulates their business practices. Any person wishing to engage in the credit card business must obtain a licence from the FSC (except for a person who engages in certain wholesale or retail business), while any person wishing to engage in the leasing, instalment finance or technology venture capital businesses may register with the FSC in order to take the benefit of the SCFBA. An SCFC is regulated by the FSC, which has the right to review the operations of such SCFCs and inspect their records to ensure compliance with the provisions of the SCFBA. The FSC has the authority to suspend the operations of credit card companies for up to six months upon non-compliance with certain regulations under the SCFBA and certain administrative orders. The FSC is entitled to cancel a licence or registration, as the case may be, if an SCFC fails to comply with certain regulations of the SCFBA or administrative orders, including a suspension order.

The SCFBA prohibits an SCFC from extending loans over certain limits to its affiliates. The maximum amount of credit an SCFC may extend to affiliated companies is an amount equal to 50 per cent. of its shareholders' equity. Violations of this rule are subject to a penalty of up to the amount of excess credit extended or criminal sanction not exceeding 7 years of imprisonment or criminal penalty of KRW50,000,000.

Under the SCFBA, if an SCFC with a credit card business license intends to engage in two or more of businesses among the facility rental business, instalment financing business or new technology project financing business, it is required to have at least KRW40 billion of capital, while an SCFC with only the credit card business license or an SCFC with the license of only one of the facility rental business, instalment financing business or new technology project financing business is required to have at least KRW20 billion of capital.

Under the SCFBA, an SCFC is not permitted to acquire real estate other than those to be used for certain prescribed business purposes and the FSC may limit the aggregate amount of real estate which an SCFC may acquire for such business purposes up to a certain percentage of shareholders' equity; *provided, however, that* such limit must be not less than 100 per cent. of shareholders' equity.

In connection with the issuance of credit cards and extension of credit to cardholders, the SCFBA, its Enforcement Decree and the supervisory regulation of the FSC provide that credit card companies:

- (a) must check the identity of a new card applicant before issuing a card and may not renew or replace a card which has not been used for the past six months without the written consent of the cardholder concerned;
- (b) are permitted to set a credit limit only after assessing the financial situation of the individual cardholder, but in any event the limit must not be higher than the amount requested by the cardholder;
- (c) may issue a credit card to a card applicant who is aged 19 or older (18 or older, if the applicant can prove the applicant's employment at the time of the application or 12 or older, if the applicant applies for a credit card with a limit of KRW300,000 per month for the purpose of using it as a transportation card) (*provided that* no age limit applies if the issuance of a credit card is mandatorily required under the Child Welfare Act of Korea or for the policy needs of the state or local government) and is deemed by it under its internal guidelines (which should include such factors as income, assets and liabilities by which to assess the financial capability of card applicants) as being capable of paying his credit card debts;
- (d) as of the end of each quarter, must keep the average balance of the receivables arising in connection with the credit extension to its credit cardholders during the relevant quarter, except for certain receivables, not in excess of the sum of (i) the average balance of the receivables arising in connection with the purchase by its credit cardholders of goods or services and (ii) the aggregate amount of transactions made by debit cardholders, in each case, during the same quarter;
- (e) are forbidden from soliciting customers by (i) multilevel sales, (ii) accepting applications for credit cards on the website without confirming the customer's identity with an authorised digital signature

(except when the fact that the applicant submitted the application for issuance of a credit card can be verified with the personally identifiable information and signature), (iii) offering free benefits exceeding 100 per cent. of the annual membership fee to potential card members), (iv) street-hawking or (v) door-to-door solicitation without prior consent from the potential customer, except in the case of solicitation in offices used for business purposes which does not require such consent; and

(f) are required to register all solicitors of credit card memberships with the Credit Finance Association.

Further, if a cardholder objects to the bills charged to his or her credit card, he or she will not be obligated to make payments until the FSC has finished its investigation thereon. The level of allowance for credit card receivables held by credit card companies is similar to that of commercial banks.

The Instalment Transactions Act

In addition to the SCFBA, the Instalment Transactions Act (the "**ITA**") protects consumers who enter into instalment purchase contracts for the purchase of merchandise by ensuring fairness in such transactions.

The ITA is applicable to any instalment purchase contract where (a) a purchaser of merchandise (the "**purchaser**") makes instalment payments for merchandise three or more times over a period of two or more months to the merchant or a credit provider (usually a credit card company) and (b) takes delivery of the merchandise before full payment of the price is made.

The ITA states that a purchaser may revoke an instalment purchase contract by providing written notice to the merchant expressing his or her intention to revoke the contract within seven (7) days from the later of the day on which he or she has received the contract documents and the date of receipt of the purchased merchandise. If a credit provider is involved, the purchaser may also send a written notice to the credit provider expressing his or her intention to revoke the instalment purchase contract within seven (7) days from the later of the day on which he or she has received the purchased merchandise or the instalment purchase contract. The revocation of the instalment purchase contract is deemed to be as of the date the purchaser sends the notice in writing to the merchant or credit provider.

If the purchaser revokes an instalment purchase contract, the merchant, upon return of the related merchandise, is required to return to the purchaser all instalment payments that have been made by the purchaser. The purchaser may not, however, revoke an instalment purchase contract if the merchandise is lost or damaged due to the purchaser's own negligence or fault.

The purchaser may only repudiate a claim of the credit provider for payment under an instalment purchase contract if (a) the purchaser has provided a written notice revoking the contract in accordance with the procedure detailed above, (b) the credit provider (if one is involved in the transaction) has already made a payment to the merchant within a seven-day period during which the purchaser may revoke the instalment purchase contract or (c) the credit provider is requested by the merchant to cancel or suspend the instalment claim in the case where the merchant received a written notice revoking the contract in accordance with the procedure detailed above from the purchaser.

The Door-to-Door Sales Act

General

The Door-to-Door Sales Act (the "**Door-to-Door Act**") sets out consumers' rights to revoke a contract where a consumer purchases goods or services through a door-to-door sale, telemarketing sale or multilevel sale.

Door-to-Door and Telemarketing Sales

Any consumer may revoke a sale and purchase agreement entered into by way of door-to-door or telemarketing sales (as defined under the Door-to-Door Act) within the following periods:

- (a) fourteen (14) days from the date of receipt of a written contract; *provided that* if the date on which the relevant purchased merchandise is received is later than the date of receipt of the written contract, then within fourteen (14) days from the receipt of the purchased merchandise;
- (b) fourteen (14) days after the consumer becomes aware of (or should have become aware of) the seller's address if the consumer is unable to revoke the sale and purchase agreement for reasons such as the

failure by the door-to-door or telemarketing seller to provide the consumer with a written contract, or in cases where the written contract does not specify the seller's address as required by the Door-to-Door Act or where there is a change in the address of the seller;

- (c) fourteen (14) days after the consumer becomes aware of (or should have become aware of) the fact that the consumer is able to revoke the sale and purchase agreement if such agreement does not explicitly state the consumer's right to revoke the agreement; or
- (d) fourteen (14) days after the interruptive action ends if the door-to-door or telemarketing seller interrupts the purchaser trying to revoke the sale and purchase agreement.

The consumer may not revoke the sale and purchase agreement in certain cases specified under the Door-to-Door Act, such as the merchandise being destroyed or damaged due to the consumer's own fault. The door-to-door or telemarketing seller is required to return all payments that have already been made to the consumer within three (3) business days following the day on which the consumer returns the merchandise.

If the consumer has made payments by a credit card, the door-to-door or telemarketing seller is required to immediately request the credit card company to suspend or revoke the demand for payment for the merchandise. The seller is also required to return the money it has already received to the credit card company.

In the case of a revocation by written notice, such revocation takes effect on the day the consumer sends the written notice.

Multilevel Sales

Under the Door-to-Door Act, the term "**multilevel sales**" means sale of goods or services through a sales force that meets all of the following criteria:

- (a) a salesperson solicits other persons to participate in the salesforce as his or her downline salespersons;
- (b) such downstream recruitment as described in clause (a) is continued for not less than three levels; and
- (c) certain incentives are provided to each salesperson based on the (i) sales performances or (ii) management of salesforce and training performances of the other salespersons whose performances are linked to the incentives payable to the concerned salesperson.

Any consumer may revoke a sale and purchase agreement entered into by way of multilevel sales in the same manner as a sale and purchase agreement entered into by way of door-to-door or telemarketing sales.

The multilevel seller is required to return all payments that have already been made to the consumer within three (3) business days following the day on which the consumer returns the merchandise; *provided that* the multilevel distributor may deduct certain expenses within the limits determined by the presidential decree to the Door-to-Door Act.

If the consumer has made payments by credit card, the multilevel seller is required to immediately request the credit card company to suspend or revoke the demand for payment for the merchandise. The multilevel seller is also required to return any money that has already been received to the credit card company.

In the case of a revocation by written notice, such revocation takes effect on the day when the consumer sends the written notice.

Financial Consumer Protection Act

General

The Financial Consumer Protection Act of Korea (the "FCPA") provides heightened investor protection measures for customers of financial services, including additional remedies in the case of "imperfect sales" of financial products based on inadequate disclosure or unfair inducement, such as mandatory compensatory damages and double damages in case of a statutory violation.

Requirements for Internal Control Standards for Protection of Financial Consumers

The FCPA requires financial companies to set up internal control standards for financial consumer protection purposes, specifically, (i) a system of internal controls that stipulate the standards and procedures with which their officers, employees, financial product sales agents and brokers must comply in conducting financial product sales (Article 16), and (ii) a set of Financial Consumer Protection Standards, which are standards and procedures with which their officers and employees must comply to prevent financial consumer complaints or provide prompt follow-up relief to protect financial consumers (Article 32).

Sales Principles and Expanded Consumer Protection Rights

The FCPA requires financial companies to comply with financial consumer protection measures, which include the following “**Six Conduct Rules**” in connection with their sales activities.

- Principle of Suitability (Article 17)
- Principle of Appropriateness (Article 18)
- Duty to Explain (Article 19)
- Prohibition of Unfair Sales Practices (Article 20)
- Prohibition on Improper Solicitation (Article 21)
- Advertisement Regulations (Article 22)

Financial companies violating such Six Conduct Rules will be subject to fines; and if a financial consumer incurs loss from a financial company’s failure to fulfill its duty to explain a financial product, such financial company will have the burden of proving that such failure was not the result of its willful misconduct or negligence (Article 44).

Under the FCPA, financial consumers have the right to cancel subscriptions for certain financial products (Article 46) and the right to claim for cancellation or nullification of a financial product agreement on grounds of illegality (Article 47). In addition, financial companies are required to comply with consumers’ requests to review certain materials and for provision of their copies for the purpose of enforcing consumers’ rights or seeking remedies (Article 28).

Supervision and Management Requirements Regarding Sales Agents and Brokers Strengthened

In cases where a financial company delegates its sales activities (including the execution of sales contracts) to sales agents and brokers, the FCPA will hold the financial company liable for any violations committed by its sales agents or brokers, unless the financial company has properly supervised and managed them (Articles 45, 57 and 69). The FCPA also requires financial companies to apply the same level of internal control standards to its sales agents and brokers that it would apply to its own officers and employees (Article 16).

Sanctions

The FCPA significantly strengthens the monetary sanctions that may be imposed for violations of financial consumer protection (Article 57). For example, if a financial company violates any of the duty to explain or prohibitions against unfair sales practices, improper solicitation, or advertisement regulations, a penalty amounting up to 50% of the gains earned from the contract relating to the violation may be imposed.

KOREAN FOREIGN EXCHANGE CONTROLS AND SECURITIES REGULATIONS

General

In the past, the Foreign Exchange Management Act (Law No. 4447, 27 December 1991), as amended, and the Presidential Decree and regulations thereunder (collectively the "**Foreign Exchange Management Laws**") regulated investment in Korean securities by non-residents and issuance of securities outside Korea by Korean companies. With effect from 1 April 1999, the Foreign Exchange Management Laws were abolished and the Foreign Exchange Transaction Law (Law No. 5550, 16 September 1998), as amended, and the Presidential Decree and regulations thereunder (collectively, the "**FETL**") were enacted. Under the FETL, many restrictions on foreign exchange transactions have been reduced and many currency and capital transactions have been liberalised. Although non-residents may invest in Korean securities only to the extent specifically allowed by such laws or otherwise permitted by the Ministry of Economy and Finance (the "**MOEF**"), many approval requirements have been relaxed. The FSC has also adopted, pursuant to its authority under the Financial Investment Services and Capital Markets Act, regulations that restrict investment by foreigners (as defined therein) in Korean securities. However, Korean law does not limit the right of non-residents to hold securities issued pursuant to the FETL outside Korea.

With effect from 1 January 2006, the FETL was amended to further liberalise foreign exchange transactions. In accordance therewith, certain transactions that previously required approval from the Bank of Korea or MOEF now require only a report to the Bank of Korea or MOEF, although such report will have to be accepted by the Bank of Korea or MOEF, as applicable.

Under the FETL, if the Government deems that (a) it is necessary in the event of natural disasters or the outbreak of any wars or conflict of arms or the occurrence of grave and sudden changes in domestic/foreign economic circumstances or other situations equivalent thereto, the MOEF may temporarily suspend payments, or the receipt of payments, on the whole or part of transactions to which the FETL applies or imposes an obligation on the transaction parties to safekeep or deposit with or sell to, certain governmental agencies, the Bank of Korea, the Foreign Exchange Equalization Fund or financial institutions, the means of payment of the transaction (including any gold, non-negotiable gold coins or other gold products), or (b) the international balance of payments and international finance are confronted or are likely to be confronted with serious difficulty or the movement of capital between Korea and foreign jurisdictions causes or is likely to cause a serious obstruction to the conduct of currency policies, exchange rate policies and other macroeconomic policies, the MOEF may take action to require any person who intends to perform capital transactions (which include, among other things, the generation, alteration or extinction of claims from contracts of deposit, trust, the lending of money, the acquisition of securities, etc.) to obtain permission or to require any person who performs capital transactions to deposit part of the payment acquired in such transactions with the Bank of Korea, the Foreign Exchange Equalization Fund or financial institutions, in each case subject to certain limitations thereunder.

Government Review of the Issuance of the Class A2 Bond and Authorisation for Payments on the Class A2 Bond

In order for the Bond Issuer to issue the Class A2 Bond to a non-resident, the Bond Issuer is required to file a prior report of the issuance to the MOEF through the Designated FX Bank. There are certain other regulatory reports that are required under the FETL in connection with the execution, delivery and performance of the Transaction Documents by the parties thereto.

Under the FSC's Regulations on Securities Issuance and Disclosure, the transfer of the Class A2 Bond to a Korean Resident (as defined in the FETL) is prohibited during the first year of its issuance except as otherwise permitted by applicable Korean law and regulations.

CERTAIN LEGAL CONSIDERATIONS

The following is a summary of certain Korean legal issues relevant to the Class A2 Noteholders. The following summary is not intended to be exhaustive. Prospective Noteholders should consider the nature of an investment in notes of this type and the political and legal environment of Korea, and should make such further investigations as they, in their sole discretion, deem appropriate.

The ABS Act

The Receivables will be entrusted by the Originator to the Trustee pursuant to the Trust Agreement and in accordance with the Act Concerning Asset Backed Securitisation of Korea ("**ABS Act**"). Under the ABS Act, the Trustee is required to register a plan of asset securitisation and the Originator as settler of the Trust is required to register the entrustment of the Receivables, respectively, with the FSC. Further, the Bond Issuer is required to register a plan of asset securitisation, and the Trustee is required to register the issuance of the Investor Interest, respectively, with the FSC.

Under the ABS Act, the entrustment of the Receivables will be perfected against third parties (other than the relevant Accountholders) on the date of registration of such entrustment with the FSC. In order to perfect such entrustment against the Accountholders, the Originator or the Trustee must deliver notices thereof to (or obtain consent from) the Accountholders with a fixed date stamp affixed. While the entrustment of the Receivables in the Initial Accounts will be registered with the FSC not later than the Closing Date so that the entrustment of the Receivables in the Initial Accounts will be perfected against third parties (other than the relevant Accountholders) from the date of registration with the FSC, no notices of the transfer of the Receivables will be sent to the Accountholders until certain trigger events occur. Accordingly, the entrustment of the Receivables will not be perfected against the Accountholders until notices of the transfer of the Receivables are delivered to the relevant Accountholders.

Korean counsel to the Lead Manager, subject to certain assumptions, has advised that (i) the entrustment by the Originator to the Trustee pursuant to the Trust Agreement of the Receivables in respect of the Initial Accounts on the Initial Entrustment Date and of the Receivables in respect of the Additional Accounts on the relevant Entrustment Date is a legal, valid and binding entrustment of such Receivables by the Originator to the Trustee on the Initial Entrustment Date or the relevant Entrustment Date and (ii) the entrustment of the Receivables to the Trustee on each of the Initial Entrustment Date and the relevant Entrustment Dates will be perfected (x) against third parties (other than the relevant Accountholders) upon registration of such entrustment with the FSC in accordance with the ABS Act and (y) against the relevant Accountholder upon giving a Perfection Notice to such Accountholder in accordance with the Trust Agreement.

Effective from 12 January 2024, the ABS Act has been amended to require the Originator to retain a subordinated interest of not less than 5 per cent in the beneficial interest in the Trust. As at the Closing Date, such interest will comprise the Seller Interest and the Subordinated Seller Interest to be subscribed by the Originator which, in aggregate, is not less than 5 per cent. of the aggregate balance of the Receivables as at the Initial Cut-off Date. The requirement for the Originator to retain such interest of not less than 5 per cent of the aggregate balance of the Receivables as at the Initial Cut-off Date will be disclosed by filing of the securitisation plans to be filed with the FSC by the Trustee and the Bond Issuer, respectively.

Insolvency Laws

Consolidated Insolvency Act

On 2 March 2005, the National Assembly of Korea passed the Act on Debtor Rehabilitation and Bankruptcy (the "**Consolidated Insolvency Act**"). The Consolidated Insolvency Act became effective from 1 April 2006, and contains, among others, the following:

1. provisions applicable to rehabilitation pursuant to Chapter 2 Proceedings;
2. provisions applicable to bankruptcy proceedings;
3. provisions applicable to individual rehabilitation pursuant to Chapter 4 Proceedings; and
4. provisions applicable to international insolvency proceedings.

Under the Consolidated Insolvency Act, the petitioner must specify which procedure it wishes to use.

For a debtor that has filed for a bankruptcy proceeding under the Consolidated Insolvency Act, after the court issues an order preserving the debtor's assets, a receiver will be appointed to liquidate the assets of the debtor and to distribute the proceeds to its unsecured creditors on a *pro rata* basis. Secured creditors remain free to exercise their interests under the bankruptcy proceedings.

On the other hand, the goal of Chapter 2 Proceedings and Chapter 4 Proceedings is to rehabilitate insolvent companies or, as the case may be, individuals. Whilst in a Chapter 2 Proceeding secured creditors will not be able to enforce their security interests outside such Chapter 2 Proceeding, secured creditors in a Chapter 4 Proceeding will be able to enforce their security interests notwithstanding such Chapter 4 Proceeding (a) unless the court issues an order to suspend or prohibit such exercise during the period after the filing of the petition for the Chapter 4 Proceeding but before the court decides to commence the Chapter 4 Proceeding, or (b) once the court decides to commence the Chapter 4 Proceeding, only after the earlier of (i) the court's approval of the repayment plan or (ii) the final decision by the court to discontinue such Chapter 4 Proceeding.

The Consolidated Insolvency Act makes it easier for the court to avoid the debtor's transactions with certain shareholders or equityholders of the debtor ("**specially related persons**"), by presuming that the specially related persons acted knowingly in such transactions. In addition, under the previous law, transactions made by debtors for, or relating to, the grant of security or the extinguishment of obligations within sixty (60) days before the suspension of payment, without the obligation to do so, may be avoided. However, the Consolidated Insolvency Act extends this sixty-day period to one year in the case of transactions with specially related persons. Further, under the current law, gratuitous or equivalent acts performed by the debtor within six months before the suspension of payment, etc. may be avoided, and the Consolidated Insolvency Act also extends this six-month period to one year with regard to transactions with specially related persons.

Chapter 2 Proceedings

A Chapter 2 Proceeding (*i.e.*, the rehabilitation proceeding) is designed for use by an insolvent debtor which desires to rehabilitate itself. This proceeding is tightly controlled by the court so that most of the material actions or decisions of the debtor may be taken or made only with the approval of the court.

Under the Consolidated Insolvency Act, all types of legal entities, including joint stock companies, limited liability companies and unincorporated foundations or associations, as well as individuals, can rehabilitate pursuant to Chapter 2 Proceedings. Although individual debtors can rehabilitate pursuant to Chapter 2 Proceedings, it is not clear how frequently and on what criteria the court will apply such procedures to individual debtors. A limited liability company such as the Bond Issuer will be subject to Chapter 2 Proceedings under the Consolidated Insolvency Act.

The Consolidated Insolvency Act provides that, in principle, the debtor itself or, in cases where the debtor is a company, its own representative, and not a third party, should be elected as the receiver with certain exceptions. Further, the Consolidated Insolvency Act permits a legal entity to be appointed as the receiver of the rehabilitation proceeding, in which case this legal entity shall designate one of its directors to exercise the rights and powers conferred to it as the receiver and shall report such designation to the court.

Under the Consolidated Insolvency Act, the debtor may file a petition to the court for Chapter 2 Proceedings in the case where (a) debts cannot be repaid without causing material damage to the continuance of the debtor's business or (b) any events leading to bankruptcy of the debtor may arise. If the debtor is a joint stock company or a limited liability company, (i) a creditor who has claims in an amount of not less than 10 per cent. of the debtor's paid-in capital or (ii) a shareholder or equityholder who holds shares or equity interests of not less than 10 per cent. of the debtor's paid-in capital may also apply for the Chapter 2 Proceedings. If the debtor is not a joint stock company or a limited liability company, a creditor who has claims in the amount of not less than 50 million Won or an equityholder who holds equity interests of not less than 10 per cent. of the debtor's equity interest can apply for Chapter 2 Proceedings.

When a debtor itself or its creditor or equityholder satisfying the above requirements applies for a Chapter 2 Proceeding, the court may, upon request from interested parties or in its sole discretion, but after hearing the opinion of the management committee, issue a preservation order against individual assets of the debtor, and may issue an injunction against bankruptcy proceedings or enforcement proceedings initiated by its secured or unsecured creditors. Further, if the Court determines that the object of the Chapter 2 Proceedings may not be achieved through individual asset preservation orders, it may issue a comprehensive injunction against enforcement proceedings initiated by creditors against the assets of the debtor. If a comprehensive injunction is issued, enforcement proceedings that are already in progress will be suspended, and the court may cancel such

enforcement proceedings upon the request of the debtor or, as the case may be, the receiver, if deemed necessary for the continuance of the debtor's business. However, if the court determines that a creditor may sustain unjust damages as a result of such comprehensive injunction, the court may revoke the injunction for that particular creditor upon the request of such creditor.

When a petition for a Chapter 2 Proceeding is filed, the court is required within one month of the date of petition to determine whether to commence a Chapter 2 Proceeding. Once the commencement of the Chapter 2 Proceeding is declared, most claims against the debtor that arose prior to such commencement date are automatically stayed, while claims arising after such commencement date are generally not subject to the Chapter 2 Proceeding. Also, the court will appoint a permanent receiver, who has the power to conduct all of the debtor's business and manage all of the debtor's properties, subject to court supervision.

The Consolidated Insolvency Act strengthens the role of the committee of creditors by mandating its composition, unless the debtor is a small or medium sized enterprise or an individual and granting the committee the right to nominate an auditor and to request investigation of the debtor company's business status after the approval of the rehabilitation plan.

As a general rule, any creditor whose claim against the debtor arose prior to the commencement of a Chapter 2 Proceeding, whether secured or unsecured, may not enforce such claims other than as provided for in the rehabilitation plan adopted at the meeting of interested parties and approved by the court. The rehabilitation plan may alter or modify the rights of creditors or shareholders. Accordingly, there can be no assurance that the rights of the creditors, whether secured or unsecured, will not be adversely affected by a Chapter 2 Proceeding. Further, a creditor who intends to participate in the rehabilitation plan must file its claim with the court within the period fixed by the court.

Under a Chapter 2 Proceeding, creditors are classified into three basic categories: (i) creditors with unsecured rehabilitation claims, (ii) creditors with secured rehabilitation claims and (iii) creditors with claims for common benefits. The former two categories of creditors are subject to Chapter 2 Proceedings and generally may not receive payment or repayment for their respective claims other than as provided in the rehabilitation plan. Creditors with claims for common benefits are not subject to the rehabilitation plan, and include, among others, those creditors whose claims either arose after the commencement of a Chapter 2 Proceeding (subject to certain exceptions) or those creditors whose claims were approved by the court during the preservation period.

In order to encourage mergers and/or acquisitions of insolvent companies, the Consolidated Insolvency Act relaxes the requirements for approval of rehabilitation plans contemplating liquidation, by requiring the approval of the creditors representing four-fifths of the outstanding amount of secured claims. However, in case of rehabilitation plans contemplating the continuance of the debtor's business including, without limitation, merger, spin-off or business transfer, the consent of the creditors representing not less than three-fourths of the amount of secured rehabilitation claims and of the creditors representing not less than two-thirds of the unsecured rehabilitation claims is required. For approval of all types of rehabilitation plans, the consent of the shareholders having not less than half of the voting rights is also required.

If the debtor fails to perform its payment obligations in accordance with the rehabilitation plan, affected creditors are not permitted to initiate lawsuits or enforce their security interests. Instead, they (or the receiver of the company) may only request the court to amend the rehabilitation plan. However, if such amendment could have an adverse effect on creditors with rehabilitation claims or shareholders of the company, the court may amend the rehabilitation plan only by obtaining an affirmative vote at a meeting of interested parties. If it becomes apparent, either before or after the court approves the rehabilitation plan, that the debtor cannot be rehabilitated, the court may, at its sole discretion or upon request by the receiver or a creditor with a rehabilitation claim, issue an order to discontinue the Chapter 2 Proceeding.

Once a Chapter 2 Proceeding is discontinued and if the court determines the debtor is insolvent, the court must declare the debtor bankrupt and must initiate the bankruptcy proceeding against the debtor. The compulsory declaration of bankruptcy in Chapter 2 Proceedings will be limited to those cases where a final decision has been made to terminate the Chapter 2 Proceedings after the approval of the rehabilitation plan.

A declaration of bankruptcy is optional in cases of:

- (i) the dismissal of a petition for the commencement of Chapter 2 Proceedings;
- (ii) the non-approval of a rehabilitation plan; and

- (iii) an order to terminate Chapter 2 Proceedings before the approval of the rehabilitation plan.

If the bankruptcy proceedings are initiated, unsecured rehabilitation claims are characterised as general liquidation claims, and creditors with unsecured rehabilitation claims will be paid pursuant to the bankruptcy proceedings. Creditors with secured rehabilitation claims, on the other hand, may immediately enforce their security interest once the rehabilitation proceeding is discontinued; *provided, however, that* if the terms of the secured claim is amended by the rehabilitation plan, such claim may only be enforced in accordance with such amendment and the original terms shall not be revived.

Bankruptcy Proceedings

The bankruptcy proceeding is a court administered process designed to liquidate an insolvent debtor's assets and formally begins upon an adjudication by the court that the debtor is indeed "bankrupt". The court will make its determination as to whether grounds for bankruptcy exist based on the written pleadings and oral argument of the petitioner. The adjudication of bankruptcy also has the effect of automatically staying all unsecured creditors from executing their claims against the bankruptcy estate.

The receiver appointed by the court will be vested with the exclusive right to manage and dispose of the bankruptcy estate, and to conduct an investigation and assessment of the bankruptcy estate. The Consolidated Insolvency Act permits a legal entity to be appointed the receiver of the bankruptcy proceeding. If a legal entity is appointed the receiver, it shall designate one of its directors to exercise the right and power conferred to it as receiver and shall report such designation to the court. After reviewing the reports prepared by the receiver, the creditors will have a meeting and vote on a resolution deciding whether to continue or discontinue the debtor business and the manner of safeguarding the bankruptcy estate.

Subject to certain statutory limitations and approval by the inspection commissioners, the receiver has the power to liquidate the bankruptcy estate, and to determine the manner and timing of such liquidation. The receiver distributes the proceeds from the liquidation of the bankruptcy estate to the creditors in proportion to their claims. The distribution proceeds in several stages. Claims entitled to distribution are differentiated according to the priority of claims. Bankruptcy creditors are classified as follows, in accordance with their priorities: (i) secured creditors, who have the right to proceed against their securities on the same terms as would be available if the debtor were not in bankruptcy; (ii) creditors with estate claims, which include costs of judicial proceeding, tax claims, wages and payment of severance, management expenses incurred in connection with management, liquidation and distribution of the bankruptcy estate, and other claims arising from administration of the bankruptcy estate; (iii) creditors with other statutorily preferred claims (including policyholders' claims against an insurance company to the extent of the amount equal to the relevant reserves); (iv) general claims; and (v) less preferred claims.

Chapter 4 Proceedings

A Chapter 4 Proceeding (*i.e.*, the individual rehabilitation proceeding) is available to persons (a) who are unable, or are likely to become unable, to repay debts when they become due, (b) who are considered to have the ability to earn consistent wage income or business income in the future and (c) whose debt amount is no more than (i) 1 billion Won in case of debts secured by mortgage, pledge, chonsei-kwon and certain other preferential rights, and (ii) 500 million Won in case of any other debts. Only debtors, and not creditors, will be able to apply for Chapter 4 Proceedings. When a debtor files a petition for a Chapter 4 Proceeding, the court may suspend or prohibit bankruptcy proceedings, compulsory execution, provisional attachment, establishment or enforcement of security or the repayment of claims until the court decides whether to commence the Chapter 4 Proceeding. The court must make such decision within a month after the filing of the petition.

After the commencement order is issued by the court, any bankruptcy proceedings, Chapter 2 Proceeding or actions mentioned above are automatically suspended or prohibited. In addition, after the commencement order is issued by the court, the establishment or enforcement of security interests is automatically suspended or prohibited until the earlier of the date (a) when the repayment plan is approved or (b) when the approved Chapter 4 Proceeding is later finally determined to be discontinued. Subject to the automatic suspension or prohibition as described above, secured creditors have the right to enforce their security interest on the same terms as would be available if the debtor was not in Chapter 4 Proceedings. In principle, the debtor retains management and disposal rights over his/her assets even after the issuance of a commencement order for the Chapter 4 Proceedings. The debtor must submit a list of creditors at the time of application, and any claim that is not disputed by the relevant creditor will be settled as indicated on the list of creditors. Claims that are disputed by creditors will be settled through a court decision. The debtor must, in principle, submit a repayment plan

within fourteen (14) days of the application, and the rehabilitation period must not exceed five years from the commencement of repayment.

The repayment plan must be approved by the court and the court may order its amendment. One important requirement for approval is that the total amount of repayment must not be less than the amount that creditors would have received in a bankruptcy proceeding, unless creditors consent to the court's approval despite the failure of the individual debtor's repayment plan to meet such requirement. The Consolidated Insolvency Act sets out a list of claims that have priority in payment to the claims listed in the list of creditors (such as expenses for the Chapter 4 Proceedings, certain taxes, salaries for the debtor's employees, etc.) in the same manner as set out in the Act on Individual Debtor Rehabilitation. Once the debtor completes repayment in accordance with the repayment plan, the court will issue an acquittal order for the debtor.

International Insolvency Proceedings

The representative in a foreign insolvency proceeding (*i.e.*, a person or entity recognised by the applicable court as the receiver or representative in the foreign insolvency proceeding) may file with the Korean court for approval of such foreign insolvency proceeding. Once the foreign insolvency proceeding is approved by the Korean court, the representative in such proceeding may apply for insolvency proceedings in Korea or participate in the insolvency proceeding that is already in progress in Korea. On the other hand, the receiver or bankruptcy trustee in the insolvency proceeding in Korea may, for purposes of such proceeding, take actions in foreign jurisdictions to the extent permitted by the applicable laws.

Corporate Restructuring Promotion Act

The Corporate Restructuring Promotion Act (Act No. 18113, 20 April 2021) was enacted and became effective on 16 October 2018 and expired on 15 October 2023. A successor Corporate Restructuring Promotion Act (Act No. 19852, 26 December 2023) (the "**CRPA**") was enacted and became effective on 26 December 2023.

The CRPA restricts certain financial creditors' ability to enforce security interests given by a Failing Company, and is intended, among other things, to promote the corporate restructuring of Korean companies by market mechanisms.

The following is a summary of the CRPA, which would apply to a financial creditor (the "**Financial Creditor**") who has financial claims against a debtor company by 'providing credit' to such debtor company or other third parties. "**Provision of Credit**" is defined in the CRPA as any transaction determined by the FSC to fall under any of the following:

- loans;
- purchase of promissory notes and debentures or bonds;
- equipment leasing;
- payment guarantees;
- providing advance payments on acceptances and guarantees under a payment guarantee;
- any direct or indirect financial transaction which may cause a loss to a counter party as a consequence of a payment failure by a debtor company; or
- any transaction other than the transactions set out above which may have in substance the same effect as the transactions set out above.

The "**debtor company**" is defined under the CRPA as a company established under the Korean Commercial Code or other person performing profit-making activities. The "**Failing Company**" means a debtor company deemed, through a credit evaluation carried out in the manner set out in the CRPA, by its 'main creditor bank' as having difficulty to repay debts to its financial creditor without external financial support or an additional loan (excluding loans obtained in the course of conducting normal financial transactions).

Once the debtor company is notified by the main creditor bank to fall under the definition of Failing Company, such company may submit its business restructuring plan and the list of its Financial Creditors, and apply to

such main creditor bank for commencement of the management procedure to be assumed by a committee of Financial Creditors (the "**Creditor Committee**") or such main creditor bank.

Under the CRPA, the main creditor bank of a Failing Company is required to take or arrange one of the following actions if it determines that there is a possibility that the financial condition of the Failing Company may be rehabilitated or brought back to normal in accordance with its business restructuring plan:

- convocation of the first meeting of the Creditor Committee to decide whether to commence the management of the Failing Company by the Creditor Committee; or
- assumption of management of the Failing Company by the main creditor bank.

Under the CRPA, in order to call for the first meeting of the Creditor Committee, the main creditor bank is required to notify the Financial Creditors, the Failing Company and the FSS. However, the main creditor bank may omit the notification to some extent of the Financial Creditors who are set out in the CRPA such as a Financial Creditor who does not perform the financial business or a Financial Creditor who has only small claims against the Failing Company. The Financial Creditors who do not receive the notification from the main creditor bank will be excluded from the Creditor Committee; *provided that* if they nevertheless want to attend the meeting, the main creditor bank may not exclude such Financial Creditors. When the main creditor bank calls for the first meeting of the Creditor Committee, it may require the Financial Creditors to grant a moratorium on the enforcement of claims (including the enforcement of security interests) until the end of the first meeting of the Creditor Committee. In addition, at the first meeting of the Creditor Committee, the Financial Creditors may resolve to declare a moratorium for up to one month (or three months if an investigation of the Failing Company's financial status is necessary) from the commencement date of the management procedure (which may be extended by one additional month by resolutions of the Creditor Committee).

The Financial Creditors who attend the first meeting of the Creditor Committee may resolve, among other things: (i) commencement of the management procedure, (ii) composition of the Financial Creditors who will participate in such management procedure and (iii) declaration of moratorium mentioned above.

Once the management procedure commences, the main creditor bank is required to prepare the corporate restructuring plan of the Failing Company considering the investigation results of the Failing Company's financial status and submit such plan to the Creditor Committee for approval thereof. The corporate restructuring plan may include, among other things, the matters regarding rescheduling of debt owed by the Failing Company, provision of new credit and the business restructuring plan of the Failing Company. If the corporate restructuring plan is not approved by the date the moratorium period ends, the Creditor Committee's management of the Failing Company shall be deemed to have terminated.

The resolution at the Creditor Committee is generally passed by an approval of the Financial Creditors representing at least 75 per cent. of the outstanding credit to the Failing Company of the Financial Creditors who constitute the Creditor Committee; *provided that* if a single Financial Creditor holds at least 75 per cent. of the outstanding credit, the resolution shall be passed by an approval of not less than 40 per cent. of the total number of the Financial Creditors who constitute the Creditor Committee, including such single Financial Creditor. An additional approval of the Financial Creditors holding interests in 75 per cent. or more of the total amount of the secured claims owned by the Financial Creditors constituting the Creditor Committee against the Failing Company is required with respect to the debt rescheduling of the Failing Company.

A Financial Creditor which has opposed the resolutions of the Creditor Committee in respect of the commencement of management of the Failing Company by the Creditor Committee, establishment of or amendment of the corporate restructuring plan, extension of management procedures, the rescheduling of claims or provision of new credit (the "**Opposing Financial Creditor**") may, within seven (7) days of such resolutions, request the main creditor banks to purchase its outstanding claims against the Failing Company, stating the type and amount of such claims. The Financial Creditors that have approved such resolutions (the "**Approving Financial Creditors**") shall jointly purchase such claims within six months from the end of the period for filing a request for the Opposing Financial Creditor.

The purchase price and terms of such purchase shall be determined by mutual agreement of the Approving Financial Creditors and the Opposing Financial Creditor. If no such agreement is reached, then such matters shall be determined by the coordination committee of Financial Creditors established under the CRPA.

The Act on the Structural Improvement of the Financial Industry

The Act on the Structural Improvement of the Financial Industry of Korea (the "ASIF") provides regulations regarding the improvement of insolvent financial institutions. According to the ASIF, where any financial institution's financial status does not meet certain standards such as its capital adequacy ratio or any financial institution's financial status falls below certain standards due to the occurrence of any major financial scandal or accrual of non-performing loans, the FSC, in order to protect the financial institution from becoming insolvent and help the financial institution manage its business soundly, may recommend, request or order the financial institution concerned or the officers of such financial institution to implement the following measures or order them to furnish its implementation plan, including but not limited to:

- (a) admonition, warning, reprimand, or salary reduction in relation to the financial institution concerned and its executives and employees;
- (b) capital increase or capital deduction, disposal of property holdings or reduction in the number of its branches and downsizing;
- (c) ban on the acquisition of such assets as claims with high risks of default or assets prone to price fluctuations, or restrictions on the receiving of deposits at exorbitantly high interest rates;
- (d) suspension of officers' duties or appointment of managers to act on behalf of officers;
- (e) amortisation or consolidation of stocks;
- (f) suspension of all or part of business;
- (g) mergers or assumption of financial institution;
- (h) business transfers or contract transfers pertaining to financial transactions such as deposits or loans (hereinafter referred to as "**contract transfers**"); and
- (i) other measures equivalent to those listed in paragraphs (a) through (h), which are deemed necessary to improve any financial institution's financial soundness (collectively, "**timely corrective measures**").

In addition, managers may be appointed by the FSC pursuant to the ASIF. Such managers may exercise the authority of the officer of financial institution for the purpose that such managers are appointed. Such managers may also have the authority to manage and dispose of any assets and liabilities to the extent relating to the determination of contract transfers.

When the FSC intends any timely corrective measures to be taken, it shall in advance determine and notify the standards and contents of such measures.

Among the timely corrective measures, certain measures such as suspension of all business, transfer of all business, transfer of all contracts or orders on amortisation of the total stocks and any equivalent measures may only be taken if (i) the financial institution is an insolvent financial institution, or (ii) its financial status falls short of certain standards and it is deemed to be a credit risk or to prejudice the rights and interests of depositors.

In addition, the ASIF also stipulates measures to be taken by the Government to support insolvent financial institutions by capital contribution or purchase of securities issued or held by such insolvent financial institution. According to the ASIF, the FSC, where any financial institution fails to execute any request or order regarding timely corrective measures, may, on the recommendation of the Governor of the FSS, order the officers of the financial institution concerned to suspend the execution of their business and may appoint managers to conduct the business on behalf of such officers. In cases where:

- (a) an insolvent financial institution fails to execute an order regarding timely corrective measures or is unable to execute such order;
- (b) the merger of an insolvent financial institution fails to be made under an order or arrangement given and made under the provisions of the ASIF;
- (c) an insolvent financial institution is judged difficult to perform an order to take corrective measures or to merge with another financial institution due to its liabilities significantly exceeding its assets; or
- (d) an insolvent financial institution prejudices depositors' rights and interests after it has become unable to pay claims including deposits and repay borrowings due to its distressed financial conditions,

the FSC may take necessary measures such as a decision for the transfer of contracts, suspension of business for less than six months against the insolvent financial institution, and cancellation of the authorisation or permission of its business; *provided that*, in the case set forth in (d), only the suspension of business for less 6 months is applicable to the insolvent financial institution.

Where financial institutions' authorisation or permission to carry on business are cancelled pursuant to the above, they shall be dissolved. If the FSC orders a transfer of contracts mentioned above, the rights and duties of the insolvent financial institution under the contracts which are subject to transfer shall be transferred and succeeded to the financial institution which takes over those contracts (hereinafter referred to as the "**undertaking financial institution**") at the time of such order. In relation to this, the insolvent financial institution and the undertaking financial institution shall announce the transfer of the contracts in two or more daily newspapers. When the announcement is made, the legal relations of creditors, debtors, pledgors or other interested persons to the insolvent financial institution shall remain the same with the undertaking financial institution.

The FSC, where any financial institution is dissolved or goes bankrupt, may, notwithstanding the provisions of the Korean Commercial Code and the Consolidated Insolvency Act, recommend a liquidator or a receiver from among financial experts and officers or employees of the Korea Deposit Insurance Corporation. In addition, when the FSC knows that the total amount of debt of a financial institution exceeds the total amount of its assets, it may make an application for bankruptcy.

Enforcement of English Judgments in Korea

A monetary judgment duly obtained in the courts of England will be recognised by Korean courts without a re-examination of the merits of the case if:

- (a) such judgment was finally and conclusively given by a court having valid jurisdiction in accordance with the international jurisdiction principles under Korean law and applicable treaties;
- (b) the Originator, the Trustee, the Equityholder or the Bond Issuer, as the case may be, received service of process, other than by publication or similar means, in sufficient time to enable such party to prepare its defence in conformity with the laws of England, as applicable (or in conformance with the laws of Korea if it were made to the Originator, the Trustee, the Equityholder or the Bond Issuer, as the case may be, in Korea), or responded to the action without completion of service of process;
- (c) in light of the substance of such judgment and the procedures of litigation, recognition of such judgment is not contrary to the public policy of Korea; and
- (d) (i) judgments of the Korean courts are accorded reciprocal treatment under the laws of England or (ii) the requirements for the recognition of a foreign judgment in England, which had issued such judgment are neither manifestly inequitable nor substantially different in material respects from the requirements for recognition of a foreign judgment in Korea.

TAXATION

The following summary is a general description of certain Korean, Cayman Islands and Singapore tax considerations relating to the purchase, ownership and disposition of the Class A2 Notes is based upon laws, regulations, rulings and decisions in effect as of the date of this Prospectus, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Class A2 Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Class A2 Notes should consult their own tax advisor concerning the application of Korean, Cayman Islands and Singapore tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Class A2 Notes arising under the laws of any other taxing jurisdiction.

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors should consult with their professional advisors.

The taxation of a non-Korean corporation such as the Note Issuer depends on whether the non-Korean corporation has a "**permanent establishment**" (as defined under Korean law) in Korea to which the relevant Korean source income is attributable or with which the relevant Korean source income is effectively connected. Non-Korean corporations without a permanent establishment in Korea are taxed in the manner described below. Non-Korean corporations with a permanent establishment in Korea are taxed in accordance with different rules.

Tax on Interest

In principle, interest on the Class A2 Bond paid to a non-Korean corporation such as the Note Issuer by a Korean company is subject to withholding of Korean corporate income tax at the rate of 14 per cent. unless reduced or exempted by relevant Korean laws or tax treaties. In addition, local income tax should be withheld at the rate of 10 per cent. of the corporate income tax (raising the total tax rate to 15.4 per cent.) under the Local Tax Law of Korea (the "**LTL**"). Tax rates may be reduced or exempted by applicable tax treaties, conventions or agreements between Korea and the jurisdiction of the recipient who is the beneficial owner of the interest income.

The Special Tax Treatment Control Law of Korea (the "**STTCL**") exempts interest on bonds denominated in a foreign currency (excluding payments to a Korean corporation or resident or permanent establishment of a non-resident individual or a non-Korean corporation) issued by a Korean company from Korean personal income tax or corporate income tax; *provided that* the offering of such bonds is deemed to be an overseas issuance under the STTCL.

Tax on Capital Gains

The Corporate Tax Law of Korea excludes from Korean corporate income tax gains made by a non-Korean corporation without a permanent establishment in Korea from the sale of bonds to a non-resident or non-Korean corporation (unless the sale is to the permanent establishment in Korea of the non-resident or non-Korean corporation). The local corporate income tax is also eliminated under the LTL.

In addition, capital gains earned by a non-Korean corporation from the transfer of bonds taking place outside of Korea are exempt from Korean corporate income tax by virtue of the STTCL; *provided that* the issuance of the bonds is deemed to be an overseas issuance under the STTCL.

If a sale of bonds issued by a Korean company where the seller is a non-Korean corporation is not exempted under Korean tax laws or applicable tax treaties, gains made on such sale are subject to Korean taxation at the lesser of 11 per cent. (including local income tax) of the gross realisation proceeds or (subject to the production of satisfactory evidence of the acquisition costs and certain direct transaction costs) 22 per cent. (including local income tax) of the gain made.

Unless the seller can claim the benefit of an exemption of tax under an applicable treaty or in the absence of the seller producing satisfactory evidence of its acquisition cost and certain direct transaction costs in relation to the securities being sold, the purchaser or any other designated withholding agents of the bonds, as applicable, must withhold an amount equal to 11 per cent. (including local income tax) of the gross realisation proceeds.

Stamp Tax and Securities Transaction Tax

No stamp, registration, or similar taxes are payable in Korea on the Transaction Documents; *provided that* such documents are executed outside of Korea. If certain Transaction Documents are executed in Korea, a stamp duty ranging from KRW100 to KRW350,000 would be imposed on each original document. No securities transaction tax will be imposed on the transfer of the Class A2 Bond.

Tax Treaties

At the date of this Prospectus, Korea does not have a tax treaty with the Cayman Islands.

Cayman Islands Taxation

The following is a description of the principal tax laws of the Cayman Islands, as in effect on the date hereof, and is subject to any change in the tax laws of the Cayman Islands that may come into effect after such date (which may have retroactive effect). The discussion is based on law and relevant interpretation thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Class A2 Notes, whether in those countries or elsewhere. The discussion does not consider any investor's particular circumstances and it is not intended as tax advice. Each prospective investor is urged to consult its tax adviser about the tax consequences of an investment in the Class A2 Notes under the laws of the Cayman Islands and Korea, jurisdictions from which the Note Issuer may derive its income or conduct its activities, and jurisdictions where the investor is subject to taxation. It is emphasized that the Note Issuer does not accept responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Class A2 Notes.

Under the laws of the Cayman Islands, payments of interest, principal or premium on the Class A2 Notes will not be subject to taxation and no withholding will be required on the payment of interest, principal or premium to any holder of the Class A2 Notes, as the case may be, nor will gains derived from the disposal of the Class A2 Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands are not party to any double taxation treaties.

No stamp duty is payable in respect of the issue of the Class A2 Notes. The holder of any Class A2 Notes (or a legal personal representative of such holder) whose Class A2 Notes are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Class A2 Notes. Certificates evidencing registered Class A2 Notes, to which title is not transferable by delivery, will not attract Cayman Islands stamp duty. However, an instrument transferring title to a registered Class A2 Note, if brought to or executed in the Cayman Islands, would be subject to nominal Cayman Islands stamp duty. Stamp duty will be payable on any documents executed by the Note Issuer if any such documents are executed in or brought into the Cayman Islands or produced before the Cayman Islands Courts.

Withholding Tax

No withholding tax is payable in the Cayman Islands in respect of payments of principal and interest on the Class A2 Notes.

Tax Status of the Note Issuer

The Note Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Financial Secretary in the Cayman Islands as to tax concessions under the Tax Concessions Law (as amended). In accordance with the Tax Concessions Law (as amended), the Financial Secretary in the Cayman Islands undertakes with the Note Issuer:

- That no law which is hereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Note Issuer or its operations;
- In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Note Issuer; or (ii) by way of the withholding, in whole or part, of any relevant payment as defined in the Tax Concessions Law; and

- These concessions shall be for a period of 30 years from 5 August 2024.

The Cayman Islands does not have any income tax treaty arrangement with any country, however the Cayman Islands has entered into tax information exchange agreements with a number of countries.

FATCA and Similar Regimes

Tax Compliance Withholding

The Cayman Islands have entered into U.S. IGA and have committed, along with a substantial number of other countries, to the implementation of the CRS. The Note Issuer will be required to comply with the Cayman Islands Tax Information Authority Act (as amended) together with regulations and guidance notes made pursuant to such Act that give effect to the U.S. IGA. To the extent the Note Issuer is a "Reporting Cayman Islands Financial Institution" (as defined in the U.S. IGA), the Note Issuer will be required to undertake due diligence procedures that generally may be necessary for the investors in the Class A2 Notes to fully comply with their reporting obligations under the Cayman Islands Tax Information Authority Act (as amended). The Cayman Islands Tax Information Authority will exchange such information with the IRS, as the case may be, under the terms of the U.S. IGA. Provided the Note Issuer complies with its obligations under the U.S. IGA and the Cayman Islands implementing authorities, the Note Issuer generally will not be subject to withholding under FATCA, either on payments it makes or receives. The Note Issuer will endeavour to comply with these requirements and expects it will be able to do so.

On 29 October 2014, the Cayman Islands along with 50 other jurisdictions signed the Multilateral Agreement to demonstrate its commitment to implement the CRS The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015 (as amended), which require extensive due diligence to be undertaken on new and pre-existing accounts, were enacted on 16 October 2015 with reporting commencing on such accounts in 2017. With more than 100 countries having since agreed to implement the CRS, which will impose similar reporting and other obligations as the U.S. IGA with respect to the Class A2 Noteholders who are tax resident in other signatory jurisdictions, the Note Issuer will be required to report to the Cayman Islands Tax Information Authority on an annual basis, with account information being disseminated by the Cayman Islands Tax Information Authority to tax authorities around the globe. The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt CRS, which will likely further increase the reporting and/or withholding obligations of the Note Issuer.

Whilst the Class A2 Notes are in global form and held within **ICSDs**, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Class A2 Notes by the Note Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain from (but excluding) the Note Issuer to (but including) the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Class A2 Notes. However, it should be noted that information relating to Class A2 Noteholders and their investments in the Class A2 Notes may need to be reported under regulations made pursuant to FATCA and/or CRS by financial institutions through which Class A2 Noteholders collect payments made to them under the Class A2 Notes.

U.S. source withholding taxes and information reporting

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Class A2 Notes as a result of FATCA, none of the Note Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Class A2 Notes be required to pay additional amounts as a result of the deduction or withholding. As a result, investors would under these circumstances receive less interest or principal than expected.

FATCA, the CRS and similar reporting regimes are particularly complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and the CRS and how these regimes may affect them.

Undertakings by Noteholders in relation to FATCA

Each Class A2 Noteholder (which for the purpose of this paragraph shall include any beneficial owner of an interest in a Note) shall timely furnish the Note Issuer or any other authorised delegate of the Note Issuer any U.S. federal income tax form or certification (such as IRS Form W-9 (Request for Taxpayer Identification Number and Certification), IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individual)), IRS Form W-8BEN-E (Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)), IRS Form W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or certain U.S. Branches for United States Tax Withholding and Reporting), IRS Form W-8EXP (Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting), or IRS Form W-8ECI (Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States), or any successors to such IRS forms) that the Note Issuer or any such delegate may reasonably request, and any documentation, agreements, certifications or information that is reasonably requested by the Note Issuer or any such delegate (a) to permit the Note Issuer or any other authorised delegate of the Note Issuer to make payments to it without, or at a reduced rate of, deduction or withholding, (b) to enable the Note Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Note Issuer or its agents receive payments, and (c) to enable the Note Issuer or its agents to satisfy reporting and other obligations under the Code, the tax regulations issued by the IRS, FATCA or any other law and shall update or replace such documentation and information as appropriate or in accordance with its terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation or information may result in the imposition of withholding or backup withholding upon payments to such Class A2 Noteholder. Amounts withheld pursuant to applicable tax laws shall be treated as having been paid to such Class A2 Noteholder by the Note Issuer. In addition, each Class A2 Noteholder agrees that the Note Issuer may provide information to the IRS, the Tax Information Authority of the Cayman Islands or any other non-U.S. taxing authority regarding such Class A2 Noteholder's investment in the Class A2 Notes, including any information relevant to the Note Issuer's compliance with FATCA as necessary so that (a) no tax, fines or other penalties will be imposed or withheld pursuant thereto in respect of payments to or for the benefit of the Note Issuer, the Note Trustee, the Note Trustee, the Transaction Administrator or their respective agents and (b) the Note Issuer can comply with an agreement entered into under section 1471(b) of the Code and/or any applicable laws of the Cayman Islands or other Law enacted in connection with FATCA ("**FATCA Compliance**").

Each Class A2 Noteholder shall comply fully and in a timely manner with the obligations of each holder, purchaser, beneficial owner and subsequent transferee of a Class A2 Note or interest therein, by acceptance of a Class A2 Note or an interest in a Class A2 Note, (i) to provide the Note Issuer (or its authorised agent) and the Note Trustee any information and certification to be provided by such holder, purchaser, beneficial owner or subsequent transferee to the Note Issuer (or an agent of the Note Issuer) that is required to be requested by the Note Issuer (or an agent of the Note Issuer) or that is otherwise helpful or necessary (in all cases, in the sole discretion of the Note Issuer or the Note Trustee (or an agent thereof) to enable the Note Issuer to achieve FATCA Compliance and compliance with the CRS and (ii) to update or correct such information or certification, as may be necessary or helpful (in the sole determination of the Note Issuer or the Note Trustee or their agents, as applicable) to achieve FATCA Compliance and compliance with the CRS.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, and administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS"), the Inland Revenue Authority of Singapore ("IRAS") and other relevant authorities in force as at the date of this Prospectus and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. It should be noted that as at the date of this Prospectus, the Income Tax Act (Qualifying Debt Securities) Regulations have not been amended to reflect the amendments to the SITA in respect of the qualifying debt securities ("**QDS**") scheme pursuant to the Income Tax (Amendment) Act 2023. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Class A2 Notes or of any person acquiring, selling or otherwise dealing with the Class A2 Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Class A2 Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Class A2 Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of

which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Class A2 Notes are advised to consult their own professional tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Class A2 Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that neither the Note Issuer, the Lead Manager nor any other persons involved in the issuance of the Class A2 Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Class A2 Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to nonresident persons (other than non-resident individuals or a Hindu joint family) is currently 17 per cent. The applicable rate for non-resident individuals or a Hindu joint family is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties, subject to certain conditions being met.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Qualifying Debt Securities Scheme

In addition, as the issue of the Class A2 Notes is solely lead-managed by DBS Bank Ltd., which is a Specified Licensed Entity (as defined below), the Class A2 Notes issued as debt securities from (and including) the date of this Prospectus to (and including) 31 December 2028, would be, qualifying debt securities ("**QDS**") for the purposes of the SITA to which the following treatment shall apply.

- (a) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the relevant authorities may direct, of a return on debt securities for the Class A2 Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Class A2 Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), interest, discount income (not including discount income arising from secondary trading), early redemption fee or redemption premium (collectively, the "**Qualifying Income**") from the Class A2 Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Class A2 Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to MAS of a return on debt securities for the Class A2 Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the

Class A2 Notes as the MAS may require), Qualifying Income from the Class A2 Notes paid by the Issuer and derived by any company or body of persons (as defined in the SITA) in Singapore is subject to tax at a concessionary rate of ten per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Class A2 Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Class A2 Notes is not exempt from tax shall include such income in a return of income made under the SITA; and

(ii) the furnishing by the Issuer, or such other person as the MAS may direct, to MAS of a return on debt securities for the Class A2 Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Class A2 Notes as the MAS may require,

payments of Qualifying Income derived from the Class A2 Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(a) if during the primary launch of the Class A2 Notes, the Class A2 Notes are issued to fewer than four persons and 50 per cent. or more of the issue of the Class A2 Notes are beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Class A2 Notes would not qualify as QDS; and

(b) even though the Class A2 Notes are QDS, if at any time during the tenure of the Class A2 Notes, 50 per cent. or more of the issue of the Class A2 Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Note Issuer, Qualifying Income derived from the Class A2 Notes held by:

(i) any related party(ies) of the Note Issuer; or

(ii) any other person where the funds used by such person to acquire the Class A2 Notes are obtained, directly or indirectly, from any related party(ies) of the Note Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**Specified Licensed Entities**" means any of the following persons:

(a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) a finance company licensed under the Finance Companies Act 1967 of Singapore;

(c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities:

(1) advising on corporate finance; or

(2) dealing in capital markets products; or

(d) such other person as may be prescribed by rules made under section 7 of the SITA.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**early redemption fee**" and "**redemption premium**" are defined in the SITA as follows:

(i) "**early redemption fee**", in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities; and

- (ii) "**redemption premium**", in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the SITA.

All foreign-sourced income received in Singapore on or after 1 January 2004 by Singapore tax-resident individuals will be exempt from income tax, provided such foreign-sourced income is not received through a partnership in Singapore.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Class A2 Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the SITA shall not apply if such person acquires such Class A2 Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Class A2 Notes is not exempt from tax is required to include such income in a return of income made under the SITA.

Capital Gains

Subject to the disclosure in the next paragraph, any gains considered to be in the nature of capital made from the sale of the Class A2 Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Class A2 Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Under section 10L of the SITA, gains received in Singapore by an entity of a relevant group from the sale or disposal of any movable or immovable property outside Singapore will be treated as income chargeable to tax under section 10(1)(g) of the SITA under certain circumstances. Debt securities will be deemed to be located outside Singapore if the issuer thereof is incorporated outside Singapore or in the case of registered debt securities, the register or principal register (if there is more than one register) is located outside Singapore regardless where the issuer is incorporated. If the Class A2 Notes are deemed to be foreign assets, gains from their disposal will be subject to tax if an entity of a relevant group (other than an excluded entity) disposed of the Class A2 Notes on or after 1 January 2024. An entity is a member of a group of entities if its assets, liabilities, income, expenses and cash flows are (a) included in the consolidated financial statements of the parent entity of the group; or (b) excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale. A group is a relevant group if (a) the entities of the group are not all incorporated, registered or established in Singapore; or (b) any entity of the group has a place of business outside Singapore. An excluded entity is defined in section 10L of the SITA to include a pure equity-holding company or any other entity without adequate economic substance in Singapore taking into account factors enumerated in section 10L of the SITA.

Holders of the Class A2 Notes are advised to consult their own tax advisors on the applicable tax treatment if they received gains in Singapore from the disposal of the Class A2 Notes.

Holders of the Class A2 Notes who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Class A2 Notes, irrespective of disposal for tax purposes, in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Class A2 Notes is made. Please see the section below entitled "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the SITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the SITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Class A2 Notes who may be subject to the tax treatment under Sections 34A or 34AA of the SITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Class A2 Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

CLEARING AND SETTLEMENT ARRANGEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Note Issuer believes to be reliable, but none of the Note Issuer and the Lead Manager take any responsibility for the accuracy of this section. The Note Issuer confirms that this information has been accurately reproduced and as far as the Note Issuer is aware and is able to ascertain from the information published on the official websites of Euroclear and Clearstream, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Note Issuer and any other party to the Transaction Documents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Class A2 Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Class A2 Notes held through Euroclear and Clearstream will be evidenced by the Class A2 Global Note, registered in the name of a nominee of the common depository of Euroclear and Clearstream. The Class A2 Global Note will be held by a common depository for Euroclear and Clearstream. Beneficial ownership in the Class A2 Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Class A2 Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Class A2 Notes, will be responsible for establishing and maintaining accounts for their participants and customers having

interests in the book-entry interest in the Class A2 Notes. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Note Issuer for holders of interests in the Class A2 Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Note Issuer will not impose any fees in respect of holding the Class A2 Notes; however, holders of book-entry interests in the Class A2 Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Interests in the Class A2 Notes will be in uncertificated book-entry form. Noteholders electing to hold book-entry interests in the Class A2 Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Class A2 Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Closing Date against payment (for value on the Closing Date).

Secondary Market Trading

Secondary market sales of book-entry interests in the Class A2 Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Class A2 Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional participants.

General

Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

None of the Lead Manager, the Class A2 Initial Purchaser, the Originator, the Note Issuer, any Note Agent, any Bond Agent, the Bond Issuer, the Trustee, the Back-up Servicer, the Servicer, the Note Issuer Administrator or any of their agents or respective affiliates or any person by whom any of the foregoing is controlled will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

SUBSCRIPTION AND SALE

DBS Bank Ltd. (the "**Class A2 Initial Purchaser**") has, in a note subscription agreement dated 12 September 2024 (the "**Class A2 Note Subscription Agreement**") and made between the Note Issuer, the Bond Issuer, the Originator and the Class A2 Initial Purchaser, upon the terms and subject to the conditions contained therein, agreed to purchase the Class A2 Notes at their issue price of 100 per cent. of their principal amount less underwriting commission. The Originator has also agreed to reimburse the Class A2 Initial Purchaser for certain of its expenses incurred in connection with the management of the issue of the Class A2 Notes.

United States

The Class A2 Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the state securities law of any state of the U.S. Each of the Lead Manager and the Note Issuer agrees that they will not offer or sell the Class A2 Notes within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act.

Each of the Lead Manager, the Class A2 Initial Purchaser and the Note Issuer has represented and agreed that, except as permitted by the preceding paragraph, it will not offer, sell or deliver the Class A2 Notes (i) as part of their distribution at any time or (ii) otherwise, until forty (40) days after the later of the commencement of the offering and the Closing Date, within the U.S. or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or other person receiving a selling concession or similar fee to which it sells the Class A2 Notes in reliance to Regulation S during such distribution compliance period, a confirmation or other notice setting forth the restrictions on offers and sales of the Class A2 Notes within the U.S. or to, or for the account or benefit of, U.S. persons. In addition, until forty (40) days after the later of the commencement of the offering and the Closing Date, any offer or sale of the Class A2 Notes within the U.S. by any broker/dealer/distributor (whether or not it is participating in this offering), may violate the registration requirement of the Securities Act. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Each holder of the Class A2 Notes will be deemed to have represented that such holder is aware that the sale of such Class A2 Notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the Note Certificates will bear the following legend:

THIS CLASS A2 NOTE HAS NOT BEEN UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE STATE SECURITIES LAW, OR WITH ANY SECURITIES REGULATORY AUTHORITY, OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS ACQUIRING THE CLASS A2 NOTES REPRESENTED HEREBY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, IT WILL NOT RESELL OR OTHERWISE TRANSFER THE CLASS A2 NOTES REPRESENTED HEREBY EXCEPT (A) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (B) IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Korea

The Class A2 Notes subscribed for by the Class A2 Initial Purchaser will be subscribed for by it as principal and it will not directly or indirectly offer, sell or deliver any Class A2 Notes in Korea or to any resident of Korea or to others for re-offering or re-sale directly or indirectly in Korea, or to any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations, and, furthermore, the Class A2 Initial Purchaser has undertaken that any securities dealer to whom it sells the Class A2 Notes will agree that he is purchasing such Class A2 Notes as principal and will not re-offer or re-sell any Note directly or indirectly in Korea or to any resident of Korea except as aforesaid. No person may offer or sell any Class A2 Notes in Korea or to any resident of Korea or to others for re-offering or re-sale directly or indirectly in Korea, or to any resident of Korea, except as otherwise permitted by applicable Korean law and regulations.

Japan

Each of the Lead Manager and the Class A2 Initial Purchaser has, severally and not jointly, represented and agreed that none of the Class A2 Notes have been nor will be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25, 13 April 1948), as amended (the "FIEA"). Each of the Lead Manager and the Class A2 Initial Purchaser has, severally and not jointly, further agreed that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949), as amended) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Cayman Islands

No offer or invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Class A2 Notes and no such invitation is made hereby. Accordingly, each of the Lead Manager and the Class A2 Initial Purchaser has represented, warranted and agreed that the public in the Cayman Islands have not and will not be invited to subscribe for the Class A2 Notes.

Singapore

Each of the Lead Manager and the Class A2 Initial Purchaser has, severally and not jointly, acknowledged that this Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA"). Accordingly, each of Lead Manager and the Class A2 Initial Purchaser has, severally and not jointly, represented, warranted and agreed that it has not offered or sold any Class A2 Notes or caused such Class A2 Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Class A2 Notes or cause such Class A2 Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Class A2 Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where the Class A2 Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Class A2 Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Note Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Class A2 Notes are capital markets products other than "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Specified Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Hong Kong

Each of the Lead Manager and the Class A2 Initial Purchaser has, severally and not jointly, represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Class A2 Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 622) of Hong Kong; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Class A2 Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

United Kingdom

Each of the Lead Manager and the Class A2 Initial Purchaser has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Class A2 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Note Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Class A2 Notes in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), each of the Lead Manager and the Class A2 Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Class A2 Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Class A2 Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Note Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Class A2 Notes referred to in (a) to (c) above shall require the Note Issuer or the Lead Manager or the Class A2 Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Class A2 Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Class A2 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Class A2 Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended), and includes any relevant implementing measure in the Relevant Member State.

Prohibition of Sales to EEA Retail Investors

Each of the Lead Manager and the Class A2 Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Class A2 Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; and/or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Class A2 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Class A2 Notes.

General

The Class A2 Initial Purchaser has acknowledged in the Class A2 Note Subscription Agreement that, no action has been or will be taken in any jurisdiction by the Note Issuer that would permit a public offering of the Class A2 Notes, or possession or distribution of any offering material in relation to a public offering of the Class A2 Notes, in any country or jurisdiction where action for that purpose is required.

The Class A2 Initial Purchaser has further undertaken in the Class A2 Note Subscription Agreement that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material in relation to the Class A2 Notes.

The Class A2 Initial Purchaser is offering the Class A2 Notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the Class A2 Notes, and other conditions contained in the Class A2 Note Subscription Agreement, such as the receipt by the Class A2 Initial Purchaser of certificates and legal opinions. The Class A2 Initial Purchaser reserves the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Class A2 Initial Purchaser is not obliged to facilitate trading in the Class A2 Notes (or beneficial interests therein) and any such activities, if commenced, may be discontinued at any time, for any reason, without notice. If the Class A2 Initial Purchaser does not facilitate trading in the Class A2 Notes (or beneficial interests therein) for any reason, there can be no assurance that another firm or person will do so. Pursuant to the underwriting arrangements among the Class A2 Initial Purchaser, the Note Issuer and the Originator, the Class A2 Initial Purchaser is required to purchase the Class A2 Notes for its own account to the extent that accepted orders are insufficient to place the entire amount of the Class A2 Notes.

In the ordinary course of their businesses, the Class A2 Initial Purchaser and its affiliates have engaged, and in the future may engage, in investment banking and commercial banking business and other dealings in the ordinary course of business with Lotte Card and its affiliates, including the extension of credit facilities ("**Other Business**"), from time to time and may receive fees and commissions for these transactions. The Class A2 Initial

Purchaser and/or its affiliates may also be investors in the Class A2 Notes on the Closing Date and/or from time to time in the future. Notwithstanding the Class A2 Initial Purchaser's obligations under the Class A2 Note Subscription Agreement, the Class A2 Initial Purchaser (and its affiliates) will be entitled to act with respect to such Other Business in the same manner as if it had not entered into the Class A2 Note Subscription Agreement and regardless of the effect of such actions on the Class A2 Notes. The Class A2 Initial Purchaser or its affiliates may retain, purchase or sell the Class A2 Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Class A2 Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackagings and credit default swaps, at the same time as the offering of the Class A2 Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Class A2 Notes to which this Prospectus relates (notwithstanding that such selected counterparties may also be a purchaser of the Class A2 Notes). As a result of such transactions, the Class A2 Initial Purchaser or its affiliates may hold long or short positions relating to the Class A2 Notes. The Class A2 Initial Purchaser or its affiliates may also purchase Notes for asset management and/or proprietary purposes or may hold Notes on behalf of clients or in the capacity of investment advisors. While the Class A2 Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any of the above transactions may cause the Class A2 Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Class A2 Notes. The Class A2 Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Class A2 Notes. None of the Class A2 Initial Purchaser or its affiliates intend to disclose the extent of any such investments or transactions other than in accordance with any legal or regulatory obligation to do so.

Each of the Note Issuer, the Bond Issuer and the Originator has represented, warranted and undertaken to the Class A2 Initial Purchaser that neither it nor any of its affiliates (including any person acting on behalf of the Note Issuer, the Bond Issuer or, as the case may be, the Originator or any of its affiliates) has offered or sold, or will offer or sell, any Class A2 Notes in any circumstances which would cause the exemption afforded by the safe harbours of Regulation S of the Securities Act to cease to be applicable to the offer and sale of the Class A2 Notes.

The Class A2 Notes are new securities for which there currently is no market. The Lead Manager has advised the Note Issuer that it intends to make a market in the Class A2 Notes as permitted by applicable law. The Lead Manager is not obligated, however, to make a market in the Class A2 Notes and any market making may be discontinued at any time at the sole discretion of the Lead Manager. Accordingly, no assurance can be given as to the development or liquidity of any market for the Class A2 Notes.

The Class A2 Initial Purchaser has, directly and indirectly, from time to time, provided investment and banking or financial advisory services to the Originator and its affiliates for which it has received customary fees and commissions. The Class A2 Initial Purchaser expects to provide those services to the Originator and its affiliates from time to time in the future, for which it expects to receive customary fees and commissions.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Class A2 Notes will be advised upon for the Lead Manager by Tiang & Partners with respect to English law and by LAB Partners with respect to Korean law. Certain matters as to Cayman Islands law will be advised upon for the Note Issuer by Walkers (Hong Kong).

Each of Tiang & Partners, LAB Partners and Walkers (Hong Kong) has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of statements attributed to it and references to its name in the form and context in which they are included.

GENERAL INFORMATION

1. The issue of the Class A2 Notes has been duly authorised by resolutions of the Board of Directors of the Note Issuer passed on 14 August 2024, 14 August 2024, 23 August 2024 and 9 September 2024. The issue of the Class A2 Bond has been authorised by a resolution of the Equityholders of the Bond Issuer passed on 31 July 2024.
2. The Class A2 Notes have been accepted for clearance through Clearstream and Euroclear with the following Common Code and ISIN number:

Common Code and ISIN Number of the Class A2 Notes

	Class A2 Notes
Common Code:	287841990
ISIN:	XS2878419907

3. Since their respective dates of incorporation, there are no governmental, litigation or arbitration proceedings against or affecting the Note Issuer or the Bond Issuer nor is the Note Issuer or the Bond Issuer aware of any pending or threatened proceedings of such kind, which may have, or have had, in the recent past, a significant effect on the Note Issuer's or the Bond Issuer's financial position or profitability.
4. Neither the Note Issuer nor the Bond Issuer has commenced operations or published any audited financial statements to date. The Note Issuer is not required under Cayman Islands law to prepare annual financial statements or have its financial statements audited. The Bond Issuer is not required under Korean law to prepare annual financial statements or have its financial statements audited. However, if published, such financial statements will be available free of charge during usual business hours at the registered office of the Bond Issuer. The Bond Issuer will not publish any interim financial statements.
5. Save as disclosed in this Prospectus, since its date of incorporation, there has been (i) no material adverse change in the prospects of the Note Issuer and (ii) no significant change in the financial or trading position of the Note Issuer.
6. Save as disclosed in this Prospectus, since its date of incorporation, there has been (i) no material adverse change in the prospects of the Bond Issuer and (ii) no significant change in the financial or trading position of the Bond Issuer.
7. Save as disclosed in this Prospectus, since 31 December 2023, there has been (i) no material adverse change in the prospects of Lotte Card and (ii) no significant change in the financial or trading position of Lotte Card.
8. Save as disclosed in this Prospectus, Lotte Card is not, and has not been, involved in any litigation, arbitration or administrative proceedings which, if adversely decided, may have, or has had during the 12 months preceding the date of this Prospectus, a significant effect on its financial position or profitability nor is aware that any such proceedings are pending or threatened.
9. The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
10. Lotte Card will retain a material net economic interest of at least 5 per cent. in the securitisation in accordance with Article 6(1) of the Securitisation Regulation. As at the Closing Date, such interest will be comprised of an interest in the Seller Interest and the Subordinated Seller Interest which, in aggregate, is not less than 5 per cent. of the beneficial interest in the Trust. Any change to this manner in which this interest is held will be notified to investors.
11. Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 6(1) of the Securitisation Regulation and none of the Note Issuer, nor the Lead Manager or the other parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 6(1) in

their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

12. For so long as the Class A2 Notes are listed on any stock exchange and the rules of the stock exchange so require, copies of the following documents may be inspected in physical form or electronic form (and, in the case of each of (O) to (Q) below, will be available for collection free of charge) at the specified offices of the Principal Paying Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Class A2 Notes:
 - (A) the Note Trust Deed;
 - (B) the Note Agency Agreement;
 - (C) the Note Issuer Administration Agreement;
 - (D) the Trust Agreement;
 - (E) the Servicing Agreement;
 - (F) the Transaction Administration Agreement;
 - (G) the Bond Issuer Servicing Agreement;
 - (H) the Bond Issuer Administrator Agreement;
 - (I) the Pledge Agreement;
 - (J) the Equity Pledge Agreement;
 - (K) the Security Assignment;
 - (L) the Master Definitions Schedule;
 - (M) the Bond Subscription and Agency Agreement;
 - (N) the Class A2 Swap Agreement;
 - (O) the constitutional documents of the Note Issuer;
 - (P) the constitutional documents of the Bond Issuer; and
 - (Q) the future published audited financial statements of the Bond Issuer.
13. Application has been made for the Class A2 Notes to be listed and quoted on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Prospectus. Approval in-principle from SGX-ST, admission of the Class A2 Notes to the Official List of the SGX-ST or quotation of any Class A2 Notes on the SGX-ST are not to be taken as an indication of the merits of this offering, the Note Issuer, the Bond Issuer, the Class A2 Initial Purchaser, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the Class A2 Notes. Under the rules of the SGX-ST, the Class A2 Notes if traded on the SGX-ST are required to be traded in a minimum board lot size of Singapore dollar 200,000 (or its equivalent in foreign currencies). Accordingly, the Class A2 Notes will, upon admission to listing on the Official List of the SGX-ST, be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as the Class A2 Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
14. For so long as the Class A2 Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Note Issuer will appoint and maintain a paying agent in Singapore, where the Class A2 Notes may be presented or surrendered for payment or redemption, in the event that a global certificate is exchanged for definitive certificates. In addition, in the event that a global certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of the Note Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

15. The Note Issuer's Legal Entity Identifier code is 254900XEJ8HBUWRJ0V66.
16. Rajah & Tann Singapore LLP, as the Singapore Listing Agent, is acting solely in its capacity as listing agent for the Note Issuer in connection with the listing and quotation of the Class A2 Notes to the Official List of the SGX-ST.

MASTER DEFINITIONS SCHEDULE

"**ABS Act**" means the Act Concerning Asset Backed Securitisation of Korea (Law No. 5555, 16 September 1998), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Account**" means an account of an Accountholder maintained with the Originator for the provision of consumer finance services, including, as of the date hereof, Credit Card Services, Cash Services and Instalment Services.

"**Account Bank**" means:

- (a) in connection with the Trust Account and the Bond Issuer Won Account, Citibank Korea Inc. or any permitted successors and assigns thereto;
- (b) in connection with the Bond Issuer USD Account, the Swap Cash Collateral Accounts and the Note Issuer Accounts, Citibank, N.A., Hong Kong Branch (organised under the laws of the United States of America with limited liability, acting through its branch in Hong Kong) or any permitted successors and assigns thereto; and
- (c) each Swap Securities Collateral Account Bank,

or, in any case, such other Eligible Entity approved in accordance with Clause 8.1 of the Trust Agreement, Clauses 3.4 and 5.8 of the Transaction Administration Agreement and Clause 10.3 of the Note Trust Deed.

"**Account Records**" means, with respect to a Receivable, all documents, instruments and other agreements of whatever nature supporting or securing payment of such Receivable or related to such Receivable from time to time held or maintained by, or on behalf of, the Originator prior to the Entrustment Date of the relevant Receivable or by, or on behalf of, the Servicer thereafter, whether in physical or electronic form, including without limitation, the Core Records, any other related credit agreement or policy, instruments, account books and records, computer records, correspondence, application forms, notes of communication, collection notes and all other related documents, and documents evidencing guarantees or insurances (if any).

"**Accountholder**" means, in respect of any Account, the Person or Persons named and defined as the principal member in the relevant Card Agreement or any one of them (including, without limitation, as co-borrowers, co-signors or guarantors).

"**Accounting Equity**" means, with respect to any Person other than an individual, on any date, the sum of (i) paid-in capital, (ii) capital surplus, (iii) retained earnings and (iv) capital adjustment, in each case, determined in accordance with Korean IFRS.

"**Act on Protection and Use of Credit Information**" means the Act on Protection and Use of Credit Information of Korea (Law No. 9617, 1 April 2009), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Act on Supporting the Financial Life of the Low Income Households**" means the Act on Supporting the Financial Life of the Low Income Households of Korea (Law No. 14095, 22 March 2016), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Act on the Structural Improvement of the Financial Industry**" means the Act on the Structural Improvement of the Financial Industry of Korea (Law No. 5257, 13 January 1997), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Additional Account**" means each Account designated as a Designated Account by the Originator pursuant to the Trust Agreement from time to time after the Initial Entrustment Date.

"**Additional Accounts Notice**" means the notice relating to the entrustment of Additional Accounts substantially in the form set out in Schedule 1 to the Trust Agreement.

"**Additional Assets**" is defined in Clause 3.2 of the Pledge Agreement.

"**Additional Assets Notice**" means the notice relating to the Additional Assets substantially in the form of Schedule 1 to the Pledge Agreement.

"**Additional Termination Event**" is defined in each Swap Agreement.

"**Affected Party**" is defined in each Swap Agreement.

"**Agency Fees**" means all fees, costs, expenses, indemnities, claims, demands, legal fees, liabilities and other amounts specified in the Bond Issuer Administrator Fee Letter, the Bond Issuer Servicer Fee Letter, the Citibank Fee Letter and the CKI Fee Letter and other relevant fee letter as payable by the Bond Issuer and the Note Issuer in accordance with the provisions of the Transaction Documents to the Bond Agents, the Note Agents, the Account Banks and any party as may be notified to the Transaction Administrator by either of the Bond Issuer or the Note Issuer from time to time.

"**Agency Fees Maximum Amount**" means, on any Bond Payment Date or Note Payment Date falling prior to the Enforcement Date, the maximum amount in Won or U.S. dollars specified in the Bond Issuer Administrator Fee Letter, the Bond Issuer Servicer Fee Letter, the Citibank Fee Letter, the CKI Fee Letter or the relevant fee letter between the Bond Issuer or, as the case may be, the Note Issuer and any Bond Agent or Note Agent.

"**Annual Compliance Statement**" means the annual compliance statement to be delivered by the Servicer in the form set out in Schedule 3 to the Servicing Agreement.

"**Annualised Net Yield**" means, in respect of any Collection Period, the Net Yield for such Collection Period multiplied by 12.

"**Applicable Exchange Rate**" is defined in each Swap Agreement.

"**Applicable Law**" means any law or regulation including, but not limited to: (i) any Law; (ii) any rule or practice of any Authority by which any party to a Transaction Document is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any party to a Transaction Document.

"**Arrangers**" means, together, the Offshore Arrangers and the Onshore Arranger and "**Arranger**" means any of them.

"**Asset Transfer Registration**" means each registration of the transfer of assets to be filed with the FSC pursuant to the ABS Act in accordance with the provisions of the Trust Agreement.

"**Asset Warranty**" means each representation and warranty of the Originator in Clause 12.2 of the Trust Agreement in relation to the Designated Accounts and the Receivables.

"**Assigned Property**" means the assets and property of the Bond Issuer which have been assigned to the Bond Secured Parties and are subject to the Security created under the Security Assignment.

"**Authorised Officer**" means, with respect to any Person, the chief executive officer, the president, the chief financial officer, the chief administrative officer, the chief accounting officer, the treasurer, the controller and any director of such Person or any duly authorised attorney of such Person.

"**Authorised Signatory**" means, in relation to a party to a Transaction Document, those Persons duly authorised by the board of directors of that party or otherwise in accordance with that party's internal procedures to execute any of the Transaction Documents or to sign any reports required to be delivered under the Transaction Documents on behalf of that party.

"**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, whether domestic or foreign.

"**Auto Debit**" means the transfer of payments from a debtor's bank account to a creditor's bank account by automatic direct debit either pursuant to the Auto Debit Arrangements, the Automatic Debit Agreements or by means of CMS operated by KFTC.

"Auto Debit Account" means each account held by the Trustee in its own name with each Automatic Debit Bank for the purposes of receiving Collections from the Automatic Debit Banks.

"Auto Debit Arrangement" means an arrangement between an Accountholder, the Originator and an Automatic Debit Bank pursuant to which payments due from the Accountholder to the Originator are effected by automatic debit.

"Automatic Debit Agreement" means an agreement among the Originator (or the Servicer, the Back-up Servicer or the Substitute Servicer, as the case may be, if the Originator is not the Servicer), the Trustee and an Automatic Debit Bank which is in full force and effect and which provides for such Automatic Debit Bank to transfer payments due on an Account from an account of the relevant Accountholder held at such Automatic Debit Bank by Auto Debit to the related Auto Debit Account; *provided that* any such agreement shall cease to be an Automatic Debit Agreement if the bank which is party to it ceases to be an Automatic Debit Bank.

"Automatic Debit Bank" means each bank at which an Accountholder maintains a bank account designated and authorised under a Card Agreement by such Accountholder for the Originator to automatically debit the monthly payment due on his or her Account from such bank account.

"Average Annualised Net Yield" means, at any time, the aggregate of the Annualised Net Yields for the three (3) immediately preceding Collection Periods divided by three (3).

"Back-up Servicer" means Jeonbuk Bank, in its capacity as Back-up Servicer under the Servicing Agreement, and any permitted successors and assigns thereunder.

"Back-up Servicer Acceptance Fee" means certain fees payable to the Back-up Servicer on the Closing Date in accordance with the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer), the Closing Cashflow Letter Agreement, and the Servicing Agreement for acceptance of the appointment by the Back-up Servicer as Back-up Servicer.

"Back-up Servicer Expenses" means certain costs and expenses of the Back-up Servicer for the relevant Collection Period payable in accordance with the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer) and the Trust Agreement for providing the Back-up Services other than the Back-up Servicer Standby Fee.

"Back-up Servicer Fee Letter" means the fee letter dated on the Closing Date entered into by the Trustee, the Originator and the Back-up Servicer and in relation to the fees and expenses payable to the Back-up Servicer under the Transaction Documents.

"Back-up Servicer Standby Fee" means certain fees payable to the Back-up Servicer on each Trust Distribution Date in relation to the relevant Collection Period in accordance with the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer) and the Servicing Agreement.

"Back-up Services" means certain services, which are set out in Part A of Schedule 2 to the Servicing Agreement, to be rendered by the Back-up Servicer pursuant to the Servicing Agreement with such changes thereto as may be agreed by the Majority Investor, the Trustee, the Back-up Servicer and the Originator from time to time.

"Bank Agreements" means (a) each of the bank agreements and mandates dated or to be dated on or about the Closing Date among, *inter alios* (i) the relevant Account Bank, the Transaction Administrator and the Bond Issuer in respect of the Bond Issuer Won Account, (ii) the relevant Account Bank, the Transaction Administrator and the Bond Issuer in respect of the Bond Issuer USD Account, (iii) the Swap Cash Collateral Account Bank, the Transaction Administrator, the Note Trustee, the Security Agent and the Bond Issuer in respect of the Swap Cash Collateral Accounts, (iv) the Designated FX Bank, the Transaction Administrator and the Bond Issuer in respect of the Bond Issuer FX Account, (v) the relevant Account Bank and the Trustee in respect of the Trust Account and (vi) the relevant Account Bank, the Note Issuer and the Note Trustee in respect of the Note Issuer Accounts; (b) each of the Automatic Debit Agreements; (c) each of the bank agreements entered into, or to be entered into, in respect of the Swap Securities Collateral Accounts; and (d) any bank agreement and mandate entered into from time to time with a replacement Account Bank or Designated FX Bank.

"Basic Terms Modification" is defined in Note Condition 11.

"Bond" means, as the context may require, the Class A1 Bond or the Class A2 Bond issued or to be issued by the Bond Issuer to the Note Issuer on the Closing Date pursuant to the provisions of the Bond Subscription and Agency Agreement and, together, the **"Bonds"**.

"Bond Additional Amounts" means, in respect of any Bond Payment Date, the additional amounts (if any) payable in respect of a Bond on such Bond Payment Date in accordance with the provisions of Bond Condition 5 payable to the Bondholder on such Bond Payment Date.

"Bond Agents" means, together, the Transaction Administrator, the Bond Issuer Servicer, the Security Agent, the Bond Registrar, the Bond Issuer Administrator and the Account Banks in respect of the Bond Issuer Won Account, the Bond Issuer USD Account and the Swap Collateral Accounts, and **"Bond Agent"** means each of them.

"Bond Certificate" means, in respect of a Bond, such Bond in certificated registered form which is issued pursuant to the Bond Subscription and Agency Agreement in the form, or substantially in the form, set out in the Bond Subscription and Agency Agreement.

"Bond Conditions" means, together or as the context may otherwise require, the Class A1 Bond Conditions or the Class A2 Bond Conditions, and a reference to a numbered **"Bond Condition"** will be construed as a reference to the correspondingly numbered Class A1 Bond Condition and/or Class A2 Bond Condition, unless the context otherwise requires.

"Bond Enforcement Date" means, in respect of a Bond, the date of service of a Bond Enforcement Notice in accordance with the provisions of the Bond Conditions.

"Bond Enforcement Notice" means the notice delivered by the Security Agent in accordance with the provisions of the Bond Conditions.

"Bond Event of Default" means, in respect of each Bond, any of the events set out in Bond Condition 6 of the relevant Bond Conditions.

"Bond Expected Maturity Date" means the Bond Payment Date immediately preceding the Note Expected Maturity Date.

"Bondholder" means Point-Plus Twenty-Ninth International Limited, in its capacity as holder of the Bonds.

"Bond Interest Amount" is defined in each Bond Condition 2(d).

"Bond Issue Price" means, in respect of a Bond, the issue price of 100 per cent. of the principal amount of such Bond.

"Bond Issuer" means Supreme Twenty-Ninth Securitization Specialty Co., Ltd., in its capacity as issuer of the Bonds.

"Bond Issuer Accounts" means, together, the Bond Issuer Won Account, the Bond Issuer USD Account, the Bond Issuer FX Account and the Swap Collateral Accounts, and **"Bond Issuer Account"** means any of them.

"Bond Issuer Administrator" means Gong-Myoung Accounting Corporation or any permitted successor and assigns thereto.

"Bond Issuer Administrator Agreement" means the bond issuer administrator agreement dated on or about the date hereof between, *inter alios*, the Bond Issuer and the Bond Issuer Administrator.

"Bond Issuer Administrator Fee Letter" means the fee letter dated on the Closing Date among the Originator, the Bond Issuer and the Bond Issuer Administrator in relation to the fees and expenses payable to the Bond Issuer Administrator under the Bond Issuer Administrator Agreement.

"Bond Issuer Expenses" means all fees, taxes, filing fees, administrative fees or other fees levied by any Governmental Entity in respect of the Bond Issuer and the fees, costs, expenses, indemnities, claims, demands,

legal fees, liabilities and other amounts payable to the Bond Issuer Administrator (if any) in accordance with the Bond Issuer Administrator Fee Letter.

"Bond Issuer FX Account" means the bank account denominated in U.S. dollars opened with the Designated FX Bank in the name of the Bond Issuer.

"Bond Issuer Obligations" means all amounts owed by the Bond Issuer under the Bonds to the Bondholder (including any Bond Additional Amounts) and under or in connection with the Transaction Documents to each of the Bond Secured Parties.

"Bond Issuer Property" means, together, the Pledged Property and the Assigned Property.

"Bond Issuer Servicer" means Jeonbuk Bank, in its capacity as Bond Issuer Servicer under the Bond Issuer Servicing Agreement, or any permitted successors and assigns thereunder.

"Bond Issuer Servicer Fee Letter" means the fee letter dated on the Closing Date among the Originator, the Bond Issuer and the Bond Issuer Servicer in relation to the fees and expenses payable to the Bond Issuer Servicer under the Bond Issuer Servicing Agreement.

"Bond Issuer Servicing Agreement" means the bond issuer servicing agreement dated on or about the date hereof, among, *inter alios*, the Bond Issuer and the Bond Issuer Servicer.

"Bond Issuer USD Account" is defined in Clause 3.1 of the Transaction Administration Agreement.

"Bond Issuer Won Account" is defined in Clause 3.1 of the Transaction Administration Agreement.

"Bond Legal Maturity Date" means the Bond Payment Date immediately preceding the Note Legal Maturity Date.

"Bond Payment Date" means one (1) Business Day immediately prior to each Note Payment Date.

"Bond Rate of Interest" is defined in Bond Condition 2(c).

"Bond Redemption Amount" means, in respect of a Bond, at any date, an amount equal to the Principal Amount Outstanding of such Bond as at such date *plus* accrued and unpaid interest thereon to, but excluding, such date.

"Bond Redemption Notice" means, in respect of a Bond, the notice delivered by the Bond Issuer to the Note Issuer and the Bondholder to optionally redeem such Bond in accordance with the relevant Bond Conditions.

"Bond Register" is defined in Clause 8.2 of the Bond Subscription and Agency Agreement.

"Bond Registrar" means Citibank Korea Inc. or any permitted successors and assigns thereto.

"Bond Secured Parties" means the Note Trustee (in its individual capacity and in its capacity as trustee for the benefit of the Note Secured Parties), the Bondholder, the Majority Investor, the Swap Providers, the Calculation Agents, the Bond Agents, the Designated FX Bank and the Class A1 Initial Purchaser (for so long as it is a Noteholder). For the avoidance of doubt, any holder of the Bonds other than the Bondholder shall not become a Bond Secured Party only by reason of such person being the holder of the Bonds.

"Bond Subscription and Agency Agreement" means the bond subscription and agency agreement dated or to be dated on or about the Closing Date among, *inter alios*, the Bond Issuer, the Bondholder and the Note Trustee.

"Bond Subscription Moneys" means, together, the Class A1 Bond Subscription Moneys and the Class A2 Bond Subscription Moneys.

"BS Score" means the score under the BS credit-scoring system developed by, amongst others, the Originator.

"Business Day" means a day which is (a) a Hong Kong Business Day, (b) a Singapore Business Day, (c) a Seoul Business Day, (d) a New York Business Day and (e) London Business Day.

"**Calculation Agents**" means, together, the Class A1 Calculation Agent and the Class A2 Calculation Agent, and "**Calculation Agent**" means any of them.

"**Capital Adequacy Ratio**" means the capital adequacy ratio calculated from time to time in accordance with, and in the manner prescribed by, Applicable Laws in Korea then in effect, in order to determine whether the Minimum Capital Adequacy Ratio is satisfied by the Originator.

"**Card**" means each card issued by the Originator in connection with an Account for the provision of Credit Card Services, Cash Services or Instalment Services.

"**Card Agreements**" means the Credit Card Membership Agreements.

"**Cardholder**" means a holder of a Card.

"**Cash Release Conditions**" is defined in Clause 10.5 of the Trust Agreement.

"**Cash Services**" means the provision of cash advance facilities by the Originator to an Accountholder in connection with a Card held by such Accountholder for which payment must be made on the Lump Sum Basis or the Revolving Payment Basis.

"**Change of Control**" means with respect to a Person: (i) a sale of all or substantially all of the assets of such Person; (ii) the acquisition of more than 50 per cent. of the voting power of the outstanding securities of such Person by another entity by means of any transaction or series of related transactions (including, without limitation, reorganisation, merger or consolidation); or (iii) any reorganisation, merger or consolidation in which such Person is not the surviving entity, excluding any merger effected exclusively for the purpose of changing the domicile of such Person.

"**Change of Law**" means an amendment, supplement, novation or re-enactment of relevant Law.

"**Changeover Date**" means such date as notified by the Originator to the Trustee and the Transaction Administrator falling on or prior to the Scheduled Changeover Date, on which the arrangement for all payments due from the Accountholders of the Initial Accounts to be transferred by means of Auto Debit into an Auto Debit Account pursuant to the Automatic Debit Agreements becomes effective.

"**Citibank Fee Letter**" means the fee letter dated on the Closing Date among, *inter alios*, the Note Issuer and the Note Agents in relation to the fees and expenses payable to the Note Agents under the Transaction Documents.

"**CKI Fee Letter**" means the fee letter dated on the Closing Date among, *inter alios*, the Trustee, the Bond Agents (other than the Bond Issuer Administrator and the Bond Issuer Servicer), the Originator and the Bond Issuer in relation to the fees and expenses payable to the Trustee and the Bond Agents (other than the Bond Issuer Administrator and the Bond Issuer Servicer) under the Transaction Documents.

"**Class**" means, as the context may require, a class of Bonds or a class of Notes.

"**Class A1 Arranger**" means MUFG Bank, Ltd., in its capacity as arranger of offering of the Class A1 Notes.

"**Class A1 Bond**" means the bond denominated in U.S. dollars to be issued by the Bond Issuer to the Bondholder on the Closing Date pursuant to provisions of, and as defined in, the Bond Subscription and Agency Agreement.

"**Class A1 Bond Conditions**" means the terms and conditions of the Class A1 Bond in the form set out in Part A of Schedule 2 to the Bond Subscription and Agency Agreement.

"**Class A1 Bond Subscription Moneys**" is defined in the Bond Subscription and Agency Agreement.

"**Class A1 Calculation Agent**" means the Class A1 Swap Provider or such other person appointed under the Class A1 Swap Agreement from time to time.

"**Class A1 Confirmation**" means the confirmation detailing the cross-currency and interest rate swap transaction that forms part of the Class A1 Swap Agreement.

"Class A1 Credit Support Annex" means the ISDA Credit Support Annex (Bilateral Form – Title Transfer) (English Law) (as published by the International Swaps and Derivatives Association, Inc.) that forms part of the Class A1 Swap Agreement.

"Class A1 Initial Purchaser" is defined in the Class A1 Note Subscription Agreement.

"Class A1 Interest Calculation Agent" means Citicorp International Limited (a company incorporated with limited liability under the laws of Hong Kong), or any successors or replacements thereto.

"Class A1 Note Certificates" means the registered note certificates without coupons attached issued pursuant to the Note Trust Deed (in the form, or substantially in the form, set out in Part B of Schedule 3 to the Note Trust Deed) issued in respect of the Class A1 Notes and having the Class A1 Note Conditions endorsed thereon or attached thereto.

"Class A1 Note Conditions" means the terms and conditions of the Class A1 Notes in the form set out in Part A of Schedule 2 to the Note Trust Deed as the same may be modified from time to time in accordance with the terms thereof, and any reference to a numbered "Note Condition" in respect of the Class A1 Notes or to a numbered **"Class A1 Note Condition"** shall be construed accordingly.

"Class A1 Noteholders" means the several Persons whose names are entered in the Class A1 Note Register as the holders of the Class A1 Notes, and **"Class A1 Noteholder"** means any of them.

"Class A1 Note Issue Price" is defined in Clause 2 of the Class A1 Note Subscription Agreement.

"Class A1 Note Redemption Amount" means, at any date, an amount equal to the Principal Amount Outstanding of the Class A1 Notes as at such date plus accrued and unpaid interest thereon to, but excluding, such date.

"Class A1 Note Register" is defined in Class A1 Note Condition 1.

"Class A1 Note Registrar" means Citicorp International Limited (a company incorporated with limited liability under the laws of Hong Kong), or any successors or replacements thereto.

"Class A1 Notes" means the U.S.\$150,000,000 Class A1 Floating Rate Social Secured Notes due 2028 to be issued by the Note Issuer on the Closing Date pursuant to the provisions of, and as defined in, the Note Trust Deed.

"Class A1 Note Subscription Agreement" means the note subscription agreement dated on the Closing Date between, among others, the Note Issuer, the Bond Issuer, the Originator, the Class A1 Initial Purchaser and the Class A1 Arranger.

"Class A1 Paying Agent" means Citicorp International Limited (a company incorporated with limited liability under the laws of Hong Kong), or any successors or replacements thereto.

"Class A1 Schedule" means the schedule to the Class A1 Swap Agreement.

"Class A1 Swap Agreement" means, in relation to the Class A1 Bond and the Class A1 Notes, the agreement between the Class A1 Swap Provider and the Bond Issuer (in their capacities, respectively, as Party A and Party B) the terms and conditions of which are set forth in a 2002 ISDA Master Agreement (Multicurrency-Cross Border), together with the Class A1 Schedule, the Class A1 Confirmation and Class A1 Credit Support Annex.

"Class A1 Swap Cash Collateral Account" is defined in Clause 3.1(a) of the Transaction Administration Agreement.

"Class A1 Swap Cash Collateral Account Bank" means, in respect of Class A1 Swap Cash Collateral Account, Citibank, N.A., Hong Kong Branch (organised under the laws of the United States of America with limited liability, acting through its branch in Hong Kong), or such other bank which is an Eligible Entity at which the Class A1 Swap Cash Collateral Account is held in accordance with Clause 5.8(a) of the Transaction Administration Agreement.

"Class A1 Swap Collateral Accounts" means, together, the Class A1 Swap Cash Collateral Account and the Class A1 Swap Securities Collateral Account.

"**Class A1 Swap Provider**" means MUFG Bank, Ltd., Seoul Branch, or any successors or replacements thereto.

"**Class A1 Swap Securities Collateral Account**" is defined in Paragraph 11(g)(ii)(B) of the Class A1 Credit Support Annex.

"**Class A1 Swap Securities Collateral Account Bank**" is defined in Paragraph 11(g)(ii)(B) of the Class A1 Credit Support Annex.

"**Class A1 Transfer Agent**" means Citicorp International Limited (a company incorporated with limited liability under the laws of Hong Kong), or any successors or replacements thereto.

"**Class A2 Arranger**" means DBS Bank Ltd. in its capacity as arranger of offering of the Class A2 Notes.

"**Class A2 Bond**" means the bond denominated in U.S. dollars to be issued by the Bond Issuer to the Bondholder on the Closing Date pursuant to provisions of, and as defined in, the Bond Subscription and Agency Agreement.

"**Class A2 Bond Conditions**" means the terms and conditions of the Class A2 Bond in the form set out in Part B of Schedule 2 to the Bond Subscription and Agency Agreement.

"**Class A2 Bond Subscription Moneys**" is defined in the Bond Subscription and Agency Agreement.

"**Class A2 Calculation Agent**" means the Class A2 Swap Provider or such other person appointed under the Class A2 Swap Agreement from time to time.

"**Class A2 Confirmation**" means the confirmation detailing the cross-currency and interest rate swap transaction that forms part of the Class A2 Swap Agreement.

"**Class A2 Credit Support Annex**" means the ISDA Credit Support Annex (Bilateral Form – Title Transfer) (English Law) (as published by the International Swaps and Derivatives Association, Inc.) that forms part of the Class A2 Swap Agreement.

"**Class A2 Global Note**" means the global note substantially in the form of Part A of Schedule 3 to the Note Trust Deed issued in respect of the Class A2 Notes.

"**Class A2 Initial Purchaser**" is defined in the Class A2 Note Subscription Agreement.

"**Class A2 Interest Calculation Agent**" means Citibank, N.A., London Branch (organised under the laws of the United States of America with limited liability, acting through its branch in London), or any successors or replacements thereto.

"**Class A2 Note Conditions**" means the terms and conditions of the Class A2 Notes in the form set out in Part B of Schedule 2 to the Note Trust Deed as the same may be modified from time to time in accordance with the terms thereof, and any reference to a numbered "**Note Condition**" in respect of the Class A2 Notes or to a numbered "Class A2 Note Condition" shall be construed accordingly.

"**Class A2 Noteholders**" means the several Persons whose names are entered in the Class A2 Note Register as the holders of the Class A2 Notes, and "**Class A2 Noteholder**" means any of them.

"**Class A2 Note Issue Price**" is defined in Clause 2 of the Class A2 Note Subscription Agreement.

"**Class A2 Note Redemption Amount**" means, at any date, an amount equal to the Principal Amount Outstanding of the Class A2 Notes as at such date plus accrued and unpaid interest thereon to, but excluding, such date.

"**Class A2 Note Register**" is defined in Class A2 Note Condition 1.

"**Class A2 Note Registrar**" means Citibank, N.A., London Branch (organised under the laws of the United States of America with limited liability, acting through its branch in London), or any successors or replacements thereto.

"**Class A2 Notes**" means the U.S.\$160,000,000 Class A2 Floating Rate Social Secured Notes due 2028 to be issued by the Note Issuer on the Closing Date pursuant to the provisions of, and as defined in, the Note Trust Deed.

"**Class A2 Note Subscription Agreement**" means the note subscription agreement dated on the Closing Date between, among others, the Note Issuer, the Bond Issuer, the Originator, the Class A2 Initial Purchaser and the Class A2 Arranger.

"**Class A2 Schedule**" means the schedule to the Class A2 Swap Agreement.

"**Class A2 Swap Agreement**" means, in relation to Class A2 Bond and the Class A2 Notes, the agreement between the Class A2 Swap Provider and the Bond Issuer (in their capacities, respectively, as Party A and Party B) the terms and conditions of which are set forth in a 2002 ISDA Master Agreement (Multicurrency-Cross Border), together with the Class A2 Schedule, the Class A2 Confirmation and Class A2 Credit Support Annex.

"**Class A2 Swap Cash Collateral Account**" is defined in Clause 3.1(a) of the Transaction Administration Agreement.

"**Class A2 Swap Cash Collateral Account Bank**" means, in respect of Class A2 Swap Cash Collateral Account, Citibank, N.A., Hong Kong Branch (organised under the laws of the United States of America with limited liability, acting through its branch in Hong Kong), or such other bank which is an Eligible Entity at which the Class A2 Swap Cash Collateral Account is held in accordance with Clause 5.8(a) of the Transaction Administration Agreement.

"**Class A2 Swap Collateral Accounts**" means, together, the Class A2 Swap Cash Collateral Account and the Class A2 Swap Securities Collateral Account.

"**Class A2 Swap Provider**" means DBS Bank Ltd., Seoul Branch, or any successors or replacements thereto.

"**Class A2 Swap Securities Collateral Account**" is defined in Paragraph 11(g)(ii)(B) of the Class A2 Credit Support Annex.

"**Class A2 Swap Securities Collateral Account Bank**" is defined in Paragraph 11(g)(ii)(B) of the Class A2 Credit Support Annex.

"**Clearing Systems**" means, together, Euroclear and Clearstream.

"**Clearstream**" means Clearstream Banking S.A.

"**Closing Cashflow Letter Agreement**" means the agreement dated on or about the Closing Date between, *inter alios*, the Originator, the Bond Issuer, the Trustee and the Majority Investor.

"**Closing Date**" shall be the date specified in the Bond Subscription and Agency Agreement or such other date as the Originator, the Trustee and the Initial Majority Investor may agree in writing.

"**CMS**" means a Cash Management Service operated by KFTC.

"**CMS Arrangement**" means an arrangement whereby KFTC has consented to the KFTC Application providing for a direct transfer of payments due from a bank account of the relevant Accountholder to the Trust Collection Sub-Account.

"**CMS Instructions**" is defined in Clause 8.1 of the Trust Agreement.

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

"**Collateral Audit**" means each audit conducted by the Designated Accounting Firm of all Receivables in the Receivables Pool in accordance with the provisions of the Trust Agreement.

"**Collateral Audit Agreed Upon Procedures**" means the agreed upon procedures to be applied by the Designated Accounting Firm pursuant to the provisions of the Trust Agreement in connection with the performance of each Collateral Audit, in the form set out in Schedule 4 to the Bond Subscription and Agency Agreement.

"**Collateral Right**" is defined in each of the Pledge Agreement, the Equity Pledge Agreement and the Security Assignment.

"**Collection Period**" means, with respect to each Trust Distribution Date, the period from and including the first day of the immediately preceding calendar month (or in the case of the first Collection Period, from but excluding the Initial Cut-off Date) to and including the last day of such calendar month (or in the case of the first Collection Period, to and including the last day of September 2024).

"**Collection Report**" means a report which shall be prepared by the Servicer on each Seoul Business Day and which is in the form set out in Schedule 5 to the Bond Subscription and Agency Agreement.

"**Collections**" means, with respect to a Receivable and any Collection Period, all cash amounts collected and received by the Trustee or the Servicer in respect thereof during such Collection Period, including collections in respect of amounts owed for Credit Card Services, Instalment Services, Cash Services, interest, finance charges, cash advance fees, late charges, annual membership fees and other fees payable thereunder (but, for the avoidance of any doubt, excluding any merchant fees or similar charges payable to merchants), principal or interest amounts recovered or collected upon enforcement of such Receivable, recoveries of Receivable Balance Adjustments and payments of any Reassignment Price.

"**Common Depository**" means the common depository for Euroclear and Clearstream.

"**Confirmation**" means, as the context may require, the Class A1 Confirmation or the Class A2 Confirmation.

"**Consolidated Insolvency Act**" means the Act on Debtor Rehabilitation and Bankruptcy of Korea (Law No. 7428, 31 March 2005), effective on 1 April 2006 and as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Controlled Amortisation Period**" means the period from and including the day immediately following the last day of the Revolving Period until the earlier to occur of (a) the date on which the Early Amortisation Period commences, (b) the Enforcement Date and (c) the date on which all Trust Obligations, Bond Issuer Obligations and Note Issuer Obligations have been paid in full; *provided that* the Controlled Amortisation Period shall not commence if the Early Amortisation Period has commenced or if an Enforcement Notice has been served.

"**Convertibility Costs**" is defined in each Swap Agreement.

"**Convertibility Event**" is defined in each Swap Agreement.

"**Core Records**" means, with respect to each Account, the related Card Agreements (including the application forms, in physical form or electronic form) and all electronic payment records relating to such Account and the Automatic Debit Agreements and the CMS Arrangements.

"**Corporate Income Tax Law of Korea**" means the Corporate Income Tax Law of Korea (Law No. 5581, 28 December 1998), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Credit Card Guidelines**" means the policies and procedures of the Originator relating to the operation of its credit card business (which were in effect as of the Initial Cut-off Date), including, without limitation, the policies and procedures for determining the creditworthiness of Accountholders and the extension of credit to Accountholders and the policies and procedures relating to the collection of credit card receivables.

"**Credit Card Membership Agreement**" means each credit card membership agreement pursuant to which a Receivable arises (including, without limitation, the application forms and the confirmation letters entered into between the Originator and an Accountholder by whatever method and the related schedules, sub-schedules, supplements, amendments thereto and all other documents and reports relating thereto) between the Originator and an Accountholder as principal member, each substantially in the form set out in Schedule 8 to the Trust Agreement as amended, modified or varied by the Originator in accordance with the Transaction Documents from time to time.

"**Credit Card Services**" means the provision of limited credit by the Originator to an Accountholder in connection with a Card held by such Accountholder for the purchase of products and services for which payment must be made on the Lump Sum Basis or the Revolving Payment Basis.

"**Credit Support Annex**" means, as the context may require, the Class A1 Credit Support Annex or the Class A2 Credit Support Annex.

"**Credit Support Balance**" is defined in each Swap Agreement.

"**CRPA**" or "**Corporate Restructuring Promotion Act of Korea**" means the Corporate Restructuring Promotion Act of Korea (Law No. 19852, 26 December 2023), as amended from time to time, and the rules, regulations and decrees promulgated thereunder and any and all successor legislation thereto.

"**CRS**" means the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard, any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the OECD Standard and any legislation, regulations or guidance implemented in the Cayman Islands to give effect to these.

"**Cut-off Date**" means, with respect to each designation of a Designated Account by the Originator, the date as of which the aggregate Receivable Balances of the Receivables then existing in such Designated Account are determined.

"**Daily Cash Release**" is defined in Clause 10.5 of the Trust Agreement.

"**Data File**" means a data file containing all relevant information, compiled by the Originator and the Servicer and delivered to the Trustee and, if applicable, the Back-up Servicer pursuant to the provisions of Schedule 1 to the Servicing Agreement, with respect to the Receivables for the purpose of servicing such Receivables, including payment records of Accountholders.

"**Defaulted Amounts**" means, in relation to a Collection Period, the aggregate principal amount of Defaulted Receivables as of the end of such Collection Period which became Defaulted Receivables during such Collection Period.

"**Defaulted Receivable**" means an Eligible Receivable (without duplication between any of the items set out below):

- (a) any portion of which is past due for one-hundred and eighty (180) days or more;
- (b) in respect of which the Servicer learns or determines that the Accountholder is deceased;
- (c) in respect of which the Servicer learns or determines that the Accountholder has been imprisoned;
- (d) in respect of which the Servicer learns or determines that the Accountholder is bankrupt or has filed for bankruptcy, insolvency, rehabilitation or otherwise is subject to the Consolidated Insolvency Act or similar legal proceedings (or an analogous event occurs with respect to the Accountholder);
- (e) in respect of which the Servicer is (or determines that it is) unable to locate the Accountholder;
- (f) in respect of which the Servicer in its discretion determines that all amounts likely to be received with respect to such Receivable have been received;
- (g) which has been changed to avoid delinquency or default, rescheduled, reduced, restructured or refinanced;
- (h) which is written off by the Servicer in accordance with the Credit Card Guidelines;
- (i) which has been Re-aged;
- (j) which is subject to the Individual Workout Program; or
- (k) in respect of which the Servicer learns or determines that the relevant Accountholder has emigrated to a country other than Korea,

provided that:

- (i) a Receivable shall not be deemed to be a Defaulted Receivable solely because such Receivable is subject to a Receivable Balance Adjustment;
- (ii) once a Receivable is deemed to be a Defaulted Receivable, it cannot thereafter be deemed to be an Eligible Receivable; and
- (iii) any Eligible Receivable arising under an Account in respect of which a Defaulted Receivable currently exists or has previously existed shall be deemed thereafter to be a Defaulted Receivable.

"Defaulting Party" is defined in each Swap Agreement.

"Definitive Note Certificate" means a Note in definitive registered form in substantially the form set out in Part B of Schedule 3 to the Note Trust Deed and having the relevant Note Conditions endorsed thereon or attached thereto.

"Delinquency Ratio" means, with respect to any Collection Period, as of the end of such Collection Period, the aggregate Receivable Balance of those Receivables which have become Delinquent Receivables during such Collection Period as a percentage of the aggregate Receivable Balance of all Eligible Receivables as at the opening of business on the first day of such Collection Period.

"Delinquent Receivable" means an Eligible Receivable (other than a Defaulted Receivable), any payment with respect to which is not made by the last day of the second calendar month following the month in which such payment was first due, without regard to any extensions; *provided that* any Eligible Receivable arising under an Account in respect of which there exists a Delinquent Receivable shall be deemed to be a Delinquent Receivable.

"Designated Account" means each Account, including, for the avoidance of doubt, each Initial Account and each Additional Account, designated as such by the Originator from time to time in a Receivables List delivered to the Trustee pursuant to the provisions of the Trust Agreement, the Receivables in which have been, or shall be, entrusted to the Trustee.

"Designated Accounting Firm" means Nexia Samduk, or another internationally recognised firm of independent accountants in Korea.

"Designated FX Bank" means DBS Bank Ltd., Seoul Branch or any Eligible Entity as a successor or replacement thereto.

"Determination Date" means the twelfth (12th) day of each month or if such day is not a Seoul Business Day the immediately preceding Seoul Business Day; *provided that* the first Determination Date shall fall in October 2024.

"Dilution Ratio" means, as of the last day of each Collection Period, the ratio, calculated as a percentage, and as set out in the relevant Monthly Servicer Report, of (a) the aggregate of all Receivable Balance Adjustments made during such Collection Period to (b) the aggregate Receivable Balance as at the opening of business on the first day of such Collection Period.

"Early Amortisation Charge" is defined in each Swap Agreement.

"Early Amortisation Event" means the occurrence of any of the following events:

- (a) an Insolvency Event occurs in relation to the Originator or the Trustee;
- (b) any of the Originator, the Trustee or the Servicer fails to make any payment, any transfer of funds in accordance with the Transaction Documents (including, without limitation, the payment of the Investor Amortisation Amount) other than any such failure which is caused by any Technical Failure where the relevant payment, transfer or entrustment, as relevant, is made not later than three (3) Seoul Business Days, after the due date therefor, subject to any applicable grace periods specified therein (if any);

(c) any of the Originator, the Trustee or the Servicer fails to perform or comply with any of its material obligations (other than its respective obligations under (b) above) under the Transaction Documents which failure is, in the reasonable opinion of the Majority Investor, incapable of remedy, or continues unremedied for a period of ten (10) days from the earlier to occur of (i) the date on which the Originator, the Trustee or as the case may be, the Servicer becomes aware of such failure, or (ii) the date on which the Originator, the Trustee or as the case may be, the Servicer receives a written notice from the Majority Investor requiring such failure to be remedied;

(d) any representation or warranty or certification made by the Originator in the Transaction Documents is or proves to be materially incorrect or misleading when made, and (x) if, in the reasonable opinion of the Majority Investor, such breach of representation or warranty or such incorrect information is capable of cure or correction, as the case may be, the same continues to be incorrect or misleading in any material respect for a period of five (5) days after the date on which written notice of such breach, requiring the same to be remedied, shall have been received by the Originator or the Trustee (as the case may be) from the Majority Investor or (y) if such breach of representation or warranty or such incorrect information is in the reasonable opinion of the Majority Investor (in consultation with the Originator, provided that if no opinion is formed within three (3) days after the Majority Investor has first informed the Originator of its intention to consult, then an opinion (binding on both the Majority Investor and the Originator) of an independent third party acceptable to the Majority Investor and the Originator shall be sought) incapable of being cured or corrected, as the case may be, on the date on which written notice of such breach shall have been received by the Originator or the Trustee (as the case may be) from the Majority Investor; *provided that* an Early Amortisation Event pursuant to this paragraph (d) shall not be deemed to have occurred hereunder if the Receivable or, as the case may be, Receivables which are the subject of a breach of an Asset Warranty under Clause 12.2 of the Trust Agreement, has or, as the case may be, have been reassigned to the Originator in accordance with the provisions of the Trust Agreement;

(e) a Note Event of Default occurs;

(f) a Bond Event of Default occurs;

(g) a Servicer Termination Event occurs;

(h) a Swap Event of Default or Swap Termination Event occurs under a Swap Agreement; *provided that* no Early Amortisation Event shall occur if a replacement Swap Agreement acceptable to the Majority Investor has been executed by the Bond Issuer and a replacement Swap Provider on or before the date on which such Swap Agreement is terminated;

(i) the Bond Issuer has income tax assessed or payable in excess of KRW50,000,000 in any fiscal year; *provided that*, no Early Amortisation Event shall occur if the Originator or the Servicer (x) prefunds an account held by, or for the benefit of, the Bond Secured Parties with cash or a letter of credit in an amount equal to the income tax assessed or payable in a manner reasonably satisfactory to the Majority Investor and (y) provides an Opinion confirming that such prefunding will not adversely affect the entrustment of the Receivables or the interests of the Investor Interestholder;

(j) as a result of a Change of Law or for any other reason, the entrustment of Receivables, or any part thereof, to the Trustee is held to be invalid or subject to stay or is challenged by the Originator or any receiver, liquidator or similar officer of the Originator or is challenged before any Governmental Entity by a third party and, in the case of such a challenge by a third party, the challenge is not withdrawn or dismissed and the Majority Investor reasonably determines after consultation with the Originator and Korean legal counsel, that the challenge has merit;

(k) (i) Korean withholding tax, Cayman Islands withholding tax or other Taxes (except income taxes of the Initial Investor Interestholder) are, or will become liable to be, imposed on (A) any payment of Receivables by an Accountholder, (B) any payment of Collections (or any other amounts) by the Originator or the Servicer to the Trustee under any of the Transaction Documents, (C) any distribution or other payment by the Trustee in respect of the Investor Interest, except for the interest income in connection with certain Eligible Investments (including certificates of deposit, banker's acceptances of depository institutions and commercial paper) which will be subject to a withholding tax at the rate (currently, 15.4 per cent. (including local corporate income tax)) specified in the Corporate Income Tax Law of

Korea, (D) any payment under any Swap Agreement by the Bond Issuer or the relevant Swap Provider or (E) any payment of interest (or any other amounts) on the Bonds by the Bond Issuer (if (x) the Bond Issuer does not fully gross-up any such payments in respect of any such taxes in a manner satisfactory to the Majority Investor or (y) the cumulative amount that the Bond Issuer grosses-up in respect of such taxes prior to such time equals or exceeds U.S.\$5,000,000 (or, if the taxes are denominated in another currency, the equivalent thereof in such other currency, at the spot rate of exchange prevailing on the date of determination)); *provided that*, no Early Amortisation Event shall occur if (1) the Originator or the Servicer prefunds an account held by, or for the benefit of, the Bond Secured Parties with cash or a letter of credit in an amount equal to the aggregate future Korean withholding tax, Cayman Islands withholding tax or other Taxes and (2) provides an Opinion confirming that such prefunding will not adversely affect the entrustment of the Receivables or the interests of the Investor Interestholder; or

(ii) the Trust is or will be treated as a taxable entity in Korea and is or will become subject to any Korean income or other tax;

(l) the Average Annualised Net Yield is less than zero (0) per cent.;

(m) the Back-up Servicer ceases to provide the Back-up Services under the Servicing Agreement, or it is removed from its role as provider of the Back-up Services, and no replacement provider is appointed within thirty (30) days;

(n) the Servicer or the Originator fails to deliver a Collateral Audit (in the form set out in Schedule 4 to the Bond Subscription and Agency Agreement) when required pursuant to the Trust Agreement and such failure is not remedied within thirty (30) days;

(o) the Majority Investor determines (i) that a Material Adverse Change has occurred in respect of the Originator, the Servicer, the Trustee, the Bond Issuer or the Note Issuer, or (ii) that (1) any termination, suspension or discontinuation to any marketing related collaboration, co-operation, venture or efforts between Lotte Card Co., Ltd. and Lotte Group or, (2) any other event, that has a Material Adverse Effect, has occurred;

(p) any of the security interests created under any of the Transaction Documents to secure the discharge of the Trust Obligations, the Bond Issuer Obligations or the Note Issuer Obligations becomes void, voidable, invalid or otherwise unenforceable or whose validity becomes otherwise subject to challenge in court;

(q) the average of the Delinquency Ratio in respect of the three (3) immediately preceding Collection Periods exceeds two (2) per cent.;

(r) the Eligible Pool Balance Requirement is not satisfied when calculated in respect of the day (the "**Relevant Date**") falling two (2) Seoul Business Days after the last day of any Collection Period (based on information contained in the Collection Report delivered on the Relevant Date);

(s) the Investor Amortisation Amount is not paid in full on any Trust Distribution Date;

(t) the average of the Payment Rates in respect of all Eligible Receivables calculated in respect of the three (3) immediately preceding Collection Periods is less than thirty (30) per cent.;

(u) the amount standing to the credit of the Trust Reserve Sub-Account is on any date less than the Required Reserve Amount as at such date;

(v) either (i) the Originator fails to maintain a long-term domestic currency debt-rating with at least two Korean Rating Agencies or (ii) the Originator's long term domestic currency debt-rating by any one or more Korean Rating Agencies with which the Originator has a rating contract falls below "BBB" (or any higher rating specified in relation to a similar early amortisation event in any of the Originator's other credit card securitisation transactions) or is withdrawn;

- (w) (i) the Originator's Capital Adequacy Ratio, as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Originator's most recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements, falls below the Minimum Capital Adequacy Ratio; or
 - (ii) the Originator's Accounting Equity, as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Originator's most recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements, falls below KRW500,000,000,000;
- (x) it becomes illegal or unlawful for the Originator, the Servicer or the Investor Interests holder to perform any of its obligations under any of the Transaction Documents; or
- (y) the Majority Investor determines that a Change of Control of the Originator or Servicer (when the Originator is the Servicer) (i) results in or would result in a Material Adverse Effect; or (ii) breaches compliance, know your customer or corporate and social responsibility policies of the Majority Investor; provided that the Originator or Servicer shall be provided with prior written notice from the Majority Investor stating the grounds for such determination.

"Early Amortisation Period" means the period from and including the first day of the Collection Period in which an Early Amortisation Event is declared to have occurred by the Transaction Administrator in accordance with Clause 6 of the Transaction Administration Agreement, until the earlier to occur of (i) the Enforcement Date and (ii) the date on which all the Trust Obligations, the Bond Issuer Obligations and the Note Issuer Obligations have been paid in full.

"Early Termination Date" is defined in each Swap Agreement.

"Eligible Account" means a Designated Account which satisfies each of the following criteria as of the relevant Cut-off Date, as of the relevant Entrustment Date and (except for paragraphs (e)(ii), (e)(iv), (g), (h), (j), (k), (o), (p) and (q)) as of the date of creation of any New Receivable arising therein:

- (a) it is in existence, is serviced by the Servicer on the relevant Cut-off Date, and has been in existence for at least six (6) months prior to the relevant Cut-off Date;
- (b) all amounts payable thereunder are denominated in Won and the Originator is not subject to any restrictions on collecting any such payments on Receivables thereunder as a result of any Governmental Payment Suspension Measures;
- (c) it has not been cancelled or classified as written-off in accordance with the Credit Card Guidelines;
- (d) it is not currently suspended or disabled by the Originator;
- (e) it is held by an Account holder who:
 - (i) has provided their billing address in Korea;
 - (ii) is a natural person who is at least twenty (20) years of age as calculated in accordance with Korean Laws;
 - (iii) has not had any bankruptcy, insolvency or similar legal proceedings commenced against him or her and is not deceased;
 - (iv) has not been registered on any of the national credit bureaus or shared databases as being a delinquent or defaulted debtor;
 - (v) has no other Account with the Originator;
 - (vi) has not been subject to any proceedings under the Consolidated Insolvency Act;

- (vii) has not postponed, suspended or otherwise failed to make payments in respect of any Receivable arising under the relevant Account pursuant to the provisions of any Governmental Payment Suspension Measures;
 - (viii) has not entered into the Individual Workout Program; and
 - (ix) is not an employee of the Originator;
- (f) no Receivable arising in such Account, nor any prior indebtedness of the Accountholder to the Originator, has been rescheduled, reduced, restructured, refinanced, Re-aged or changed to avoid delinquency or default;
- (g) with respect to any Account, it has not had a Delinquent Receivable in such Account in accordance with the Credit Card Guidelines more than twice in the lesser of (x) the eighteen (18) month period prior to the relevant Cut-off Date and (y) the number of months for which such Account has been in existence, prior to the relevant Cut-off Date;
- (h) the related Credit Card Membership Agreement, together with the relevant application forms entered into by the related Accountholder:
- (i) conforms in all material respects to the English translation thereof which is annexed to the Trust Agreement or as amended, modified or varied from time to time in accordance with the provisions of the Transaction Documents;
 - (ii) represents the entire agreement between the Originator and the related Accountholder in respect of the Account;
 - (iii) is in full force and effect; and
 - (iv) constitutes the legal, valid and binding obligation of the relevant Accountholder enforceable against it in accordance with its terms (subject to applicable bankruptcy or insolvency related exceptions) and does not contravene any Applicable Laws;
- (i) it was opened by the Originator in the ordinary course of the Originator's business and in accordance with the Credit Card Guidelines and all other applicable requirements of the Originator's policies, practices and procedures relating to its card business;
- (j) it was selected as a Designated Account without use of any selection procedures adverse to the Trust on a random basis from the Originator's portfolio of card accounts and will in the aggregate have characteristics similar in all material respects to the characteristics of the Originator's aggregate portfolio of card accounts;
- (k) it has a BS Score of at least 413;
- (l) it is not classified by the Originator as fraudulent or with respect to which the related card(s) is/are reported stolen or lost;
- (m) it has not been, and in respect of which there are no Receivables which have been, sold or otherwise conveyed to, or made the subject of a Lien in favour of, any Person (except pursuant to the Trust Agreement), other than in respect of Additional Accounts and Receivables arising thereunder for which any such sale, conveyance or Lien is revoked or released on or before the relevant Entrustment Date;
- (n) the aggregate credit limit in respect of which does not exceed KRW100,000,000 and outstanding balance in respect of which does not exceed KRW70,000,000 as of the relevant Cut-off Date for such Account, or at any time thereafter;
- (o) at least three (3) separate billing statements have been issued in respect thereof since the date it was opened until the relevant Cut-off Date;

- (p) as of the relevant Cut-off Date, no Receivables in such Account are past due, without regard to any extensions (including, for the avoidance of doubt, as a result of the relevant Accountholder electing or otherwise being required to postpone, suspend or not make any payments in respect of the Receivables in accordance with any applicable Governmental Payment Suspension Measures);
- (q) no Receivable arising in such Account is, or ever has been, a Defaulted Receivable; and
- (r)
 - (i) in respect of each Initial Account or, in respect of each Additional Account prior to the earlier to occur of the Scheduled Changeover Date and the Changeover Date, it is an Account which is held by an Accountholder who maintains a bank account with any of the Automatic Debit Banks and in respect of which at all times following the Scheduled Changeover Date an Automatic Debit Agreement is in full force and effect; and
 - (ii) in respect of each Additional Account entrusted on or after the earlier to occur of the Scheduled Changeover Date and the Changeover Date, it is an Account which is held by an Accountholder who maintains a bank account with any of the Automatic Debit Banks and in respect of which an Automatic Debit Agreement is in full force and effect.

"**Eligible Account Collections**" means:

- (a) with respect to each Collection Period during the Revolving Period and the Controlled Amortisation Period, all Collections received by the Trustee and the Servicer during each such Collection Period on Receivables which arose under Designated Accounts which were Eligible Accounts on the later to occur of:
 - (i) the last day of the second preceding Collection Period; and
 - (ii) the Cut-off Date of such Designated Account; *provided that* each Designated Account on its Cut-off Date shall be deemed to be an Eligible Account for these purposes;
- (b) with respect to the Collection Period ("**Relevant Collection Period**") during which the Early Amortisation Period commences or (if earlier) the Enforcement Date falls and each succeeding Collection Period, all Collections received by the Trustee and the Servicer during each such Collection Period on Receivables which arose under Designated Accounts which were Eligible Accounts on the later to occur of:
 - (i) the last day of the second Collection Period preceding the Relevant Collection Period; and
 - (ii) the Cut-off Date of such Designated Account; *provided that* each Designated Account on its Cut-off Date shall be deemed to be an Eligible Account for these purposes; and
- (c) with respect to each Collection Period, any amounts which constitute Eligible Account Collections in accordance with the provisions of the Trust Agreement (including, following the commencement of the Early Amortisation Period, principal and interest amounts recovered or collected in connection with any Defaulted Receivables or recoveries of Receivable Balance Adjustments);

provided that, prior to the commencement of the Early Amortisation Period or the Enforcement Date, principal and interest amounts recovered or collected in connection with any Defaulted Receivables or recoveries of Receivable Balance Adjustments, shall not constitute Eligible Account Collections.

"**Eligible Account Interest Collections**" means, with respect to Eligible Account Collections on deposit in the Trust Collection Sub-Account for any Collection Period (without duplication):

- (a) the portion thereof (including the interest portion of any amount of any Reassignment Price deposited into the Trust Collection Sub-Account) representing interest, finance charges, cash advance fees, annual membership fees, late charges and other fees payable thereunder;

- (b) all investment income arising from investments made with amounts on deposit in the Trust Account and credited to the Trust Account;
- (c) all amounts paid pursuant to Clause 8 of the Trust Agreement and designated as Eligible Account Interest Collections; and
- (d) during the Early Amortisation Period or on or after the Enforcement Date, interest amounts recovered or collected upon enforcement of Defaulted Receivables, but excluding Eligible Account Principal Collections.

"Eligible Account Principal Collections" means, with respect to Eligible Account Collections on deposit in the Trust Collection Sub-Account for any Collection Period:

- (a) the portion thereof (including the principal portion of any amount of any Reassignment Price deposited into the Trust Collection Sub-Account) representing amounts owed for Credit Card Services, Cash Services and Instalment Services (in each case not constituting Eligible Account Interest Collections); and
- (b) during the Early Amortisation Period or on or after the Enforcement Date, principal amounts recovered or collected upon enforcement of Defaulted Receivables and recoveries of Receivable Balance Adjustments.

"Eligible Credit Support" is defined in each Swap Agreement.

"Eligible Entity" means any entity which has (or whose head office has) a long-term issuer default rating of at least "A" by Fitch or a short-term issuer default rating of at least "F1" by Fitch (or such other ratings as the Majority Investor and the Originator may agree (with notice to the Rating Agency) in respect of any entity from time to time); *provided that*:

- (a) if an Account Bank or a Paying Agent is not rated by Fitch, the relevant ratings shall be those of its head office (or, if such ratings are not available, an "Eligible Entity" shall be any entity having (or whose head office has) the long-term bank deposit rating of at least "A3" by Moody's Investors Service); and
- (b) in the case of the Back-up Servicer or the Transaction Administrator, an "Eligible Entity" shall be any entity which has a long-term issuer default rating of at least "BBB" by Fitch (or, if such Fitch's rating is not available, a counterparty risk assessment or senior unsecured debt rating of at least "Baa3" by Moody's Investors Service).

"Eligible Investments" means the following investments, in each case denominated in Won or U.S. dollars:

- (a) time deposits, overnight loans, certificates of deposit or banker's acceptances of depository institutions having (or whose head office has): (x) in respect of investments with a tenor of up to and including thirty (30) days, a long-term foreign currency issuer default rating of at least "A" by Fitch or a short-term foreign currency issuer default rating of at least "F1" by Fitch (or such other ratings as the Majority Investor, the Trustee, the Originator and the Transaction Administrator may agree from time to time (with prior written notice to the Rating Agency)); and (y) in respect of investments made with funds on deposit in the Trust Reserve Sub-Account only, with a tenor between thirty-one (31) days and three hundred and sixty-five (365) days (both inclusive), a long-term foreign currency issuer default rating of at least "AA-" by Fitch or a short-term foreign currency issuer default rating of at least "F1" by Fitch (or such other ratings as the Majority Investor, the Trustee, the Originator and the Transaction Administrator may agree from time to time (with prior written notice to the Rating Agency));
- (b) commercial paper having, at the time of investment, a short-term foreign currency issuer default rating of at least "F1" by Fitch (or such other rating as the Majority Investor, the Trustee, the Originator and the Transaction Administrator may agree from time to time (with prior written notice to the Rating Agency)); *provided that* any such investment must mature prior to the next succeeding Trust Distribution Date and the purchase price thereof must not exceed the principal amount thereof;
- (c) to the extent permitted under Applicable Laws, any investments made by the Trustee in trust certificates issued by an investment trust registered pursuant to the Financial Investment Services and

Capital Markets Act, which such investments have, at the time of investment, a long-term foreign currency issuer default rating of at least "A" by Fitch or a short-term foreign currency issuer default rating of at least "F1" by Fitch (or such other rating as the Majority Investor, the Trustee and the Originator may agree from time to time (with prior notice to the Rating Agency)); *provided that* (for purposes of this paragraph) such investment can only be made (x) with amounts credited to the Trust Reserve Sub-Account, (y) with the prior written consent of the Majority Investor and the Trustee and (z) if the principal repayment in respect of each trust certificate is not less than the aggregate amount invested in such trust certificate;

provided that:

- (i) any such investment made by the Trustee shall have a maturity date which falls on or prior to the Seoul Business Day immediately preceding the next succeeding Trust Distribution Date or otherwise, such investment can be withdrawn at any time without penalty;
- (ii) any such investment made by the Transaction Administrator shall have a maturity date which falls on or prior to the Seoul Business Day immediately preceding the next succeeding Bond Payment Date or otherwise, such investment can be withdrawn at any time without penalty; and
- (iii) any amount denominated in Won to be invested by the Trustee or the Transaction Administrator, as the case may be, shall be invested in an investment denominated in Won and any amount denominated in U.S. dollars to be invested by the Transaction Administrator shall be invested in an investment denominated in U.S. dollars,

and, in each of paragraphs (i) and (ii) above, "**penalty**" shall be construed as a penalty in the form of the loss of, or reduction in, the nominal or principal amount of such investment.

"**Eligible Pool Balance**" means, as of any date of determination, an amount equal to the aggregate of the Receivable Balances of all Eligible Receivables in the Receivables Pool less the aggregate Receivable Balance of all Excluded Receivables.

"**Eligible Pool Balance Requirement**" means the requirement that, as of any date of determination, the sum of:

- (a) the Eligible Pool Balance as of the close of business on the date falling two (2) Seoul Business Days prior to such date of determination;
- (b) all amounts standing to the credit of the Trust Account (excluding any Collections deposited into the Trust Collection Sub-Account in respect of any Eligible Receivables forming part of the Eligible Pool Balance determined under paragraph (a) above) in excess of the sum of (i) the Required Collection Amount and (ii) the aggregate of the amounts referred to in paragraphs (a) and (b) of the definition of the Required Reserve Amount, in each case as at the close of business at the end of the immediately preceding Seoul Business Day; and
- (c) during the Controlled Amortisation Period, so long as no Early Amortisation Event has occurred and none of the Swap Agreements has been terminated, all amounts standing to the credit of the Trust Account (which are not already counted under paragraph (b) above) which are Eligible Account Principal Collections held in relation to the next payment of the Investor Amortisation Amount,

is not less than the Required Percentage of the Trust Interest Amount as of such date.

"**Eligible Receivable**" means a Receivable which satisfies each of the following criteria as of the relevant Cut-off Date (other than with respect to paragraph (f) below) and as of the relevant Entrustment Date, or in the case of a New Receivable, as of the date of its creation:

- (a) it has arisen under an Eligible Account;
- (b) it was created in compliance with all requirements of Applicable Law and pursuant to a Credit Card Membership Agreement which complies with all requirements of Applicable Law, in either case the failure to comply with which is more likely than not to have a Material Adverse Effect on the collectibility of such Receivable;

- (c) all consents, licences, approvals or authorisations of, or registrations or declarations with, any Governmental Entity required to be obtained, effected or given in connection with the creation of such Receivable or the execution, delivery and performance by the Originator of the related Card Agreement have been duly obtained or given and are in full force and effect;
- (d) it has arisen in an Account in respect of which the related Credit Card Membership Agreement and application forms conform in all respects to the English translation of the Credit Card Membership Agreement and application form attached as Schedule 8 to the Trust Agreement as amended, modified or varied by the Originator in accordance with the Transaction Documents from time to time and represents the entire agreement between the Originator and the related Accountholder covering the Account and is in full force and effect, and which constitutes the legal, valid and binding obligation of the relevant Accountholder enforceable against it in accordance with its terms (subject to applicable bankruptcy or insolvency related exceptions) and does not contravene any Applicable Laws;
- (e) the Trustee will have good and marketable title thereto, free and clear of all Liens except those created under the Transaction Documents;
- (f) it has been the subject of a valid entrustment from the Originator to the Trustee of all the Originator's right, title, interest and benefit therein and in the proceeds thereof and a valid transfer from the Originator to the Trustee of the related Account Records;
- (g) the Trustee has a valid and enforceable perfected ownership interest in such Receivable (against all parties other than the related Accountholder, perfection against which shall require only delivery of a Perfection Notice in accordance with the Servicing Agreement), free and clear of any Lien;
- (h) it will at all times be the legal, valid and binding payment obligation of the relevant Accountholder enforceable against such Accountholder in accordance with its terms, subject to applicable bankruptcy or insolvency related exceptions;
- (i) it has not been rescheduled, reduced, waived, Re-aged, restructured, refinanced or modified;
- (j) it is not subject to any right of rescission, set-off, counterclaim, adverse claim or defence (including the defence of usury), other than defences related to bankruptcy or insolvency, and no circumstances exist which would give any Accountholder the right to refuse to make any payment under the related Credit Card Membership Agreement and the relevant Accountholder has not elected or is otherwise required to postpone, suspend or not make any payments in respect of such Receivable in accordance with any applicable Governmental Payment Suspension Measures;
- (k) the Originator has satisfied all obligations to be fulfilled as to such Receivable at the time it is entrusted to the Trustee;
- (l) the Originator has done nothing, at or prior to the time of its entrustment to the Trustee, to impair the rights of the Trustee with respect thereto;
- (m) its entrustment to the Trustee, transfer, assignment or sale is not prohibited or restricted for any reason and does not require prior notice to, or consent from, the Accountholder or any other Person;
- (n) if it arises or is managed under the Instalment Services provisions of a Credit Card Membership Agreement the terms of payment for such Receivable provide for either (i) equal monthly repayments of principal which are interest-free or (ii) equal or unequal monthly principal payments which are interest-bearing;
- (o) it is, and will at all times be, capable of being, segregated and identified for ownership purposes;
- (p) it has not arisen under a Card that has been reported as stolen or lost, after such report has been made;

- (q) it has not been identified by the Servicer as having been created as a result of fraudulent use of any Card;
- (r) it represents a direct bilateral obligation of the relevant Accountholder and the Originator;
- (s) other than with respect to Receivables arising or being managed under the Instalment Services provisions of a Credit Card Membership Agreement, it is required to be repaid on a Lump Sum Basis or a Revolving Payment Basis;
- (t) if it arises under an Account where the relevant Accountholder uses multiple services provided by the Originator, it arises from the use of Credit Card Services, Cash Services or Instalment Services;
- (u) it was originated by the Originator in the ordinary course of the Originator's business in accordance with the Credit Card Guidelines and all other applicable requirements of the Originator's policies, practices and procedures relating to its card business;
- (v) it has not been transferred or assigned to Person (other than the Trustee);
- (w) if it is payable on the Revolving Payment Basis, the minimum monthly payment due is at least 10 per cent.; and
- (x) the Originator is in possession of all Account Records and the Card Agreements with respect thereto.

"Enforcement Date" means the date on which an Enforcement Notice is delivered.

"Enforcement Notice" means a Bond Enforcement Notice or a Note Enforcement Notice.

"Entrustment Date" means each date as of which all of the Originator's rights, title, interest and benefit in, to and under the Receivables existing in a Designated Account as of the related Cut-off Date and the Receivables arising from time to time thereafter in such Designated Account, are entrusted by the Originator to the Trustee pursuant to Clause 2.1 or Clause 2.2 of the Trust Agreement.

"Entrustment Date Agreed Upon Procedures" means:

- (a) in relation to the Initial Entrustment Date, the agreed upon procedures to be applied by the Designated Accounting Firm pursuant to the provisions of the Trust Agreement on the Initial Entrustment Date, in the form set out in Part 1 of Schedule 4 to the Bond Subscription and Agency Agreement; and
- (b) in relation to each Entrustment Date (other than the Initial Entrustment Date), the agreed upon procedures to be applied by the Designated Accounting Firm pursuant to the provisions of the Trust Agreement on each such Entrustment Date, in the form set out in Part B of Part 2 of Schedule 4 to the Bond Subscription and Agency Agreement (as such form may be modified to reflect changes to the reporting standards prescribed by the FSC from time to time).

"Equityholder" means each holder of equity interests in the Bond Issuer.

"Equity Interests" means the equity interests in the Bond Issuer.

"Equity Pledge" means the pledge created pursuant to the Equity Pledge Agreement.

"Equity Pledge Agreement" means the equity pledge agreement dated or to be dated on or about the Closing Date among the Bond Issuer, the Equity Pledgors, the Security Agent and the other Bond Secured Parties.

"Equity Pledge Assets" means, together, the Equity Interests held by each Equityholder and all dividends, interest and other moneys payable in respect thereof and any other rights, assets, benefits and proceeds in respect of or derived therefrom (whether by way of redemption, bonus, preference, option, substitution,

conversion or otherwise) which are pledged to the Bond Secured Parties by the Equityholders pursuant to the Equity Pledge Agreement.

"Equity Pledgors" means Lotte Card and Hyung Ill Cho.

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

"Excess Collateral Amount" is defined in each Swap Agreement.

"Excess Trust Expenses" means, for any Collection Period, expenses in excess of the monthly capped amount of Trust Expenses set forth in the CKI Fee Letter which are (a) reasonably incurred by the Trustee or (b) of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under the Trust Agreement.

"Excluded Receivable", as of the close of business on any date (other than as specified below), shall have the following meaning (without duplication between any of the items set out below):

- (a) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which arise or are being managed under the Instalment Services provisions of the Card Agreements exceeds sixty (60) per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables;
- (b) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which arise under the Cash Services provisions of the Card Agreements exceeds thirty (30) per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables;
- (c) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which are payable on the Lump Sum Basis exceeds seventy (70) per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables;
- (d) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which are payable on a Revolving Payment Basis exceeds twenty-five (25) per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables;
- (e) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which arise under the Cash Services provisions of the Card Agreements for which payment must be made on the Revolving Payment Basis exceeds five (5) per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables;
- (f) the amount of the aggregate Receivable Balances of all Eligible Receivables as of the close of business on such date arising or being managed under the Instalment Services provisions of the Card Agreements which are due on or after the Note Expected Maturity Date shall constitute Excluded Receivables (not including any such amounts that are due before the Note Expected Maturity Date);
- (g) the amount of the aggregate Receivable Balances of all Eligible Receivables as of the close of business on such date arising under the Instalment Services provisions of the Card Agreements which have a remaining payment period of more than 36 months shall constitute Excluded Receivables;
- (h) after the Changeover Date, the amount of the aggregate Receivable Balances of all Eligible Receivables as of the close of business on such date arising from a payment made thereon by a method other than Auto Debit pursuant to the Automatic Debit Agreements or the CMS Arrangement shall constitute Excluded Receivables;
- (i) the amount of the aggregate Receivable Balances of all Eligible Receivables as of the close of business on such date arising under Designated Accounts in respect of which the Accountholder is seventy (70) or more years of age as calculated in accordance with Korean Law shall constitute Excluded Receivables;

(j) if any amendment, modification or waiver which has a Material Adverse Effect is made to the terms of the relevant Card Agreement other than in accordance with the Transaction Documents (including an amendment, modification or waiver required by a mandatory provision of Applicable Law), then all Receivables then existing and thereafter arising in the related Account shall be Excluded Receivables;

(k) the amount of the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which have been Re-aged shall constitute Excluded Receivables;

(l) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which arise or are being managed under the Instalment Services provisions of the Card Agreements and payments in respect of which are permitted to be made in unequal monthly principal payments which are interest-bearing and payable for a six-month period or less exceeds 5 per cent. of the Receivable Balance of all Eligible Receivables as of the close of business on such date, shall constitute Excluded Receivables; and

(m) the amount by which the aggregate Receivable Balance of all Eligible Receivables as of the close of business on such date which arise or are being managed under the Instalment Services provisions of the Card Agreements and payments in respect of which are permitted to be made either in (x) unequal monthly principal payments which are interest-free or (y) unequal monthly principal payments which are interest bearing and are payable for a period for more than six-months, shall constitute Excluded Receivables.

"Excluded Rights" means each and every right, power, authority and discretion of, or exercisable by each Bond Agent and each Note Agent under or in relation to any Transaction Documents to which it is a party:

(a) which enables it to protect its own interests under and with respect to the Transaction Documents to which it is a party (i) to determine and collect fees, expenses and indemnities and (ii) to limit the scope of its liabilities and duties; and

(b) without prejudice to the generality of paragraph (a) above, to determine, claim and take action to recover amounts due in relation to indemnities in its favour under the Transaction Documents to which it is a party.

"Extension Charge" is defined in each Swap Agreement.

"Extra Charges" is defined in each Swap Agreement.

"FATCA" is defined in Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any such intergovernmental agreement.

"FATCA Compliance" means compliance with FATCA and CRS as necessary so that (a) no tax, fines or other penalties will be imposed or withheld thereunder in respect of payments to or for the benefit of the Note Issuer, the Note Trustee, the other Note Agents, the Transaction Administrator or their respective agents and (b) the Note Issuer can comply with an agreement entered into under section 1471(b) of the Code and/or any Applicable Laws of the Cayman Islands or other Law enacted in connection with FATCA and CRS.

"FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code, or as otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any Law implementing an intergovernmental approach thereto.

"Fee Letters" means, together, the Bond Issuer Administrator Fee Letter, the Bond Issuer Servicer Fee Letter, the Back-up Servicer Fee Letter, the Citibank Fee Letter and the CKI Fee Letter.

"Financial Consumer Protection Act" means the Financial Consumer Protection Act of Korea (Law No. 17112, 24 March 2020), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"Financial Investment Services and Capital Markets Act" means the Financial Investment Services and Capital Markets Act of Korea (Law No. 8635, 3 August 2007), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"Fitch" means Fitch (Hong Kong) Limited (or its associates) and its successors and assigns; provided that if it no longer performs the functions of a securities rating agency, **"Fitch"** shall be deemed to refer to any other internationally recognised rating agency designated by the Bond Issuer and approved by the Majority Investor and the Originator.

"Fixed Amount" is defined in each Swap Agreement.

"Fixed Amount Payer" means, in respect of each Swap Agreement, the Bond Issuer in its capacity as Party B under such Swap Agreement.

"Fixed Amount Payer Payment Date" means each Swap Payment Date.

"Floating Amount" is defined in each Swap Agreement.

"Floating Amount Payer" means, in respect of each Swap Agreement, the Swap Provider under such Swap Agreement.

"Floating Amount Payer Payment Date" means each Bond Payment Date.

"Floating Rate" is defined in each Swap Agreement.

"Foreign Exchange Transaction Law" means the Foreign Exchange Transaction Law of Korea (Law No. 5550, 16 September 1998), as amended from time to time and the rules, regulations and decrees promulgated thereunder.

"FSC" means the Financial Services Commission of Korea.

"FSS" means the Financial Supervisory Service of Korea.

"FX Dealer" means, with respect to any spot exchange of Won into U.S. dollars or any other currency to be effected by the Transaction Administrator or, as the case may be, the Security Agent in accordance with the provisions of the Transaction Administration Agreement or by the Transaction Administrator or the Trustee in connection with any Eligible Investments, any of the Account Banks or any leading dealer in the relevant foreign exchange markets as selected by the Transaction Administrator or, as the case may be, the Security Agent with a short-term issuer default rating of at least "F1" by Fitch or a long-term issuer default rating of at least "A" by Fitch.

"Government" means the Government of Korea.

"Governmental Entity" means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
- (b) any subdivision, agent, commission, board or authority of any of the foregoing; or
- (c) any quasi-governmental or private body exercising any executive, legislative, judicial, administrative, regulatory, expropriation, prosecuting or taxing authority under or for the account of any of the foregoing.

"Governmental Payment Suspension Measures" means any Law or other measures or provisions (whether temporary or permanent) made by a Governmental Entity in Korea (including, without limitation, the FSS or FSC) which permits payments of interest and/or repayments of principal in respect of any Credit Card Service, Cash Services or Instalment Services under an Accountholder's Account to be suspended, postponed or otherwise ceased for any period of time (whether by voluntary election by the Accountholder or otherwise) or which obligates the Originator (upon such voluntary election by the Accountholder) to either suspend, postpone

or otherwise cease collecting any such payments from an Accountholder for a period of time, including, without limitation, the Loan Deferment Guidelines for small and medium-sized enterprise and small merchants hit by COVID-19 issued by the FSC on 31 March 2020, effective 1 April 2020 to the extent it applies to the Receivables.

"Holder" shall have the meaning given to it in Note Condition 1(b).

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Hong Kong Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in Hong Kong.

"Horizon" means Horizon Funding Corporation.

"Individual Workout Program" means the program under which debt adjustments and any similar measures taken or to be taken for the purpose of credit restoration and the prevention of the insolvency of an Accountholder by way of (i) granting a grace period for repayment of the principal and interest of a Receivable, (ii) debt reduction or release, (iii) extension of the repayment period or (iv) allowing instalment repayments, and/or otherwise, in accordance with the Work-out Code and shall include any relevant Pre-Workout Plan.

"Ineligible Account" means, on any date, an Account:

- (a) which is not an Eligible Account on such date;
- (b) which has an Ineligible Receivable in it on such date; or
- (c) in respect of which the relevant Accountholder has elected or is otherwise required, pursuant to any Governmental Payment Suspension Measures, to suspend, postpone or not make any payment thereunder in respect of the Receivables at any time,

and any Account which has been at any time an Ineligible Account may never again be an Eligible Account and may not be designated as an Eligible Account by the Originator on any subsequent Cut-off Date.

"Ineligible Receivable" means, on any date, any Receivable:

- (a) which arises in the same Designated Account as a Receivable which is not an Eligible Receivable on such date;
- (b) which arises in a Designated Account which is or is determined to be or becomes an Ineligible Account;
- (c) in respect of which a payment has been suspended, postponed or not made (whether in whole or in part) by the relevant Accountholder, or which is otherwise not collectible by the Originator or Servicer, as a result of any Governmental Payment Suspension Measures; or
- (d) which is not an Eligible Receivable on such date.

"Initial Account" means each Account specified in the Receivables List delivered by the Originator to the Trustee in respect of the Initial Entrustment Date and under which any Receivable entrusted to the Trustee on the Initial Entrustment Date arises.

"Initial Majority Investor" means Horizon Funding Corporation.

"Initial Cut-off Date" means 8 July 2024.

"Initial Entrustment Date" means the Closing Date.

"Initial Investor Interestholder" means the Bond Issuer.

"Initial Purchasers" means, together, the Class A1 Initial Purchaser and the Class A2 Initial Purchaser, and **"Initial Purchaser"** means any of them.

"Insolvency Event" means in relation to any Person:

- (a) a court, agency or supervisory authority having jurisdiction enters a decree or order for the appointment of a receiver, trustee, examiner, administrator or liquidator for such Person in any insolvency, bankruptcy, individual debtor rehabilitation, corporate reorganisation, composition, examination proceedings, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs;
- (b) such Person initiates or consents to the appointment of a receiver, trustee, examiner, administrator or liquidator in any insolvency, bankruptcy, individual debtor rehabilitation, corporate reorganisation, composition, examination proceedings, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to such Person or of or relating to substantially all of its property or such Person makes a conveyance or assignment for the benefit of creditors generally (or any class of its creditors) or enters into an arrangement or composition with its creditors generally (or any class of its creditors);
- (c) that such Person admits in writing its inability to pay its debts generally as they become due, files a petition for its bankruptcy, composition, individual debtor rehabilitation or corporate reorganisation, makes an assignment for the benefit of any class of its creditors or members, enters into a moratorium involving any of them, or voluntarily suspends payments of its obligations or its liabilities exceed its assets;
- (d) such Person becomes a failing company (*busiljinhugiup*) under the CRPA or a failing financial institution (*busilkeumyunggikwan*) under the Act on the Structural Improvement of the Financial Industry;
- (e) such Person ceases to carry on all or any substantial part of its business, or threatens to do so;
- (f) an application or petition for bankruptcy, composition, corporate reorganisation, individual debtor rehabilitation or insolvency proceedings is filed against such Person and any such petition or application has not been withdrawn or dismissed by the date which is thirty (30) days after the date of such filing; or
- (g) any event analogous or having a similar effect to any of the events described in paragraphs (a) to (f) above occurs under the Laws of any relevant jurisdiction.

"Insolvency Law" means all Applicable Laws of Korea relating to liquidation, bankruptcy, the granting of a moratorium, rearrangements, receivership, insolvency, reorganisation, composition, rehabilitation, suspension of payments or similar debtor relief Laws from time to time in effect affecting the rights of creditors generally, including, but without limitation, the Consolidated Insolvency Act and the CRPA.

"Instalment Services" means the provision of a facility by the Originator to an Accountholder to purchase products and services from specified merchants on an instalment basis for which principal payments must be made in instalments over a fixed term.

"Interest Amount" is defined in each Swap Agreement.

"Interest Calculation Agent" means, as the context may require, the Class A1 Interest Calculation Agent or the Class A2 Interest Calculation Agent, and, together, the **"Interest Calculation Agents"**.

"Interest Collections" means all such amounts standing to the credit of the Bond Issuer Won Account which have been deposited into such account from the Trust Account by way of distribution of Eligible Account Interest Collections on a Trust Distribution Date.

"Interest Collections Ledger" is defined in Clause 8.2(b) of the Trust Agreement.

"Interestholders" means, together, the Investor Interestholder, the Seller Interestholder and the Subordinated Seller Interestholder.

"Interest Period" means, in relation to the Trust Agreement, the Bonds and the Notes, each period commencing on, and including, a Note Payment Date and ending on, but excluding the next succeeding Note Payment Date; *provided, however, that* the initial Interest Period will commence on, and include, the Closing Date and end on, but exclude, the Note Payment Date falling in October 2024.

"Investment Company Act" means the United States Investment Company Act of 1940, as amended from time to time.

"Investor Amortisation Amount" means, in respect of any Trust Distribution Date, the Won Equivalent of the aggregate Scheduled Amortisation Amounts payable on the Bonds on the corresponding Bond Payment Date (or, if an Early Termination Date has been designated, the Won Exchange Amount of such amount) together with the Won Equivalent or, as the case may be, the Won Exchange Amount, of all other amounts payable on the Bonds in respect of principal on such Bond Payment Date.

"Investor Interest" means the interest in the distributions from the Trust issued to the Investor Interestholder pursuant to the Trust Agreement.

"Investor Interest Shortfall" is defined in Clause 9.2 of the Trust Agreement.

"Investor Interest Subscription Agreement" means the subscription agreement relating to the Investor Interest dated on or about the date hereof among, *inter alios*, the Initial Investor Interestholder, the Trustee, the Note Trustee and the Security Agent.

"Investor Interestholder" means the holder or holders from time to time of the Investor Interest, including the Initial Investor Interestholder for so long as it is the holder of the Investor Interest and any subsequent transferees of the Investor Interest, including transferees by reason of enforcement of security under the Pledge Agreement.

"Investor Percentage" means, for each Trust Distribution Date:

(a) (i) for the purpose of determining the allocation of Eligible Account Interest Collections pursuant to the Trust Agreement during the Revolving Period, the Controlled Amortisation Period, the Early Amortisation Period or on or after the Enforcement Date and (ii) for the purpose of determining the allocation of Eligible Account Principal Collections pursuant to the Trust Agreement during the Revolving Period, the percentage equivalent of (x) the Trust Interest Amount as of the first day of the immediately preceding Collection Period *divided by* (y) the sum of (I) the Eligible Pool Balance and (II) all amounts standing to the credit of the Trust Reserve Sub-Account in excess of the Required Reserve Amount, in each case as of the first day of such Collection Period;

(b) subject to the provisions of paragraph (c) below, for the purpose of determining the allocation of Eligible Account Principal Collections pursuant to the Trust Agreement with respect to any Collection Period in the Controlled Amortisation Period, the Early Amortisation Period or on or after the Enforcement Date (in each case, if no Receivable has been reassigned during the Controlled Amortisation Period pursuant to Clause 3.1 of the Trust Agreement), the percentage equivalent of (i) the Trust Interest Amount as of the last day of the Revolving Period, divided by (ii) the sum of (I) the Eligible Pool Balance and (II) all amounts standing to the credit of the Trust Reserve Sub-Account in excess of the Required Reserve Amount, in each case as of the last day of the Revolving Period; and

(c) if any Receivable is reassigned during the Controlled Amortisation Period pursuant to Clause 3.1 of the Trust Agreement, for the purpose of determining the allocation of Eligible Account Principal Collections pursuant to the Trust Agreement for (i) each Collection Period falling in the Controlled Amortisation Period in which a Receivable has been reassigned pursuant to Clause 3.1 of the Trust Agreement and (ii) each Collection Period falling thereafter, the percentage equivalent of either:

(1) if such Collection Period falls in the Controlled Amortisation Period, (x) the Trust Interest Amount as of the last day of the immediately preceding Collection Period divided by (y) the sum of (I) the Eligible Pool Balance and (II) all amounts standing to the credit of the

Trust Reserve Sub-Account in excess of the Required Reserve Amount, in each case as of the last day of the immediately preceding Collection Period; or

(2) if such Collection Period falls in the Early Amortisation Period or on or after the Enforcement Date, (x) the Trust Interest Amount as of the last day of the Controlled Amortisation Period divided by (y) the sum of (I) the Eligible Pool Balance and (II) all amounts standing to the credit of the Trust Reserve Sub-Account in excess of the Required Reserve Amount, in each case as of the last day of the Controlled Amortisation Period;

provided that the Investor Percentage shall not exceed one hundred per cent. (100%).

"**Investor Principal Shortfall**" is defined in Clause 9.2(a)(ii) of the Trust Agreement.

"**IRS**" means the Internal Revenue Service of the United States of America.

"**Japanese Yen**" and "**JPY**" mean the lawful currency for the time being of Japan.

"**Junior Bond Issuer Amounts**" means the amounts payable by the Bond Issuer pursuant to Clauses 5.2(a)(iv) and (v) and, in the Early Amortisation Period only, Clauses 5.3(a)(v) and (vi) of the Transaction Administration Agreement.

"**Junior Swap Termination Amount**" means, in respect of a Swap Agreement, any Swap Termination Amount payable following the designation of an Early Termination Date where the relevant Swap Provider is the Defaulting Party in respect of a Swap Event of Default under such Swap Agreement or the sole Affected Party in respect of a Swap Termination Event under such Swap Agreement (other than a Swap Termination Event relating to Illegality or a Tax Event (each as defined in such Swap Agreement)).

"**KFTC**" means the Korea Financial Telecommunications and Clearings Institute.

"**KFTC Application**" means the application to be made by the Servicer on behalf of the Trustee to KFTC substantially in the form of Part C of Schedule 2 to the Servicing Agreement.

"**Korea**" means The Republic of Korea.

"**Korean Bank Agreements**" means, together, the Bank Agreements relating to the Bond Issuer Won Account, the Trust Account and the Bond Issuer FX Account and each of the Automatic Debit Agreements.

"**Korean Civil Code**" means the Civil Code of Korea (Law No. 471, 22 February 1958), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Korean GAAP**" means the generally accepted accounting principles in effect from time to time in Korea.

"**Korean IFRS**" means the international financial reporting standards as adopted by the Korean Accounting Standards Board.

"**Korean Pledged Documents**" means, together:

- (a) the Trust Agreement;
- (b) the Servicing Agreement;
- (c) the Transaction Administration Agreement;
- (d) the Bond Issuer Servicing Agreement;
- (e) the Bond Issuer Administrator Agreement;
- (f) the Investor Interest Subscription Agreement;
- (g) the Korean Bank Agreements (excluding the Automatic Debit Agreements);

- (h) the CKI Fee Letter;
- (i) the Bond Issuer Administrator Fee Letter;
- (j) the Bond Issuer Servicer Fee Letter; and
- (k) any other agreements and documents delivered or executed in connection with any of the foregoing.

"Korean Rating Agencies" means National Information & Credit Evaluation Inc., Korea Investors Service, Inc. and Korea Ratings Corporation (and their respective successors, replacements or assigns and any other recognised Korean rating agency designated by the Originator and approved by the Majority Investor).

"Korean Resident" means any resident of Korea as defined under the Foreign Exchange Transaction Act and its Presidential Decree.

"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree, judgment, directive or award of any Governmental Entity.

"Liability" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

"Lien" means any interest in property securing an obligation owed to, or a claim by, any Person other than the owner of the property, whether such interest is based on Law or contract, whether or not such interest is recorded or perfected and whether or not such interest is contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, and includes any mortgage, charge, pledge, deed of trust, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), equity interest, preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever, including without limitation, any conditional sale or other retention of title agreement and any financing lease having substantially the same effect as any of the foregoing.

"London Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in London.

"Lotte Card" means Lotte Card Co., Ltd.

"LPA" means the Law of Property Act 1925 of England and Wales.

"Lump Sum Basis" means the payment of outstanding amounts by an Accountholder in respect of any Receivable in full on the monthly payment date following the date of the monthly statement on which the relevant Receivable appears.

"Majority Investor" means, either:

- (a) subject to the subscription and payment by the Initial Majority Investor of the Class A1 Notes at the Class A1 Note Issue Price on the Closing Date on the terms and conditions of the Class A1 Note Subscription Agreement, the Initial Majority Investor; or
- (b) if the Initial Majority Investor does not hold, or no longer holds, at least 33 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes, any single Noteholder holding more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes; or
- (c) if no single Noteholder holds more than 50 per cent. of the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes, the Note Trustee (acting on the instructions of those Noteholders who together hold more than 50 per cent. of the aggregate Principal Amount

Outstanding of the Class A1 Notes and the Class A2 Notes acting by written resolutions or otherwise in accordance with the Note Trust Deed and the Note Conditions).

"Master Definitions Schedule" means this master schedule of definitions, interpretation and construction clauses.

"Material Adverse Change" means, in respect of any Person, an adverse change in the legal status, financial condition, assets or business prospects of that party which, in the reasonable opinion of the Majority Investor, is material and affects that Person's ability to perform its obligations under the Transaction Documents.

"Material Adverse Effect" means any event, condition, regulatory action, sanction or fine which, in the reasonable opinion of the Majority Investor, would have a material adverse effect on (a) the collectibility of the Receivables, (b) the condition (financial or otherwise), businesses or properties of the Originator or the Servicer, (c) the ability of the Originator, the Transaction Administrator, the Trustee, the Swap Providers, the Account Banks, Designated FX Bank or the Servicer to perform their respective obligations under the Transaction Documents, (d) the interests of the Investor Interestholder, the Noteholders, the Swap Providers or the Note Trustee or (e) the Trust or the Trust Assets.

"Minimum Capital Adequacy Ratio" means the adjusted capital adequacy ratio or certain other capital adequacy ratio, required to be maintained by the Originator or, as the case may be, the Servicer, under Applicable Laws in Korea (as amended from time to time) and for the avoidance of doubt, the Minimum Capital Adequacy Ratio as of the Closing Date shall be 8 per cent. as prescribed by the FSC.

"MOEF" means the Ministry of Economy and Finance in Korea.

"Monthly Servicer Report" means the report to be prepared by the Servicer each month in the form set out in Schedule 6 to the Bond Subscription and Agency Agreement.

"Net Worth" means, as of any date of determination in respect of any Person, the total amount of shareholders' equity of such Person, calculated in accordance with Korean IFRS.

"Net Yield" means for any Collection Period, that amount which is equal to $A - B$, stated as a percentage of the Trust Interest Amount as at the start of such Collection Period, where:

A = the amount of Eligible Account Interest Collections (excluding any amounts transferred from the Trust Reserve Sub-Account to the Trust Collection Sub-Account pursuant to Clause 8.3 of the Trust Agreement but including, for the avoidance of doubt, any investment income arising from Eligible Investments made with amounts on deposit in the Trust Reserve Sub-Account) available for distribution on the related Trust Distribution Date in accordance with the priority of payments set out in Clause 10.2 of the Trust Agreement (including fees and penalties and any interest earned on amounts on deposit in the Trust Collection Sub-Account and the Trust Reserve Sub-Account in such Collection Period); and

B = the amounts payable under Clauses 10.2(a)(i) to (v) (inclusive) of the Trust Agreement on the related Trust Distribution Date.

"New Receivable" means a Receivable arising from time to time in a Designated Account after the Cut-off Date for such Designated Account.

"New York Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in New York, U.S.A.

"Note Agency Agreement" means the agency agreement dated on the Closing Date among, *inter alios*, the Note Issuer and the Note Agents, and any other agreement for the time being in force appointing successor agents in relation to the Notes or in connection with their duties.

"Note Agents" means the Note Trustee, the Class A1 Paying Agent, the Principal Paying Agent, the Paying Agents, the Principal Transfer Agent, the Class A1 Transfer Agent, the Transfer Agents, the Interest Calculation Agents, the Note Registrars and the Account Bank in respect of the Note Issuer Accounts and any other agents

appointed as "Note Agents" from time to time under the Note Agency Agreement, and "**Note Agent**" means each of them.

"**Note Certificate**" means the Class A1 Note Certificate, the Class A2 Global Note or a Definitive Note Certificate.

"**Note Conditions**" means, together or as the context may otherwise require, the Class A1 Note Conditions and the Class A2 Note Conditions, and a reference to a numbered "**Note Condition**" will be construed as a reference to the corresponding numbered Class A1 Note Condition and Class A2 Note Condition, unless the context otherwise requires.

"**Note Enforcement Date**" means, in respect of a Note, the date of service of a Note Enforcement Notice in accordance with Note Condition 8.

"**Note Enforcement Notice**" means, in respect of a Note, the notice delivered by the Note Trustee in accordance with Note Condition 8.

"**Note Event of Default**" means, in respect of a Note, any of the events set out in the relevant Note Condition 8.

"**Note Expected Maturity Date**" means the Note Payment Date falling in November 2027.

"**Noteholder Reporting Obligations**" means the obligations of each holder, purchaser, beneficial owner and subsequent transferee of a Note or interest therein, by acceptance of a Note or an interest in a Note, (i) to provide the Note Issuer (or its authorised agent) and the Note Trustee any information and certification to be provided by such holder, purchaser, beneficial owner or subsequent transferee to the Note Issuer (or an agent of the Note Issuer) that is required to be requested by the Note Issuer (or an agent of the Note Issuer) or that is otherwise helpful or necessary (in all cases, in the sole discretion of the Note Issuer or the Note Trustee (or an agent thereof) to enable the Note Issuer to achieve FATCA Compliance and compliance with the CRS and (ii) to update or correct such information or certification, as may be necessary or helpful (in the sole determination of the Note Issuer or the Note Trustee or their agents, as applicable) to achieve FATCA Compliance and compliance with the CRS.

"**Noteholders**" means, together, the Class A1 Noteholders and the Class A2 Noteholders, and "**Noteholder**" means any of them.

"**Note Issuer**" means Point-Plus Twenty-Ninth International Limited.

"**Note Issuer A1 Account**" means, in respect of the Class A1 Notes, the segregated bank account denominated in U.S. dollars and opened by the Note Trustee with the relevant Account Bank in the name of the Note Issuer, and includes any and all accounts opened in replacement thereof.

"**Note Issuer A2 Account**" means, in respect of the Class A2 Notes, the segregated bank account denominated in U.S. dollars and opened by the Note Trustee with the relevant Account Bank in the name of the Note Issuer, and includes any and all accounts opened in replacement thereof.

"**Note Issuer Accounts**" means, together, the Note Issuer A1 Account and the Note Issuer A2 Account, and "**Note Issuer Account**" means any of them.

"**Note Issuer Administrator**" means Walkers Fiduciary Limited, and includes any successors or replacements thereto pursuant to the terms of the Note Issuer Administration Agreement.

"**Note Issuer Administration Agreement**" means the note issuer administration agreement dated or to be dated on or about the Closing Date among, *inter alios*, the Note Issuer and the Note Issuer Administrator.

"**Note Issuer Expenses**" means all fees, taxes, filing fees, administrative fees or other fees levied by any Governmental Entity or any Rating Agency in respect of the Note Issuer and the fees and disbursements payable to the Note Issuer Administrator under the Note Issuer Administration Agreement.

"**Note Issuer Obligations**" means all amounts owed by the Note Issuer under the Notes or in connection with the Transaction Documents to the Note Secured Parties.

"Note Legal Maturity Date" means the Note Payment Date falling in November 2028.

"Note Payment Date" means the twenty-seventh (27th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day unless that day falls in the next calendar month, in which case the first preceding day which is a Business Day; *provided that* the first Note Payment Date shall fall in October 2024.

"Note Redemption Amount" means, as the context may require, the Class A1 Note Redemption Amount or the Class A2 Note Redemption Amount.

"Note Register" means, as the context may require, the Class A1 Note Register or the Class A2 Note Register and, together, the **"Note Registers"**.

"Note Registrar" means, as the context may require, the Class A1 Note Registrar or the Class A2 Note Registrar and, together, the **"Note Registrars"**.

"Notes" means, together, the Class A1 Notes and Class A2 Notes, and **"Note"** means any of them.

"Note Secured Parties" means the Note Trustee (in its capacity as trustee for the benefit of the Noteholders and not in its individual capacity), the Noteholders, the Note Agents and the Note Issuer Administrator, and **"Note Secured Party"** means any of them.

"Note Secured Parties' Rights" means, in respect of any Note Secured Party, all rights of such Note Secured Party in relation to the Note Security which such Note Secured Party has pursuant to the Note Trust Deed, the Note Conditions or under Law including, without limitation, the right, or the right to direct the Note Trustee, to:

- (a) consent to any modification, waiver and/or extension of any provision of any Note Transaction Document (other than a Basic Terms Modification) which relates to the Note Security and which increases, decreases, amends or otherwise affects any Note Issuer Obligations);
- (b) exercise any right, power or discretion of or under any of the provisions of any of the Note Transaction Documents which relates to the Note Security; and
- (c) appoint a receiver or to bring any litigation, arbitration, administrative or other proceedings arising from or in connection with the Note Security,

in each case as provided in the Note Trust Deed.

"Note Secured Property" means the property and assets of the Note Issuer which have been assigned to the Note Trustee and are subject to the Note Security created under the Note Trust Deed.

"Note Security" means the security assigned to the Note Trustee pursuant to the Note Trust Deed to secure the Note Issuer Obligations.

"Note Subscription Agreements" means, together, the Class A1 Note Subscription Agreement and the Class A2 Note Subscription Agreement.

"Note Transaction Documents" means:

- (a) the Note Trust Deed;
- (b) the Note Agency Agreement;
- (c) the Note Issuer Administration Agreement;
- (d) the Bank Agreements relating to the Note Issuer Accounts;
- (e) the Pledge Agreement;
- (f) the Equity Pledge Agreement;

- (g) the Security Assignment;
- (h) the Bond Subscription and Agency Agreement;
- (i) the Citibank Fee Letter; and
- (j) any other agreements and documents delivered or executed in connection with any of the foregoing.

"Note Trust Deed" means the trust deed dated or to be dated on or about the Closing Date among, *inter alios*, the Note Issuer and the Note Trustee.

"Note Trustee" means Citicorp International Limited (a company incorporated with limited liability under the laws of Hong Kong) in its capacity as trustee for the Noteholders, including any successors or replacements thereto.

"Note Trustee Excluded Rights" means each and every right, power, authority and discretion of, or exercisable by, the Note Trustee under or in relation to any Transaction Documents to which it is a party:

- (a) to make any determination expressed to be made by the Note Trustee under Clause 14.1(o) of the Note Trust Deed;
- (b) which enables it to protect its own interests under and with respect to the Transaction Documents to which it is a party (i) to determine and collect fees, expenses and indemnities and (ii) to limit the scope of its liabilities and duties; and
- (c) without prejudice to the generality of paragraph (b) above, to determine, claim and take action to recover amounts due to it in relation to indemnities in its favour under the Transaction Documents to which it is a party.

"Notice Expenses" means the costs and expenses incurred by the Back-up Servicer in connection with the preparation and delivery of the Perfection Notices and the Servicer Termination Notices and payable from the Trust Reserve Sub-Account (subject to a maximum amount specified in Clause 3.7 of the Back-up Servicer Fee Letter) and in accordance with the provisions of the Trust Agreement and the Back-up Servicer Fee Letter.

"Offshore Arrangers" means the Class A1 Arranger and the Class A2 Arranger or any of their respective successors or replacements therefor, and each an **"Offshore Arranger"**.

"Onshore Arranger" means SK Securities Co., Ltd.

"Opinion" means a legal opinion issued by a reputable law firm in form and substance reasonably acceptable to the Majority Investor.

"Originator" means Lotte Card.

"Originator Cash Deposit" is defined in Clause 8.4 of the Trust Agreement.

"Originator Indemnified Parties" means, collectively, the Trustee, (if the Servicer is not the Originator) the Servicer, the Back-up Servicer, the Transaction Administrator, the Bond Issuer Servicer, the Swap Providers, the Designated FX Bank, the Note Trustee, the Security Agent, the Initial Purchasers, the Bond Registrar, the Paying Agents, the Transfer Agents, the Interest Calculation Agents, the Note Registrars, the Account Banks and the Investor Interestholder and each of their successors, permitted transferees and assignees under the Transaction Documents and all officers, directors, shareholders, controlling Persons, employees, counsel and other agents of any of the foregoing.

"Participant" means a bank or financial institution that is a participant in the KFTC system.

"Party A" means, in the context of each Swap Agreement, the Swap Provider under such Swap Agreement.

"Party A Final Exchange Amount" is defined in each Swap Agreement.

"Party A Final Exchange Date" is defined in each Swap Agreement.

"Party B" means, in the context of each Swap Agreement, the Bond Issuer.

"Party B Final Exchange Amount" is defined in each Swap Agreement.

"Party B Final Exchange Date" is defined in each Swap Agreement.

"pay", **"repay"** and **"redeem"** shall each include both the others and cognate expressions shall be construed accordingly.

"Paying Agents" means:

- (a) the several institutions (including, where the context requires, the Class A1 Paying Agent and the Principal Paying Agent) at their respective Specified Offices initially appointed as Paying Agents by the Note Issuer pursuant to the Note Agency Agreement; and/or
- (b) such other or further paying agents in respect of the Notes as may from time to time be appointed by the Note Issuer (with the prior approval of, and on terms previously approved by, the Note Trustee in writing); and/or
- (c) such other or further Specified Offices as may from time to time be nominated, in each case, by the Note Issuer, and (except in the case of the initial Paying Agents) notice of whose appointment or of which nomination has been given to the Noteholders in accordance with Note Condition 15.

"Payment Rate" means, for any Collection Period in respect of all Eligible Receivables, the aggregate Eligible Account Principal Collections for such Collection Period as a percentage of the aggregate Receivable Balance of all Eligible Receivables as at the opening of business on the first day of such Collection Period.

"Perfection Notices" means the notices to be delivered to Accountholders, in the form set out in Schedule 3 to the Trust Agreement (or such other form which may be appropriate under the then Applicable Law), to perfect the Trustee's ownership interest in the Receivables against Accountholders.

"Permitted Time Deposit" means, among the Eligible Investments, any investment which can be withdrawn at any time without penalty in respect of the principal amount of such investment made from the Trust Reserve Sub-Account denominated in Won or USD, in time deposits of depository institutions having the Required Rating; *provided that* (a) in the case where there is only a short-term issuer default rating available for Fitch, then such rating must be at least "F1" and (b) any such investment shall not exceed the Required Reserve Amount and must mature not later than the next succeeding Trust Distribution Date.

"Person" means an individual, partnership, limited liability company, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, firm, enterprise, Governmental Entity or any other entity.

"Personal Information Protection Act" means the Personal Information Protection Act of Korea (Law No. 10465, 29 March 2011) as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"Pledge" means the pledge created pursuant to the Pledge Agreement.

"Pledge Agreement" means the pledge agreement dated or to be dated on or about the Closing Date among the Bond Issuer, the Security Agent and the Bond Secured Parties.

"Pledged Property" means the property and assets of the Bond Issuer which are subject to the Pledge created under the Pledge Agreement.

"Potential Early Amortisation Event" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, could constitute an Early Amortisation Event.

"Potential Note Event of Default" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, could constitute a Note Event of Default for the purposes of the Notes.

"Pre-Workout Plan" means the plan recommended for the rehabilitation of an Accountholder in accordance with the Work-out Code.

"Principal Amount Outstanding" means, on any date:

(a) in relation to the Class A1 Bond or the Class A2 Bond, the principal amount of such Bond on the Closing Date *less* the aggregate amount of all payments of principal in respect of such Bond which have been paid on the Bond after the Closing Date and prior to such date; or

(b) in relation to the Class A1 Notes or the Class A2 Notes, the aggregate principal amount of such Notes on the Closing Date *less* the aggregate amount of all payments of principal in respect of such Notes which have been paid on such Notes after the Closing Date and prior to such date.

"Principal Collections" means all such amounts standing to the credit of the Bond Issuer Won Account which have been deposited into such account from the Trust Account by way of distribution of Eligible Account Principal Collections on a Trust Distribution Date.

"Principal Collections Ledger" is defined in Clause 8.2(b) of the Trust Agreement.

"Principal Paying Agent" means Citibank, N.A., London Branch (organised under the laws of the United States of America with limited liability, acting through its branch in London), or any successors or replacements thereto.

"Principal Transfer Agent" means Citibank, N.A., London Branch (organised under the laws of the United States of America with limited liability, acting through its branch in London), or any successors or replacements thereto.

"Pro Rata Share" means, in respect of each Swap Payment Date:

(a) in respect of the Class A1 Swap Provider or the holder of the Class A1 Bond, the proportion represented by the following formula:

$$\text{Pro Rata Share} = A / (A+B); \text{ and}$$

(b) in respect of the Class A2 Swap Provider or the holder of the Class A2 Bond, the proportion represented by the following formula:

$$\text{Pro Rata Share} = B / (A+B); \text{ and}$$

Where in each case:

A = Principal Amount Outstanding of the Class A1 Bond on such Swap Payment Date multiplied by the Applicable Exchange Rate (as defined in the Class A1 Swap Agreement); and

B = Principal Amount Outstanding of the Class A2 Bond on such Swap Payment Date multiplied by the Applicable Exchange Rate (as defined in the Class A2 Swap Agreement).

For the avoidance of doubt, it shall be understood that **"Pro Rata Share"** shall only apply where payments in respect of each Bond are to be made to the relevant Swap Provider, as specified in Clauses 5.2 and 5.3 of the Transaction Administration Agreement.

"Prospectus" means the prospectus dated on or about the Closing Date in relation to the offering of the Class A2 Notes.

"Rating Agency" means Fitch (and/or such other internationally recognised rating agencies, designated by the Note Issuer and approved by the Majority Investor, from time to time providing a rating of the Notes).

"Re-aging" means treating Receivables which are between one day to 90 days (inclusive) past due as being current on payment due, in accordance with the Credit Card Guidelines and **"Re-aged"** shall be construed accordingly.

"Reassignment Notice" means a notice substantially in the form of Schedule 9 to the Trust Agreement given pursuant to Clause 3.1 of the Trust Agreement.

"Reassignment Price" means, in respect of any Receivable being re-assigned to the Originator on any date pursuant to the provisions of Clause 3.2 of the Trust Agreement, or any Receivable in respect of which an indemnity payment is payable under Clause 15.2 of the Trust Agreement, the higher of:

- (a) an amount equal to the Receivable Balance (without regard to any reduction due to a Receivable Balance Adjustment) of such Receivable as at the close of business on the date of determination of the Reassignment Price plus accrued and unpaid interest thereon; and
- (b) the Receivable Balance of such Receivable warranted by the Originator pursuant to the Trust Agreement on the related Entrustment Date *less* the aggregate of all Collections in respect thereof allocated to principal and received after the relevant Cut-off Date and up to the close of business on the date of determination of the Reassignment Price.

"Receivable" means any receivable (other than any receivable reassigned to the Originator pursuant to the Trust Agreement) existing on, or arising from time to time after, the related Cut-off Date and until the Trust Termination Date in any Designated Account and consisting of all amounts owed by the Accountholder of the related Designated Account for the provision by the Originator of Credit Card Services, Instalment Services, Cash Services and such other services provided in connection herewith under the Designated Account and annual membership fees, together with finance charges and other fees and charges and any other amounts owed by the Accountholder thereunder.

"Receivable Balance" means, as of any date of determination, the outstanding principal amount of a Receivable as of the related Cut-off Date or, if such Receivable is created after the Cut-off Date, as of the date of its creation *less* the sum of (a) the aggregate of all Collections in respect thereof allocated to principal and received after such Cut-off Date or date of creation and on or before such date of determination and (b) any Receivable Balance Adjustments for such Receivable arising after such Cut-off Date or date of creation and on or before such date of determination; *provided that* the amount of such Receivable which is a Defaulted Receivable as of such date shall not be included.

"Receivable Balance Adjustment" means, with respect to any Receivable, the amount of any reduction in the amounts owing by an Accountholder in respect of such Receivable attributable to any non-cash items including billing errors, merchandise returns, rebates, refunds, defences, fraudulent charges, counterfeit charges, allowances, disputes, set-offs, counterclaims, account cancellation or termination or other adjustments (except any write-off in respect of a Defaulted Receivable).

"Receivables Data Report" means the receivables data report to be delivered by the Back-up Servicer to the Note Trustee, the Investor Interestholder, the Transaction Administrator, the Majority Investor and the Swap Providers pursuant to Schedule 2 to the Servicing Agreement, the form of which is set out in Schedule 7 thereto.

"Receivables List" means, with respect to Receivables to be entrusted to (or reassigned by) the Trustee from time to time, a schedule (which may be a computer file, CD-rom or microfiche list) prepared by the Originator (in form and substance reasonably acceptable to the Trustee, the Servicer, the Back-up Servicer and the Majority Investor) which contains the following information on file (in encrypted format) with the Originator with respect to each Designated Account as of the relevant Cut-off Date:

- (a) Reporting date (month)
- (b) Account number
- (c) Accountholders' name
- (d) Accountholders' current address

- (e) Accountholders' current telephone number
- (f) Account origination date
- (g) Instalment interest rate
- (h) Cash advance interest rate
- (i) Revolving purchase interest rate
- (j) Revolving cash advance interest rate
- (k) Remaining term of Instalment Services
- (l) First payment date for Instalment Services
- (m) Final scheduled payment date for Instalment Services
- (n) Date of payments
- (o) Next payment due date
- (p) Days currently delinquent
- (q) Lump-sum - Receivable Balance
- (r) Instalment - Receivable Balance
- (s) Revolving purchase - Receivable Balance
- (t) Revolving cash advance - Receivable Balance
- (u) Cash advance - (i) Receivable Balance and (ii) type of advance limit (i.e., monthly volume basis or outstanding balance basis)
- (v) Revolving cash advance - (i) Receivable Balance and (ii) type of advance limit (i.e., monthly volume basis or outstanding balance basis);
- (w) Others - Receivable Balance
- (x) Lump-sum - Scheduled principal payment
- (y) Instalment - Scheduled principal payment
- (z) Revolving purchase - Scheduled principal payment
- (aa) Cash advance - Scheduled principal payment
- (bb) Revolving cash advance - Scheduled principal payment
- (cc) Others - Scheduled principal payment
- (dd) Lump-sum - Scheduled interest payment
- (ee) Instalment - Scheduled interest payment
- (ff) Revolving purchase - Scheduled interest payment
- (gg) Cash advance - Scheduled interest payment

- (lh) Revolving cash advance - Scheduled interest payment
- (ii) Others - Scheduled interest payment
- (jj) Lump-sum - Actual paid principal payment
- (kk) Instalment - Actual paid principal payment
- (ll) Revolving purchase - Actual paid principal payment
- (mm) Cash advance - Actual paid principal payment
- (nn) Revolving cash advance - Actual paid principal payment
- (oo) Others - Actual paid principal payment
- (pp) Lump-sum - Actual paid interest payment
- (qq) Instalment - Actual paid interest payment
- (rr) Revolving purchase - Actual paid interest payment
- (ss) Cash advance - Actual paid interest payment
- (tt) Revolving cash advance - Actual interest payment
- (uu) Others - Actual paid interest payment
- (vv) Annual membership fee
- (ww) Late fee
- (xx) Other fees and Charges
- (yy) Payment method
- (zz) Name of Automatic Debit Bank
- (aaa) Automatic Debit Bank account number
- (bbb) Total credit limit
- (ccc) Months currently delinquent
- (ddd) Total credit card Receivable Balance
- (eee) Cash advance sub-limit

provided that, in the case of a Receivables List being provided to a party that is neither the Trustee nor the Servicer, the Receivables List may not contain the information specified above in paragraphs (b) through (e) inclusive and (aaa) (and such omitted information shall be marked with "xxx"), unless permitted by Applicable Laws (including Laws relating to protection of personal data and credit information) and *provided further that*, in the case of a Receivables List with respect to Receivables to be entrusted in respect of an Additional Account or to be reassigned by the Trustee, it may be in such other form (and contain such other information) as the Trustee, the Majority Investor and the Originator may otherwise agree from time to time subject to Applicable Laws (including Laws relating to protection of personal data and credit information).

"Receivables Pool" means the aggregate pool of Receivables in the Designated Accounts at any time.

"Register of Equityholders" means the register of the Equityholders maintained by the Bond Issuer Administrator, indicating the name, number of units and the address of each Equityholder of the Bond Issuer.

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

"Release Date" means the latest to occur of:

- (a) the date on which each Swap Agreement has been terminated and the Swap Providers are no longer subject to any of their respective obligations thereunder;
- (b) all amounts payable to the Swap Providers under the Swap Agreements have been paid in full;
- (c) all amounts payable by the Bond Issuer under the Bonds have been paid in full; and
- (d) all amounts payable by the Note Issuer under the Notes have been paid in full.

"Required Bond Issuer Amount" means, for any Collection Period, the amount of Korean Won which is equal to the sum of:

- (a) all amounts (other than Scheduled Amortisation Amounts or other amounts payable in respect of principal of the Bonds) which the Bond Issuer is obliged to pay to any other Person on the Bond Payment Date falling in the next succeeding Collection Period (including any amounts that have become payable by the Bond Issuer on any earlier date and remain unpaid) and as notified to the Trustee by the Transaction Administrator (which such amounts shall include the Won Exchange Amount of any amounts due in U.S. dollars, as the case may be, on such date and the amount of Korean Won required to purchase any amounts due in any other currency on such Bond Payment Date, in each case as calculated by the Transaction Administrator and notified to the Trustee in accordance with the Transaction Administration Agreement); plus
- (b) all amounts (other than Investor Amortisation Amounts or other amounts payable in respect of principal on the Investor Interest) required to be paid to the Investor Interestholder under the Trust Agreement in respect of Trust Additional Amounts on the Trust Distribution Date falling in the next succeeding Collection Period.

"Required Collection Amount" shall have the meaning given to such term in Clause 9.3(a) of the Trust Agreement.

"Required Percentage" means, as of any date of determination, 111 per cent.

"Required Rating" means, in relation to an entity (or its head office), that the short-term issuer default rating of such entity is rated at least "F1" by Fitch or the long-term issuer default rating of such entity is rated at least "A" by Fitch.

"Required Reserve Amount" means, with respect to a Trust Distribution Date, the sum of:

- (a) an amount equal to the sum of (A) the aggregate amount payable by the Trustee in accordance with Clauses 10.2(a)(i), (ii) and (iii) and 10.2(b)(i) and (ii) of the Trust Agreement on such Trust Distribution Date and (B) the estimated aggregate amount payable by the Trustee in accordance with Clauses 10.2(a)(i), (ii) and (iii) and 10.2(b)(i) and (ii) of the Trust Agreement on the immediately succeeding Trust Distribution Date; and
- (b) the Transfer Costs.

"Return Amount" is defined in each Swap Agreement.

"Revolving Payment Basis" means the payment of outstanding amounts due by an Accountholder on a revolving basis.

"Revolving Period" means the period from but excluding the Initial Cut-off Date to and including the earlier to occur of (i) 30 April 2027, (ii) the day immediately prior to the commencement of the Early Amortisation Period and (iii) the day immediately prior to the Enforcement Date.

"Schedule" means, as the context may require, the Class A1 Schedule or the Class A2 Schedule.

"Scheduled Amortisation Amount" means, as the context may require, each instalment of principal payable with respect to the relevant Notes on each Note Payment Date, or the relevant Bond on each Bond Payment Date, in each case related to a Collection Period in the Controlled Amortisation Period in the amounts set out in Note Condition 4 and Bond Condition 3.

"Scheduled Changeover Date" means 16 October 2024.

"Securities Act" means the U.S. Securities Act of 1933, as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"Securitisation Plans" means the two plans of asset securitisation in connection with the transactions contemplated by the Transaction Documents, to be filed for registration with the FSC pursuant to the ABS Act on or before the Closing Date.

"Securitisation Regulation" means Regulation (EU) 2017/2402 (together with any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time).

"Security" means the security assigned to the Bond Secured Parties pursuant to the Security Assignment to secure the Bond Issuer Obligations.

"Security Agent" means Citibank Korea Inc. in its capacity as Security Agent under the Pledge Agreement, the Equity Pledge Agreement and the Security Assignment and any permitted successors and assigns thereunder.

"Security Assignment" means the security assignment dated or to be dated on or about the Closing Date among, *inter alios*, the Security Agent, the Bond Issuer and the Bond Secured Parties.

"Seller Collections" means, with respect to each Collection Period, all Collections received by the Trustee or the Servicer during such Collection Period which do not constitute Eligible Account Collections or which are deemed to constitute Seller Collections pursuant to the provisions of the Trust Agreement (including, prior to the Early Amortisation Period or the Enforcement Date, principal and interest amounts recovered or collected in connection with any Defaulted Receivables or recoveries of Receivable Balance Adjustments).

"Seller Interest" means the interest in the distributions from the Trust issued to the Originator as Seller Interests pursuant to the Trust Agreement.

"Seller Interests holder" means the holder from time to time of the Seller Interest.

"Seller Interest Shortfall" is defined in Clause 9.2(a)(iv) of the Trust Agreement.

"Seller Percentage" means, for each Trust Distribution Date:

(a) (i) during the Revolving Period for all purposes and (ii) during the Controlled Amortisation Period, the Early Amortisation Period and following the Enforcement Date for the purpose of determining the allocation of Eligible Account Interest Collections pursuant to the Trust Agreement, 100 per cent. *less* the Investor Percentage for such Trust Distribution Date as set forth in paragraph (a) of the definition thereof; and

(b) during the Controlled Amortisation Period, the Early Amortisation Period or following the Enforcement Date for the purpose of determining the allocation of Eligible Account Principal Collections pursuant to the Trust Agreement, 100 per cent. *less* the Investor Percentage for such Trust Distribution Date as set forth in paragraph (b) of the definition thereof.

"Senior Trust Interest Amount" means as of any date, an amount equal to the initial amount of the Investor Interest on the Closing Date (as specified in the Bond Subscription and Agency Agreement) *less* the Won

Equivalent of the aggregate amounts paid by the Bond Issuer to the Bondholder prior to such date in respect of principal of the Bonds (including in respect of any calculation on the last day of a Collection Period such amount to be paid on the Bond Payment Date related to such Collection Period).

"Seoul Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in Seoul.

"Servicer" means Lotte Card in its capacity as Servicer under the Servicing Agreement, or any other Servicer appointed pursuant thereto, and any permitted successors and assigns thereunder and, subject to the provisions of the Servicing Agreement, includes the Back-up Servicer, for so long as it provides the Services, and any Substitute Servicer.

"Servicer Termination Event" means the occurrence of any of the following events:

- (a) the Servicer defaults in the payment or deposit on the due date of any payment or deposit due and payable by it under any Transaction Document to which it is a party, including the Servicer's failure to transfer Collections in accordance with the Servicing Agreement or a Monthly Servicer Report contains any material inaccuracy, and such failure or inaccuracy continues unremedied for three (3) Seoul Business Days;
- (b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under any Transaction Document to which it is a party and (except where such default is incapable of remedy) such default continues unremedied for a period of ten (10) Seoul Business Days from the earlier to occur of (i) the date the Servicer becomes aware of such default, or (ii) the date the Servicer receives a written notice from the Majority Investor requiring such default to be remedied, and which default is, or is likely in the reasonable opinion of the Majority Investor to be, materially prejudicial to the interests of the Investor Interestholder, the Swap Providers and the Noteholders;
- (c) the Servicer (if it is the Originator) ceases or proposes to cease to carry on its business or a substantial part of its consumer finance or card business;
- (d) an Insolvency Event occurs in relation to the Servicer;
- (e) the suspension, revocation, termination or withdrawal of any approval, authorisation, consent or licence required by the Servicer to carry out any of its duties or obligations under any Transaction Document to which it is a party;
- (f) any representation, warranty or statement which is made (or deemed or acknowledged to have been made) by the Servicer in any Transaction Document proves to be in breach in any material respect;
- (g) any indebtedness for borrowed money of the Servicer in an aggregate amount of not less than U.S.\$5 million (or its equivalent in any other currency or currencies) becomes due or capable of being declared due before its stated maturity or is not paid on maturity or on demand (if so payable) and such acceleration or failure to pay continues unremedied for twenty (20) Seoul Business Days;
- (h) the Servicer materially defaults in the performance of its servicing obligations under any agreement with a third party relating to any credit card receivables securitisation transactions under which the Servicer is acting as servicer, and as a result of such default, the Servicer's appointment as servicer under such agreement is terminated;
- (i) (i) the Servicer's Capital Adequacy Ratio as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Servicer's most recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements, falls below the Minimum Capital Adequacy Ratio; or
(ii) the Servicer's Accounting Equity, as set forth in the Monthly Servicer Report delivered as at the end of any fiscal quarter as calculated by reference to the Servicer's most

recent unconsolidated unaudited quarterly or semi-annual financial statements or audited annual financial statements falls below KRW500,000,000,000;

- (j) the Servicing Agreement becomes void, voidable or unenforceable;
- (k) the Majority Investor determines that a Material Adverse Change has occurred in respect of the Servicer;
- (l) the results of any Servicing Audit Report reveal any matter which is, in the opinion of the Majority Investor, materially adverse to the interests of the Bond Issuer, the Bond Secured Parties, the Noteholders or the Investor Interestholder and such matter continues unremedied for a period of twenty (20) Seoul Business Days; or
- (m) the average of the Delinquency Ratio in respect of the three immediately preceding Collection Periods exceeds 2.25 per cent.

"Servicer Termination Notices" means the notices to be delivered to each Accountholder by the Back-up Servicer following the termination of the appointment of the Servicer pursuant to the provisions of the Servicing Agreement and substantially in the form set out in Part B of Schedule 2 to the Servicing Agreement.

"Services" means certain services, which are set out in Schedule 1 to the Servicing Agreement, to be rendered by the Servicer pursuant to the Servicing Agreement.

"Servicing Agreement" means the Servicing Agreement dated on or about the date hereof among, *inter alios*, the Trustee, the Servicer and the Back-up Servicer.

"Servicing Audit Report" means a report of the review of two Monthly Servicer Reports by the Designated Accounting Firm in the form set out in Schedule 4 to the Servicing Agreement.

"Servicing Expenses" means certain costs and expenses of the Servicer payable in accordance with the provisions of the Servicing Agreement and the Trust Agreement and, if the Back-up Servicer is performing the Services, the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer) and the Trust Agreement, and include any Notice Expenses incurred by the Back-up Servicer in excess of the maximum amount set out in the definition of Notice Expenses.

"Servicing Expenses Maximum Amount" means KRW200,000,000 per month or any other amount from time to time agreed upon by the Trustee, the Servicer and the Majority Investor.

"Servicing Fees" means the capped fees of the Servicer set out in the Servicing Agreement or, if a Back-up Servicer is performing the Services, in the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer), and payable to the Servicer and the Back-up Servicer in accordance with the provisions of the Servicing Agreement, the Trust Agreement and the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer) together with all expenses of the Servicer reimbursable pursuant to the Servicing Agreement.

"Singapore" means the Republic of Singapore.

"Singapore Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in Singapore.

"SGX-ST" means the Singapore Exchange Securities Trading Limited.

"Solvency Certificate" means a certificate in the form set out in Schedule 2 to the Trust Agreement.

"Specified Office" means, in relation to any Note Agent or the Bond Registrar, the office specified against the name of such Note Agent in Schedule 1 to the Note Agency Agreement or, in respect of the Bond Registrar, in the Bond Certificates, or such other office as such Note Agent or, as the case may be, the Bond Registrar may specify in accordance with the provisions of the Note Agency Agreement or, in respect of the Bond Issuer, the Bond Subscription and Agency Agreement.

"Standard Terms and Conditions of Agreement on Delegation of Trust Administration" means the general terms and conditions of agreement on delegation of trust administration set out in Schedule 8 to the Servicing Agreement.

"Standard Terms and Conditions of the Receivables Trust Transaction" means the general terms and conditions of receivables trust agreement set out in Schedule 7 to the Trust Agreement.

"STTCL" means the Special Tax Treatment Control Law of Korea (Law No. 5584, 28 December 1998), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"Subordinated Seller Interest" means the interest in the distributions from the Trust subordinated to the Investor Interest and issued to the Originator pursuant to the Trust Agreement.

"Subordinated Seller Interestholder" means the holder from time to time of the Subordinated Seller Interest.

"Subordinated Trust Interest Amount" shall be the amount specified in the Bond Subscription and Agency Agreement.

"Substitute Servicer" means a substitute servicer appointed pursuant to the Servicing Agreement.

"Swap Agreements" means, together, the Class A1 Swap Agreement and the Class A2 Swap Agreement, and **"Swap Agreement"** means any of them.

"Swap Cash Collateral Accounts" means, together, the Class A1 Swap Cash Collateral Account and the Class A2 Swap Cash Collateral Account, and **"Swap Cash Collateral Account"** means any of them.

"Swap Cash Collateral Account Banks" means, together, the Class A1 Cash Collateral Account Bank and the Class A2 Cash Collateral Account Bank, and **"Swap Cash Collateral Account Bank"** means any of them.

"Swap Collateral Accounts" means, together, the Swap Securities Collateral Accounts and the Swap Cash Collateral Accounts.

"Swap Event of Default" means, in respect of a Swap Agreement, an Event of Default under such Swap Agreement as set out in Section 5(a) thereof.

"Swap Payment Date" means one (1) Business Day prior to the Bond Payment Date.

"Swap Providers" means, together, the Class A1 Swap Provider and the Class A2 Swap Provider, and **"Swap Provider"** means any of them.

"Swap Securities Collateral Accounts" means, together, the Class A1 Swap Securities Collateral Account and the Class A2 Swap Securities Collateral Account, and **"Swap Securities Collateral Account"** means any of them.

"Swap Securities Collateral Account Banks" means, together, the Class A1 Swap Securities Collateral Account Bank and the Class A2 Swap Securities Collateral Account Bank, and **"Swap Securities Collateral Account Bank"** means any of them.

"Swap Termination Amount" means, in respect of a Swap Agreement, any amount (including, without limitation, breakage costs) payable under Section 6(e) of such Swap Agreement upon the designation of an Early Termination Date (as defined in such Swap Agreement) by either the Bond Issuer or the relevant Swap Provider.

"Swap Termination Event" means, in respect of a Swap Agreement, a Termination Event (as defined in each Swap Agreement) or an Additional Termination Event under such Swap Agreement as set out in Section 5(b) thereof.

"TA Report Date" means the day falling at least two (2) Seoul Business Days prior to each Trust Distribution Date.

"Tax Event" means any change in the Laws of Korea or the Cayman Islands or any change in the application or official interpretation of such Laws, including a holding by a court of competent jurisdiction in the relevant jurisdiction, which change or amendment becomes effective on or after the Closing Date and as a result of which:

- (a) the Trustee, the Back-up Servicer (if any), the Bond Issuer, the Servicer, the Originator or the Accountholders would be required to pay any Taxes or any increased or additional amount in respect of any Taxes required to be deducted or withheld from or otherwise imposed on any payment by such parties in respect of the Receivables or the Investor Interest;
- (b) the Trust is or will be treated as a taxable entity in Korea and is or will become subject to any Korean income or other tax (except for withholding tax at the rate specified under the Corporate Income Tax Law of Korea, which such rate is currently 15.4 per cent. (including local corporate income tax) on interest income attributable to the Trust in connection with certain Eligible Investments (including certificates of deposit, bankers' acceptance of depository institutions and commercial paper));
- (c) the Bond Issuer is or will be unable to deduct expenses incurred in respect of any of the Bonds or payment of interest on any of the Bonds in computing taxable income for Korean tax purposes; or
- (d) as long as the Bond Issuer is the Investor Interestholder, Korean withholding tax is or will be imposed on payments by the Bond Issuer (or any paying agent on its behalf) under any of the Bonds or the Swap Agreements or on payments by the Swap Providers to the Bond Issuer under any of the Swap Agreements.

"Taxes" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any jurisdiction, including, without limitation, all withholdings, deductions in respect of withholding taxes, stamp registration or other taxes and all related liabilities.

"Technical Failure" means a failure due to administrative or technical error in the banking system of Korea unrelated to any of the parties to the Transaction Documents.

"Transaction Administration Agreement" means the transaction administration agreement dated on or about the date hereof among, *inter alios*, the Bond Issuer and the Transaction Administrator.

"Transaction Administrator" means Citibank Korea Inc., in its capacity as Transaction Administrator under the Transaction Administration Agreement, and any permitted successors and assigns thereunder.

"Transaction Administrator Report" means the report to be prepared by the Transaction Administrator each month in the form set out in Schedule 7 to the Bond Subscription and Agency Agreement.

"Transaction Documents" means this Master Definitions Schedule, the Trust Agreement, the Servicing Agreement, the Transaction Administration Agreement, the Bond Issuer Servicing Agreement, the Investor Interest Subscription Agreement, the Bond Issuer Administrator Agreement, the Pledge Agreement, the Equity Pledge Agreement, the Security Assignment, the Bond Subscription and Agency Agreement, the Note Trust Deed, the Note Agency Agreement, the Note Subscription Agreement, the Note Issuer Administration Agreement, the Swap Agreements, the Bank Agreements, the Fee Letters and any other agreements and documents delivered or executed in connection therewith.

"Transfer Agents" means:

- (a) the several institutions (including, where the context requires, the Class A1 Transfer Agent and the Principal Transfer Agent) at their respective Specified Offices initially appointed as Transfer Agents by the Note Issuer pursuant to the Note Agency Agreement; and/or
- (b) such other or further transfer agents in respect of the Notes as may from time to time be appointed by the Note Issuer; and/or

(c) such other or further Specified Offices as may from time to time be nominated, in each case, by the Note Issuer, and (except in the case of the initial Transfer Agents) notice of whose appointment or of which nomination has been given to the Noteholders in accordance with Note Condition 15.

"**Transfer Costs**" means, together, the Transfer Fee and the Notice Expenses.

"**Transfer Expenses**" shall have the meaning given to such term in the Back-up Servicer Fee Letter.

"**Transfer Fee**" means the fee payable in an amount of KRW400,000,000 to the Back-up Servicer from the Trust Reserve Sub-Account upon the occurrence of a Servicer Termination Event in accordance with the provisions of the Trust Agreement, the Servicing Agreement and the Back-up Servicer Fee Letter (or any relevant fee letter of a successor Back-up Servicer).

"**Transfer Plan**" means the plan for transfer of servicing to the Back-up Servicer, substantially in accordance with Schedule 6 to the Servicing Agreement and otherwise in form and substance satisfactory to the Originator, the Trustee, the Back-up Servicer and the Majority Investor.

"**Trust**" means the trust created under the Trust Agreement.

"**Trust Account**" means the segregated bank account established pursuant to Clause 8.1 of the Trust Agreement, denominated in Korean Won and opened by the Trustee with the Account Bank in the name of the Trustee.

"**Trust Act**" means the Trust Act of Korea (Law No. 10924, 25 July 2011), as amended from time to time, and the rules, regulations and decrees promulgated thereunder.

"**Trust Additional Amounts**" means, following the imposition of any withholding or reduction in respect of Taxes on any amounts payable by the Trustee to the Investor Interestholder pursuant to the provisions of the Trust Agreement, such additional amounts payable by the Trustee to the Investor Interestholder and/or the Swap Providers (as relevant) pursuant to the Trust Agreement in order that the net amount received by the Investor Interestholder and/or the Swap Providers (as relevant) on any Trust Distribution Date or any other date after such withholding or deduction shall equal the amounts which would have been received in respect of the Investor Interest and/or by the Swap Providers (as relevant) in the absence of such withholding or deduction.

"**Trust Agreement**" means the Trust Agreement dated on or about the date hereof among, *inter alios*, the Originator and the Trustee.

"**Trust Assets**" means all of the assets of the Trust (including, without limitation, the Receivables, all Collections thereon and all monies standing to the credit of each Auto Debit Account and the Trust Account).

"**Trust Collection Sub-Account**" means the administrative sub-account of the Trust Account established by the Trustee for the purpose of receiving Collections.

"**Trust Corporation**" means a corporation entitled by rules made under the Public Trustee Act 1906, or entitled pursuant to any comparable legislation applicable to a trustee in any jurisdiction, to carry out the functions of a custodian trustee, and, for the avoidance of doubt, shall include Citicorp International Limited.

"**Trust Distribution Date**" means each Swap Payment Date.

"**Trustee**" means Citibank Korea Inc., acting as trustee of the Trust in accordance with the Trust Agreement.

"**Trustee Eligibility Criteria**" means the requirements, unless waived by the Majority Investor, that the Trustee be a Korean trust bank and (a) with respect to the initial Trustee, that the Trustee maintain a long-term issuer default rating of not less than "BBB" by Fitch and (b) with respect to any successor Trustee under the Trust Agreement, that such Trustee maintain a long-term issuer default rating of not less than "BBB" by Fitch and be approved in writing by the Majority Investor.

"**Trustee Fee**" means the fees of the Trustee set out in the CKI Fee Letter.

"**Trustee Termination Event**" means the occurrence of any of the following events:

- (a) the Trustee fails to make any payment, transfer or deposit as required under the Trust Agreement or any other Transaction Document to which the Trustee is a party;
- (b) failure of the Trustee to observe or perform in any material respect any other covenant or agreement of the Trustee as set forth in the Trust Agreement or any other Transaction Document to which the Trustee is a party (including, but without limitation, any obligation of the Trustee to seek the consent of any party or to act in accordance with the instructions or at the direction of any party) and (except where such failure is incapable of remedy) such failure continues unremedied for a period of ten (10) Seoul Business Days;
- (c) a material breach of a representation or warranty made by the Trustee in or pursuant to the Trust Agreement or any other Transaction Document to which the Trustee is a party;
- (d) an Insolvency Event occurs in relation to the Trustee;
- (e) occurrence of a Material Adverse Change with respect to the Trustee;
- (f) the Trustee transfers a substantial part of its own assets (or announces its intention to do so) to another entity; or
- (g) the Trustee consolidates or amalgamates with, or merges with or into, or transfers a substantial part of its own assets to (or announces its intention to do any of the foregoing), the Originator.

"Trust Expenses" means, for any Collection Period, all costs, expenses and other amounts paid or reasonably incurred by the Trustee in connection with the Transaction Documents including the Trustee Fee, any expenses for establishing the Trust Account and related internet banking facilities, any fees and bank commissions payable by the Trustee to the Automatic Debit Banks pursuant to the Automatic Debit Agreements (to the extent that any such costs, expenses and other amounts are not paid or reimbursed by the Originator directly to the Trustee), transfer fees and bank commissions incurred on remittance from each Auto Debit Account to the Trust Collection Sub-Account, the fees and expenses payable by the Trustee to the KFTC, the costs of certain audits, reports and opinions referred to in the Servicing Agreement, any costs and expenses relating to regulatory filings and registrations pursuant to the Trust Agreement or the Servicing Agreement (but only to the extent the Originator defaults in the payment thereof) and other administrative fees and expenses (but excluding the Servicing Expenses, the Notice Expenses and payments of profit or principal on the Trust Interests), all costs and expenses (if any) required under Clause 17.4(a) or 17.4(b) of the Trust Agreement to be treated as Trust Expenses, and any liability incurred and payable by the Trustee in respect of which the Trustee is entitled to be indemnified pursuant to the Transaction Documents, up to an aggregate agreed maximum (as set out in the CKI Fee Letter) in respect of the current and all prior Collection Periods for all such expenses.

"Trust Interest Amount" means, as of any date, an amount equal to the sum of the Senior Trust Interest Amount and the Subordinated Trust Interest Amount as of such date.

"Trust Interests" means, collectively, the Investor Interest, the Seller Interest and the Subordinated Seller Interest.

"Trust Obligations" means all accrued and unpaid profit and principal owing in respect of the Investor Interest and all other amounts to be paid by the Trustee under the Trust Agreement (including without limitation all amounts to be paid to the Investor Interestholder, the Trustee, the Back-up Servicer, the Servicer and the Swap Providers) and all tax gross-up amounts to be paid under the Trust Agreement (including Trust Additional Amounts), but excluding amounts to be paid to the Seller Interestholder, the Subordinated Seller Interestholder or, if the Originator is the Servicer, the Servicer.

"Trust Reserve Sub-Account" means the administrative sub-account of the Trust Account established by the Trustee for the purpose of segregating the Transfer Costs from Collections.

"Trust Termination Date" means (A) if the Unwind Agreement has not been executed, the date which is five Business Days (or such other period as the Majority Investor, the Trustee and the Originator may agree) after the earlier to occur of (i) the date on which all Trust Obligations, Bond Issuer Obligations and Note Issuer Obligations have been paid in full, (ii) the Bond Legal Maturity Date and (iii) the Note Legal Maturity Date or (B) if the Unwind Agreement has been executed, such date as defined in the Unwind Agreement.

"**Unwind Agreement**" is defined in Clause 5(f) of the Trust Agreement.

"**U.S.**" and "**U.S.A.**" means the United States of America.

"**U.S. dollars**", "**U.S. Dollars**", "**USD**" and "**U.S.\$**" each means the lawful currency for the time being of the United States of America.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"**USD Payment**" is defined in Clause 5.1(b) of the Transaction Administration Agreement.

"**USD Principal Amount**" is defined in each Swap Agreement.

"**USD-SOFR**" is defined in Note Condition 3(c).

"**Won**", "**Korean Won**" and "**KRW**" each means the currency of Korea.

"**Won Equivalent**" means the equivalent in Korean Won, calculated at the relevant Applicable Exchange Rate, of any amount denominated in U.S. dollars.

"**Won Exchange Amount**" means, in relation to any obligation of the Bond Issuer to make a payment in a currency other than Korean Won on any Swap Payment Date or Bond Payment Date, the amount of Korean Won required to purchase such amount in a currency other than Korean Won at the spot exchange rate available to the Transaction Administrator or the Security Agent from the FX Dealer or otherwise in accordance with the provisions of the Transaction Administration Agreement and the Pledge Agreement.

"**Won Principal Amount**" is defined in each Swap Agreement.

"**Won Scheduled Amortisation Amount**" means, in relation to any Swap Payment Date falling during the Controlled Amortisation Period, the Won Equivalent of the relevant Scheduled Amortisation Amount payable on such Swap Payment Date.

"**Work-out Code**" means the agreement entered into pursuant to the Act on Supporting the Financial Life of the Low Income Households, by and among certain financial institutions for the support of credit restoration of individual obligors (effective as of 26 December 2016) to which the Originator is a party (including any amendment thereto).

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