

CONFORMED COPY

CALL OPTION AGREEMENT (NON-DEFAULTED)

24 APRIL 2013

Between

**TESCO PERSONAL FINANCE PLC
(Transferor, Offerer and Servicer)**

and

**DELAMARE CARDS RECEIVABLES TRUSTEE LIMITED
(Receivables Trustee)**

ALLEN & OVERY

Allen & Overy LLP

0091184-0000003 ICM:16696807.6

CONTENTS

Clause	Page
1. Interpretation and Construction	1
2. Call Option	2
3. Non-Petition	3
4. Governing Law	3
5. Jurisdiction	3
 Schedule	
1. Form of Option Notice	4
2. Form of Option Assignment.....	6
3. Form of Retrocession Letter.....	7
 Signatories.....	 8

THIS CALL OPTION AGREEMENT (NON-DEFAULTED) is made on 24 April 2013 as a deed.

BETWEEN:

- (1) **TESCO PERSONAL FINANCE PLC**, a public limited company incorporated under the laws of Scotland, with company number SCI7 3199, having its registered office at Interpoint Building, 22 Haymarket Yards, Edinburgh EH12 5BH (**TPF**, in its capacities as the **Transferor**, as offerer of the Receivables (the **Offerer**) and as servicer (the **Servicer**)); and
- (2) **DELAMARE CARDS RECEIVABLES TRUSTEE LIMITED**, a private limited company incorporated under the laws of England and Wales, with company number 08356561, and having its registered office at 20 Churchill Place, Canary Wharf, London E14 5HJ in its capacity as Receivables Trustee (the **Receivables Trustee**).

WHEREAS:

- (A) The Transferor has owed to it at present and expects to have owed to it in the future Receivables arising in the course of its business.
- (B) The Transferor and the Receivables Trustee have agreed, upon the terms and subject to the conditions of the Receivables Securitisation Deed, that for the purposes of facilitating a possible securitisation, the Transferor as Offeror may from time to time offer to assign all Receivables (both Existing Receivables and Future Receivables) arising on Accounts nominated to be Designated Accounts to the Receivables Trustee and the Receivables Trustee may, if it so determines, from time to time accept any such offer in the manner provided for in Clause 3.4 of the Receivables Securitisation Deed.
- (C) The Transferor and the Receivables Trustee have also agreed, upon the terms and subject to the conditions of this Deed that in consideration of the Transferor entering into the Transaction Documents, the Receivables Trustee shall grant the Transferor a call option upon the terms set out herein.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION AND CONSTRUCTION

1.1 Definitions

Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Schedule 1 (Master Definitions Schedule) of the master framework agreement dated 31 October 2008 as amended and restated on 24 April 2013 (as the same may be amended, supplemented, varied, replaced and/or novated from time to time), between, among others, the Receivables Trustee and the Transferor (the **Master Framework Agreement**).

1.2 Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Deed, where applicable, and shall be binding on the parties to this Deed as if set out in full in this Deed.

1.3 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Deed, the provisions of this Deed shall prevail, save for where any provision of this Deed relates to VAT, in which case the provisions of the Common Terms shall prevail.

2. CALL OPTION

2.1 The Transferor may, by following the procedure set out in Clause 2.2 and subject to the conditions set out in Clause 2.4, from time to time require the Receivables Trustee to reassign and release to the Transferor all Receivables other than Defaulted Receivables arising on the Designated Accounts specified in the Option Notice referred to in Clause 2.2 (any such Receivables being **Assigned Non-Defaulted Receivables**) for a consideration payable by the Transferor equal to the aggregate principal balance of the Principal Receivables arising on those Designated Accounts.

2.2 In order to exercise the option set out in Clause 2.1, the Transferor shall:

- (a) send a notice, substantially in the form of Schedule 1 (Form of Option Notice), to the Receivables Trustee (the **Option Notice**) stating that at the opening of business (the **Option Exercise Time**) on a specified date (the **Option Exercise Date**) it requests the Receivables Trustee to reassign and release the property described in Clause 2.1 above; and
- (b) (in respect of Receivables other than Scottish Receivables) send an assignment agreement for the Receivables Trustee to execute, substantially in the form of Schedule 2 (Form of Option Assignment), (the **Option Assignment**) stating the amount of Receivables (other than the Scottish Receivables) to be reassigned and released to the Transferor at the related Option Exercise Time; and
- (c) (in respect of Scottish Receivables) send a retrocession letter for the Receivables Trustee to execute, substantially in the form of Schedule 3 (Form of Retrocession Letter), (the **Retrocession Letter**) stating the amount of Receivables (which are Scottish Receivables) to be retrocessed and released to the Transferor at the related Option Exercise Time.

2.3 Upon receipt of an Option Notice, an Option Assignment and a Retrocession Letter (as applicable) referred to in Clause 2.2, the Receivables Trustee shall execute such Option Assignment and/or Retrocession Letter and notify the Transferor. On receipt of such notification there shall be a binding agreement to sell the Assigned Receivables set out in the Option Notice, the Transferor shall pay the consideration by depositing the relevant amount in the Trustee Collection Account and shall indemnify and hold harmless the Receivables Trustee against all stamp duty, registration and other similar taxes (but excluding tax on profits) arising on the sale of the Assigned Receivables under this Deed.

2.4 The exercise of the option by the Transferor will be subject to the following conditions:

- (i) the removal of such Receivables will not, in the reasonable belief of the Transferor, cause a Pay Out Event to occur;
- (ii) the Transferor has represented and warranted that it has secured all necessary regulatory consents for the Designated Accounts to be repurchased;

- (iii) the Transferor confirms in writing that in its opinion, formed on the basis of due consideration, that the proposed redesignation will not result in a downgrade or withdrawal of the then current rating of any outstanding Associated Debt; and
- (iv) the Transferor has confirmed in writing that all such prerequisites have been satisfied.

3. NON-PETITION

TPF covenants with the Receivables Trustee that it shall not take any corporate action or other steps or legal proceedings for the bankruptcy, winding-up, dissolution, reorganisation or similar process or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Receivables Trustee (either in its own capacity or as trustee of the Delamare Cards Receivables Trust or otherwise) or of any or all of its revenues and assets.

4. GOVERNING LAW

This Deed and all non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law provided that a release of Scottish Receivables from trust shall be construed in accordance with Scots law.

5. JURISDICTION

5.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**) arising out of or in connection with this Deed (including a dispute relating to any non-contractual obligation arising out of or in connection with this Deed) or the consequences of its nullity.

5.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

IN WITNESS whereof, the Receivables Trustee and the Transferor have caused this agreement to be duly executed and delivered as a deed by their duly authorised representatives on the day and year first written above.

SCHEDULE 1

FORM OF OPTION NOTICE

To: Delamare Cards Receivables Trustee Limited as trustee of Delamare Cards Receivables Trust

From: Tesco Personal Finance PLC

Date: *[insert date]*

Dear Sirs

Call Option Agreement (Non-Defaulted)

We refer to a call option agreement dated 24 April 2013 between yourselves and ourselves (the **Call Option Agreement (Non-Defaulted)**). Terms defined in, or incorporated by reference into, the Call Option Agreement (Non-Defaulted) shall have the same meanings herein.

Pursuant to Clauses 2.1 and 2.2 of the Call Option Agreement (Non-Defaulted) we hereby require you to reassign and release to us Receivables in the amount of £[●] in respect of the Designated Accounts referred to in Annex 1 hereto (which have not previously been reassigned and released to us pursuant to any previous Option Assignment and/or Retrocession Letter) at the opening of business (the **Option Exercise Time**) on *[insert date]* (the **Option Exercise Date**).

We attach an Option Assignment and/or Retrocession Letter for your execution in respect of such reassignment.

Yours faithfully

For and on behalf of
Tesco Personal Finance PLC

Annex 1

[Insert details of Designated Accounts subject to the Option Notice]

SCHEDULE 2

FORM OF OPTION ASSIGNMENT

(English and Northern Irish Receivables)

To: Tesco Personal Finance PLC
From: Delamare Cards Receivables Trustee Limited

[insert the relevant Option Exercise Date]

Dear Sirs

Call Option Agreement (Non-Defaulted)

We refer to a call option agreement dated 24 April 2013 between yourselves and ourselves (the **Call Option Agreement (Non-Defaulted)**) and to an Option Notice dated *[insert date]*. Terms defined in, or incorporated by reference into, the Call Option Agreement (Non-Defaulted) shall have the same meanings herein.

Pursuant to the requirements of such Option Notice, we hereby reassign to you and the Receivables referred to in Annex 1 hereto in the amount of £[●] which have not been reassigned to you pursuant to a previous Option Assignment.

This letter shall be governed by English Law.

Yours faithfully

**For and on behalf of
Delamare Cards Receivables Trustee Limited
as trustee of Delamare Cards Receivables Trust**

SCHEDULE 3

FORM OF RETROCESSION LETTER

(Scottish Receivables)

To: Tesco Personal Finance PLC
From: Delamare Cards Receivables Trustee Limited

[insert the relevant Option Exercise Date]

Dear Sirs

Call Option Agreement (Non-Defaulted)

We refer to a call option agreement dated 24 April 2013 between yourselves and ourselves (the **Call Option Agreement (Non-Defaulted)**) and to an Option Notice dated *[insert date]*. Terms defined in, or incorporated by reference into, the Call Option Agreement (Non-Defaulted) shall have the same meanings herein.

Pursuant to the requirements of such Option Notice, we hereby confirm that any Scottish Receivables which are held on trust by you for us under any Scottish Declaration of Trust (and details of which are set out in the Option Notice) together with any Collections in respect of such Scottish Receivables received on or after the date on which such related Account became a Defaulted Account prior to today, are hereby retrocessed to you (to the extent that they have not already been retrocessed to you) and are released from the relevant Scottish Declaration of Trusts.

This letter shall be governed by Scots law.

Please acknowledge your acceptance of the above by signing the attached form of acknowledgement and returning it to us.

Yours faithfully

**For and on behalf of
Delamare Cards Receivables Trustee Limited
as trustee of Delamare Cards Receivables Trust**

SIGNATORIES

Transferor, Offerer and Servicer

EXECUTED as a **DEED** by)
TESCO PERSONAL FINANCE PLC) PETER BOLE
) Duly authorised signatory

Acting by PETER BOLE,
a duly authorised signatory
in the presence of:

Witness's Signature: JOHN HOGAN

Name of witness:
Address of witness: DELAMARE ROAD
CHESHUNT
HERTFORDSHIRE
Occupation of witness: SOLICITOR

The Receivables Trustee

EXECUTED as a **DEED** by)
DELAMARE CARDS RECEIVABLES)
TRUSTEE LIMITED) NEVILLE SCOTT
) Director

Acting by NEVILLE SCOTT,
one of its directors
in the presence of:

Witness's Signature: TONY MCSHEA

Name of witness:
Address of witness: 20 CHURCHILL PLACE
E14 5HJ

Occupation of witness: MANAGER