



Travellex Financing plc

€360,000,000 8% Senior Secured Notes due 2022

Travellex Financing plc (the "Issuer"), a public limited company incorporated under the laws of England and Wales, is offering €360.0 million aggregate principal amount of its 8% senior secured notes due 2022 (the "Notes"). The Notes will bear interest at a rate of 8% per annum and will mature on May 15, 2022. Interest on the Notes will accrue from May 5, 2017, and will be payable semi-annually in arrears on each May 15 and November 15, commencing on November 15, 2017. Prior to May 15, 2020, the Issuer will be entitled at its option to redeem all or a portion of the Notes by paying a "make whole" premium. On or after May 15, 2020, the Issuer will be entitled at its option to redeem all or a portion of the Notes, at any time or from time to time, at the redemption prices set forth in these listing particulars. In addition, at any time prior to May 15, 2020, the Issuer may redeem at its option up to 40% of the Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 108% of the principal amount of the Notes redeemed plus accrued and unpaid interest; provided that, *inter alia*, at least 60% of the original aggregate principal amount of the Notes remains outstanding after the redemption.

Upon certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Notes. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes.

The Notes will be senior secured obligations of the Issuer and will be guaranteed on a senior secured basis by the Guarantors (as defined herein). The Notes Guarantees of the Company (as defined herein) and the English Guarantors (as defined herein) will be secured obligations of such Guarantors and certain of the Notes Guarantees of the Non-English Guarantors (as defined herein) will be secured obligations of such Guarantors. To the extent legally possible and subject to the Agreed Security Principles (as defined herein), the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility (as defined herein) and Permitted Collateral Liens (as defined in "Description of the Notes—Certain Definitions"), (i) each of the Issuer, the Company and the English Guarantors (other than Travellex Europe Limited) will grant in favor of the Security Agent, fixed and floating charges on a first-priority basis, over (subject to certain carveouts) substantially all of the assets of the Issuer, the Company and such English Guarantors, (ii) the Company and TP Financing 4 Limited will each grant in favor of the Security Agent, security on a first-priority basis over the shares held by such entities in TP Financing 4 Limited and Travellex Group Limited, respectively, and (iii) each of the Guarantors that directly owns another Guarantor will grant in favor of the Security Agent, security on a first-priority basis over the shares held by such Guarantor in such other Guarantor except that no security will be granted over the shares of the Australian Guarantors (as defined herein) and the Brazilian Guarantor (as defined herein) or over the assets of Travellex Europe Limited other than under the circumstances described in these listing particulars. See "Description of the Notes—Security—The Collateral." As a result of the Reorganization (as defined herein), we expect to make certain changes to the Guarantor group and the Collateral (as defined herein) described in these listing particulars, which will be in accordance with the terms of the Indenture (as defined herein), and which we do not expect will adversely affect the Guarantor and Collateral coverage. Subject to the Agreed Security Principles and covering the same assets as those pledged as security under our Revolving Credit Facility (as defined herein), certain operating facilities and hedging obligations will be secured on a "super priority" basis and will receive proceeds from the enforcement of the Collateral ahead of the Notes.

The security interests and the Notes Guarantees, as well as certain claims against the Issuer, will be subject to significant contractual and legal limitations. Security interests and guarantees may be released under certain circumstances.

These listing particulars include information on the terms of the Notes and the Notes Guarantees, including redemption and repurchase prices, security, covenants and transfer restrictions. For a detailed description of the Notes, see "Description of the Notes."

There is currently no public market for the Notes. Application has been made to the Irish Stock Exchange for the approval of this document as listing particulars and for the Notes to be admitted to the Official List and to trade on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for purposes of Directive 2004/39/EC. There are no assurances that the Notes will be admitted to the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 34 for a discussion of certain risks that you should consider in connection with an investment in any of the Notes.

Notes price: 100% of principal plus accrued interest, if any, from the Issue Date.

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction, and 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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the Initial Purchasers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. Outside the United States, the Offering is being made in reliance on Regulation S under the U.S. Securities Act. The Notes are not transferable except in accordance with the restrictions described under "Transfer Restrictions."

The Notes will be issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by global notes. The Notes will be delivered through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on or about May 5, 2017 (the "Issue Date").

Joint Global Coordinators and Lead Bookrunning Managers

J.P. Morgan

Barclays

BofA Merrill Lynch

Joint Bookrunners

Deutsche Bank

Goldman Sachs International

The date of these listing particulars is August 10, 2017

TABLE OF CONTENTS

Notice to Investors	iii
Summary	1
The Offering	16
Risk Factors	34
Use of Proceeds	61
Capitalization	62
Selected Financial Information	64
Management's Discussion and Analysis of Our Financial Condition and Results of Operations . . .	69
Business	99
Management	134
Related Party Transactions	139
Principal Shareholders	142
Description of Other Indebtedness	144
Description of the Notes	176
Taxation	258
Certain ERISA Considerations	269
Certain Limitations on Validity and Enforceability	271
Book-Entry, Delivery and Form	282
Transfer Restrictions	286
Plan of Distribution	289
Legal Matters	291
Independent Auditors	291
Enforceability of Judgments	292
Where You Can Find More Information	297
Listing and General Information	298

We have not authorized anyone to provide any information or to make any representations other than those contained in these listing particulars. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in these listing particulars is current only as of its date. Our business, financial condition, results of operations and prospects may have changed since that date.

We have prepared these listing particulars, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. In making your investment decision, you should not consider any information in these listing particulars to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Notes. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed these listing particulars;
- you have had an opportunity to request, receive and review additional information that you need from us;
- you have made certain acknowledgements, representations and agreements as set forth under the caption "*Transfer Restrictions*;" and
- the Initial Purchasers are not responsible for, and are not making any representation to you concerning, our future performance or the accuracy or completeness of these listing particulars.

THE NOTES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of these listing particulars and the Offering and sale of the Notes in certain jurisdictions may be restricted by law. J.P. Morgan Securities plc, Barclays Bank plc, Merrill Lynch International, Deutsche Bank AG, London Branch and Goldman Sachs International (together, the “Initial Purchasers”) and the Issuer require persons into whose possession these listing particulars come to inform themselves about and to observe any such restrictions. These listing particulars do not constitute an offer of, or an invitation to purchase, any of the Notes. For a description of certain restrictions on offers, sales and resales of Notes and distribution of these listing particulars, see “*Transfer Restrictions*.”

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and all other applicable securities laws. See “*Plan of Distribution*” and “*Transfer Restrictions*.” You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We have prepared these listing particulars solely for use in connection with the Offering. In the U.S., you may not distribute these listing particulars or make copies of it without our prior written consent other than to people you have retained to advise you in connection with the Offering.

These listing particulars summarize material documents and other information, and we refer you to them for a more complete understanding of what we discuss in these listing particulars. In making an investment decision, you must rely on your own examination of us and the terms of the Offering and the Notes, including the merits and risks involved. See “*Where You Can Find More Information*.”

We reserve the right to withdraw the Offering of the Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. Any Initial Purchaser or certain of their affiliates may acquire for their own account a portion of the Notes.

Application has been made to list the Notes on the Official List of the Irish Stock Exchange and to admit the Notes to trading on the Global Exchange Market, and the Issuer has submitted these listing particulars to the Irish Stock Exchange in connection with the listing application.

See “*Risk Factors*,” for a description of some important risks related to an investment in the Notes.

STABILIZATION

IN CONNECTION WITH THE OFFERING, J.P. MORGAN SECURITIES PLC (THE “STABILIZING MANAGER”) (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS FOR A LIMITED PERIOD OF TIME WITH A VIEW TO SUPPORTING THE MARKET PRICES OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, J.P. MORGAN SECURITIES PLC IS NOT OBLIGATED TO DO THIS AND THERE CAN BE NO ASSURANCE THAT THE STABILIZING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Notice to Investors

United States

The Notes will be sold outside the United States to non-U.S. persons in offshore transactions pursuant to Regulation S of the Securities Act and within the United States to qualified institutional buyers pursuant to Rule 144A of the Securities Act. The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. The Notes shall not be offered, sold or delivered (i) as part of an Initial Purchaser's distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the latest closing date, within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to Rule 144A of the Securities Act and each dealer to which Notes have been sold during the distribution compliance period will be sent a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

These listing particulars are for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). These listing particulars are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the Prospectus Directive and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

European Economic Area

These listing particulars have been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive, as amended, as implemented in member states of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes which are the subject of the Offering must only do so in circumstances in which no obligation arises for the Issuer, any of the Guarantors or any of the Initial Purchasers to produce a prospectus for such offer. None of the Issuer, the Guarantors or any Initial Purchaser has authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State (as defined below).

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer has been made and no offer will be made of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Notes may be made to the public in that Relevant Member State at any time to:

- "qualified investor" as defined in the Prospectus Directive;

- fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of the Initial Purchasers; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the publication by the Issuer or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression “offer of Notes to the public” in relation to any 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. Each subscriber for or purchaser of the Notes in the offering located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. The Issuers, the Guarantors, the Initial Purchasers and their affiliates, our legal advisors and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the offering.

Germany

In the Federal Republic of Germany, the Notes may only be offered and sold in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (the “Securities Prospectus Act,” Wertpapierprospektgesetz, WpPG) and any other applicable German law. No application has been made under German law to offer the Notes to the public in or out of the Federal Republic of Germany. The Notes are not registered or authorized for distribution under the Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. In Germany, the Notes will only be available to, and these listing particulars and any offering material in relation to the Notes is directed only at, persons who are qualified investors (qualifizierte Anleger) within the meaning of Section 2 No. 6 of the Securities Prospectus Act or who are subject of another exemption in accordance with Section 3 para. 2 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Denmark

These listing particulars have not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark. The Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities and Executive Orders issued pursuant thereto as amended from time to time.

France

These listing particulars have not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French Code monétaire et financier and Title I of Book II of the Règlement Général of the Autorité des marchés financiers (the French financial markets authority) (the “AMF”). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (offre au public de titres financiers), and neither these listing particulars nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France to qualified investors (investisseurs qualifiés), other than individuals, acting for their own account and/or to providers of investment services relating to

portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers), all as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1, of the French Code monétaire et financier.

Prospective investors are informed that:

- (a) these listing particulars have not been and will not be submitted for clearance to the AMF;
- (b) in compliance with Articles L. 411-2 and D. 411-1 of the French Code monétaire et financier, any qualified investors subscribing for the Notes should be acting for their own account; and
- (c) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Code monétaire et financier.

The Netherlands

For selling restrictions in respect of the Netherlands, see “—*European Economic Area*” above and in addition:

- (a) Specific Dutch selling restriction for exempt offers: Each Initial Purchaser has represented and agreed that it has not made and will not make an offer of the Notes which are the subject of the Offering to the public in the Netherlands other than to qualified investors (within the meaning of the Prospectus Directive). No approved prospectus within the meaning of the Prospectus Directive is required to be made generally available in connection with the Offering.

For the purposes of this provision, the expressions (i) an “offer of the Notes to the public” in relation to any Notes in the Netherlands; and (ii) “Prospectus Directive,” have the meaning given to them above in the paragraph headed “—*European Economic Area*.”

- (b) Regulatory capacity to offer the Notes in the Netherlands: Each Initial Purchaser which did and does not have the requisite Dutch regulatory capacity to make offers or sales of financial instruments in the Netherlands has represented and agreed with the Issuers that it has not offered or sold and will not offer or sell any of the Notes of the relevant Issuer in the Netherlands, other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.

Spain

Neither the Notes nor these listing particulars have been or will be approved or registered in the administrative registries of the Spanish Securities Markets Commission (Comisión Nacional del Mercado de Valores). Accordingly, the Notes may not be offered, sold or distributed in Spain except in circumstances which do not constitute a public offering of securities in Spain within the meaning of section 30-bis of the Securities Market Law 24/1988 of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores) (as amended), or pursuant an exemption from registration in accordance with Royal Decree 1310/2005 of 4 November on admission to listing and on issues and public offers of securities (as amended) (Real Decreto 1310/2005 de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, de Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos), and supplemental rules enacted thereunder or in substitution thereof from time to time.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of these listing particulars or of any other document relating to the Notes be distributed in the Republic of Italy, except: (i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Italian Financial Services Act) and Article 34-ter, first paragraph, letter b) of Regulation No.11971 of 14 May 1999, as amended from time to time (Regulation No.11971); or (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of these listing particulars or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No.16190 of 23 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; or
- (c) in compliance with any other applicable laws and regulations, or requirement imposed by CONSOB or any other Italian authority.

Prospective investors should note that in accordance with Article 100-bis of the Italian Financial Services Act, where no exemption applies under (i) and (ii) above, Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly (sistematicamente) distributed on the secondary market in Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules set out in the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of the Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

Switzerland

These listing particulars, as well as any other material relating to the Notes which are the subject of the Offering, do not constitute an issue prospectus pursuant to article 652a and/or article 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will not be listed on the SIX Swiss Exchange Ltd., and, therefore, the documents relating to the Notes, including, but not limited to, these listing particulars, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd. The Notes are being offered in Switzerland by way of a private placement (i.e., to a limited number of selected investors only), without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. These listing particulars, as well as any other material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. These listing particulars, as well as any other material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Issuers' express consent. These listing particulars, as well as any other material relating to the Notes, may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Australia

These listing particulars, as well as any prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act 2001 of Australia ("Corporations Act")) in relation to the Offering or any Notes has not been nor will be lodged with ASIC. The following is prohibited:

- (a) making or inviting an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distributing or publishing any listing particulars or any other offering material or advertisement relating to any Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act, (ii) such offer is not made to a person who is a "retail client" for the purposes of section 761G of the Corporations Act, (iii) such action complies with applicable laws and directives and (iv) such action does not require any document to be lodged with ASIC.

Brazil

The Issuer, the Offering and the Notes have not been nor will be registered with the CVM (Comissão de Valores Mobiliários), the Brazilian Securities Commission. Any public placement, distribution or offering of the Notes in Brazil, as defined under Brazilian securities laws and regulations, requires prior registration under Law No. 6,385, of December 7, 1976, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended. These listing particulars, as well as any prospectus, product disclosure document or other disclosure document relating to the Offering or the Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil.

The Notes have not been and will not be issued nor publicly placed, distributed, offered or negotiated in Brazil.

USE OF TERMS

Unless otherwise specified or the context requires otherwise in these listing particulars, references to:

- “Agreed Security Principles” are to the “Agreed Security Principles” to be set out in an annex to the Indenture;
- “AML” are to anti-money laundering;
- “AmTrust” are to AmTrust International Insurance Company Ltd., a Bermuda based insurance company;
- “APAC” are to the Asia Pacific Australia and China region, excluding Australia and New Zealand;
- “Apax Funds” are to one or more funds or limited partnerships advised by Apax Partners LLP or managed by Apax Partners Europe Managers Limited or any of its affiliates or direct or indirect subsidiaries from time to time;
- “ASIC” means the Australian Securities and Investments Commission;
- “ATM” are to automatic teller machine;
- “Australian Guarantors” are to Travelex Australia Holdings Proprietary Limited and Travelex Limited, which are each organized under the laws of Australia, and have provided guarantees in respect of the Notes effective June 16, 2017;
- “Brazil” are to our Brazilian operations through Grupo Confidence and Renova;
- “Brazilian Guarantor” are to Travelex do Brasil Holding Societaria Ltda, which is organized under the laws of Brazil, and is expected to guarantee the Notes within 180 days of the Issue Date;
- “BRS Personal Investments” are to BRS Personal Investments Limited, a company incorporated in the British Virgin Islands and 100% owned by our ultimate controlling party, Dr. B.R. Shetty;
- “Central and Shared Costs” include finance, legal, compliance, human resources, information technology, marketing and other functional costs as well as bonus costs for the Group;
- “Collateral” are to the security in favor of the Notes and the Notes Guarantees. See “*Description of the Notes—Security—The Collateral*,”
- the “Company” are to TP Financing 3 Limited, incorporated in Jersey and registered with number 89659;
- “DBEs” are to disadvantaged business enterprises, business owned by socially and economically disadvantaged individuals in accordance with U.S. state and federal requirements;
- “Dr. B.R. Shetty” are to Dr. Bavaguthu Raghuram Shetty;
- “DCC” are to dynamic currency conversion, a service which allows travelers to pay for goods or withdraw cash from ATMs in the currency of issue of their card rather than in the currency of the country they are in;
- “DNB” are to De Nederlandsche Bank N.V.;
- “English Guarantors” are to, collectively, Travelex Agency Services Limited, Travelex Banknotes Limited, Travelex Central Services Limited, Travelex Europe Limited, Travellers Exchange Corporation Limited, Travelex Foreign Coin Services Limited, Travelex Group Limited, Travelex Group Investments Limited, Travelex Italia Limited, Travelex Limited, Travelex UK Limited and Travelex Currency Services Limited, each of which is organized under the laws of England and Wales;
- the “EU” are to the European Union;
- “euro” or “€” are to the lawful currency of the European Monetary Union;
- “Existing Notes” are to the £200,000,000 8% Senior Secured Notes due 2018 and £150,000,000 Floating Rate Senior Secured Notes due 2018;
- “Existing Revolving Credit Facility” are to the facilities made available under the revolving credit facility agreement entered on July 24, 2013 among, *inter alios*, the Company and certain of its subsidiaries and Deutsche Bank AG, London Branch, as facility agent and security agent;

- “French Disposal” are to the sale of the French Business to UAE Exchange UK Limited in January 2015;
- “French Business” are to Banque Travelex S.A. and its wholly owned subsidiary Travelex Paris SAS;
- “Group” are to Holdings and its consolidated subsidiaries;
- “Guarantors” are to the Company, the English Guarantors and the Non-English Guarantors. See “*Description of the Notes—Notes Guarantees*”;
- “hit rate” are to a term used by us as a key performance indicator in our Retail airport business, generally calculated as the number of sales and purchase foreign currency transactions carried out by the Group from any of our retail stores and/or ATM locations, divided by the number of international passengers able to conduct a transaction in that location;
- “HMRC” are to Her Majesty’s Revenue & Customs;
- “Holdings” are to Travelex Holdings Limited;
- “IFRS” are to International Financial Reporting Standards, as adopted by the EU;
- “independent” are to non-bank foreign exchange businesses;
- “Initial Purchasers” are to J.P. Morgan Securities plc, Barclays Bank plc, Merrill Lynch International, Deutsche Bank AG, London Branch and Goldman Sachs International;
- “Intercreditor Agreement” are to the intercreditor agreement entered into on April 28, 2017, among, *inter alios*, the Issuer, the Company, the English Guarantors, the Security Agent, the lenders and agent under the Revolving Credit Facility, certain counterparties under hedging obligations and the Trustee (which acceded on the Issue Date), to which the Non-English Guarantors will accede when they accede to the Revolving Credit Facility and the Indenture;
- “Indenture” are to the indenture to be dated the Issue Date, as amended and supplemented from time to time, governing the Notes by and among, *inter alios*, the Issuer, the Company, the English Guarantors, the Trustee and the Security Agent. The Non-English Guarantors will not be party to the Indenture on the Issue Date. See “*Description of the Notes—Notes Guarantees*”;
- “Insurance” are to the revenue generated by ancillary businesses including our issuing business and, prior to its sale, our TIS business;
- “Issue Date” are to the date of issuance of the Notes;
- the “Issuer” are to Travelex Financing plc, incorporated in England and Wales under the Companies Act 2006 on June 12, 2013 and registered with number 8566601;
- “LHR” are to London Heathrow Airport;
- “MLROs” are to money laundering reporting officers;
- “MSB” are to Monetary Services Business;
- “Non-English Guarantors” are to Travelex America Holdings, Inc., Travelex America, Inc., Travelex Currency Services, Inc., Travelex Australia Holdings Proprietary Limited, Travelex Limited (Australia), Travelex Japan KK, Travelex N.V. and Travelex do Brasil Holding Societaria Ltda.;
- “Notes” are to the €360.0 million aggregate principal amount of 8% senior secured notes due 2022 offered hereby;
- “Notes Guarantees” are to the unconditional guarantees of the Notes by the Guarantors;
- “Offering” are to the offering of the Notes;
- “Paying Agent” are to Deutsche Bank AG, London Branch;
- “Payments and Technology” are to the Group’s payments and technology operations and digital business, including international payments, e-wallets and e-cards, online foreign exchange, currency select and location technology;
- “POS” are to point of sale;
- “pound,” “pounds sterling,” “sterling” or “£” are to the lawful currency of the United Kingdom;
- “Registrar” are to Deutsche Bank Luxembourg S.A.;

- “Renova” are to Renova S.A. Corretora de Cambio;
- “Reorganization” are to a reorganization that we plan to implement to streamline our corporate structure pursuant to which we intend to take certain actions, which may include merging, combining or otherwise amalgamating entities within the Restricted Group, as well as liquidating, winding up, dissolving or otherwise removing entities from the Restricted Group and transferring assets and operations between or among entities within the Restricted Group;
- “Restricted Group” are to the Company and its subsidiaries which will be subject to the Indenture on or after the Issue Date, which excludes any subsidiaries identified herein or later by the Company as an unrestricted subsidiary;
- “Retail” are to our retail money exchange business;
- “Revolving Credit Facility” are to the facility made available under the Revolving Credit Facility Agreement entered into on April 28, 2017, among, *inter alios*, the Company and certain of its subsidiaries and Deutsche Bank AG, London Branch, as facility agent and security agent. See “Description of Other Indebtedness—Revolving Credit Facility Agreement;”
- “Revolving Credit Facility Agreement” are to the agreement relating to the Revolving Credit Facility;
- “SACS” are to South American Card Services Administradora de Cartões S.A., the prepaid card business of Grupo Confidence;
- “Security Agent” are to Deutsche Bank AG, London Branch;
- “Shareholder Instruments” has the meaning given to it in footnote 10 of “Summary Financial Data;”
- “TCFS” are to the Global and Financial Services division of Thomas Cook Holdings Ltd;
- “TCS” are to Travelex Currency Services Limited;
- “TIS” are to Travelex Insurance Services Inc.;
- “TIS Disposal” are to the sale of TIS by us to Cover-More Group Limited on November 16, 2016;
- “Transactions” are to:
 - the issuance by the Issuer of the €360.0 million aggregate principal amount of Notes offered hereby;
 - the contribution by the Issuer of the gross proceeds of the Notes offered hereby as subordinated intercompany loans to the Company (the “Proceeds Loan”);
 - the repayment and cancellation of the proceeds loan made by the Issuer to the Company in relation to the Existing Notes;
 - the redemption of the Existing Notes;
 - the cancellation of the Existing Revolving Credit Facility;
 - the entry into the Revolving Credit Facility Agreement; and
 - the payment of fees and expenses in connection with the foregoing transactions;
- “Travelex,” the “Group,” “we,” “us” and “our” are to Holdings and its direct and indirect subsidiaries;
- “Travelex Africa” are to Travelex Africa Foreign Exchange (Pty) Limited;
- “Travelex Döviz” are to Travelex Döviz Ticaret A.S. (formerly Arti Döviz Ticaret A.S.);
- “Travelex Netherlands” are to Travelex N.V. (formerly, GWK Travelex N.V.);
- “Trustee” are to Deutsche Trustee Company Limited;
- “UAE Exchange” are to a global remittance business based in Abu Dhabi controlled by Dr. B.R. Shetty.
- “U.S.” and “United States” are to the United States of America;
- “U.S. dollars” or “\$” are to the lawful currency of the United States of America;
- “VAT” are to value added tax; and
- “Wholesale and Outsourcing” are to our wholesale banknotes supply business, as well as our partnership and outsourcing arrangements with banks, supermarket chains and other corporate entities to carry out foreign exchange services.

FORWARD LOOKING STATEMENTS

Certain of the statements made in these listing particulars may be considered to be “forward looking statements,” as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995, such as statements that include the words “expect,” “estimate,” “believe,” “project,” “plan,” “anticipate,” “should,” “intend,” “probability,” “risk,” “may,” “target,” “goal,” “objective” and similar expressions or variations on such expressions. These statements appear in a number of places throughout these listing particulars, including, without limitation, in the sections captioned “*Summary Financial Data*,” “*Risk Factors*,” “*Use of Proceeds*,” “*Business*,” and “*Management’s Discussion and Analysis of Our Financial Condition and Results of Operations*.” These statements concern, among other things:

- strategies, outlook and growth prospects;
- future plans (including cost savings initiatives) and potential for growth;
- trends affecting our financial condition or results of operations;
- trends and developments affecting the markets in which we operate;
- our liquidity, capital resources and capital expenditures;
- the general economic outlook and industry trends;
- regulatory and compliance in the markets in which we operate;
- competition in areas of our business; and
- our plans to launch new or expand existing products and services.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties. Our actual results may differ materially as a result of various factors. These factors include, but are not limited to:

- the seasonality of our Retail and outsourcing businesses related to levels of international travel;
- increased costs or termination of airport concessions;
- customer concentration in our Wholesale and Outsourcing business;
- our ability to source banknotes on attractive terms or at all;
- changes in the regulatory environment;
- financial institutions de-risking in the money services business sector;
- loss of licenses;
- compliance costs related to anti-money laundering, sanctions and anti-bribery regulations;
- currency exchange risk in the conduct of our business;
- cash shrinkage and disruptions caused by theft, fraud or employee error;
- losses due to physical disaster, computer malfunction or sabotage;
- disruptions or failures of current and future technology systems and security breaches;
- risks that we may not comply with data protection legislation or failure to comply with the Payment Card Industry Data Security Standard;
- risks associated with the integrity, reliability and efficiency of our internal controls;
- failures associated with our planned expansion into new international growth markets;
- the decline in the use of cash associated with the proliferation of credit cards and new payment technologies;
- risks associated with litigation or investigations and material settlements, fines or penalties related therewith;
- risks associated with the competitive markets in which we operate;
- disruptions associated with the loss of key personnel;
- disruptions and failures associated with adverse political and governmental action;

- risks associated with our brand;
- risks associated with our travellers' cheques business, including any reliance on the AmTrust insurance policy;
- disruptions or failures associated with the portion of our workforce in Europe that is unionized;
- risks associated with our insurance coverage;
- risks associated with acquisitions or investments in joint ventures;
- the dependence on key service providers to deliver our products;
- disruptions associated with counterparty, including hedging counterparty risk and credit risk;
- failures and disruptions in relation to sustained financial illiquidity at our financial institutions;
- risks associated with instability of the global economy (including due to the United Kingdom's vote to leave the European Union) and general economic conditions;
- concerns regarding the instability of the euro or the potential dissolution of the euro;
- risks related to market illiquidity or illiquidity at our financial institutions;
- risks related to taxation and increased scrutiny of transaction by tax authorities, as well as changes in law, regulations or policy;
- impact of changes in law, regulation or policy on customer demand;
- risks related to unexpected difficulties and costs as a result of the acquisition of the Group by Dr. B.R. Shetty;
- risks related to our financial profile; and
- risks associated with our structure, the Notes, the Notes Guarantees, the Collateral and our other indebtedness, including the Revolving Credit Facility.

Investors are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date hereof. We undertake no obligation, and do not intend, to release publicly the result of any revisions to these forward looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in our business or strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.

We provide a cautionary discussion of risks and uncertainties under “*Risk Factors*” contained elsewhere in these listing particulars. These are factors that we think would cause our actual results to differ materially from expected results. Other factors besides those listed here could also adversely affect us.

In addition, for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, we will also provide a copy of all the foregoing information and reports to the Irish Stock Exchange and make this information available in English at the office of the Registrar.

AVAILABLE INFORMATION

We have agreed to provide certain information, as described in “*Description of the Notes—Certain Covenants—Reports*” to Deutsche Trustee Company Limited, as trustee (the “Trustee”), and the holders of the Notes and to make such information available to potential investors.

Information on our website, any website directly or indirectly linked to our website or any other website mentioned in these listing particulars is not incorporated by reference into these listing particulars and prospective investors should not rely on any such website in making their decision to invest in the Notes.

See also “*Where You Can Find More Information.*”

TRADEMARKS AND TRADE NAMES

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our business. Each trademark, trade name or service mark of any other company appearing in these listing particulars belongs to its holder.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer was incorporated under the laws of England and Wales on June 12, 2013, in preparation of the issuance of the Existing Notes and is a wholly owned finance subsidiary of the Company. The Issuer has no material assets or liabilities and has not engaged in any activities other than those related to the Existing Notes and the Notes. Consequently, the Issuer requests derogation from the obligation to provide its stand-alone historical financial information. We have included in these listing particulars the audited consolidated financial statements for Holdings as of and for each of the years ended December 31, 2014, 2015 and 2016, which include financial information of the guarantors, the non-guarantors and the Issuer as of and for these periods. Unless expressly stated, the financial information included in these listing particulars is derived from the aforementioned consolidated financial statements of Holdings for the periods indicated.

Holdings will not provide a guarantee or any type of credit support for the Notes. The consolidated financial statements of Holdings include the results of operations and financial position of Holdings, TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, which are not attributable to the Company and its subsidiaries. As a result, the consolidated financial information of Holdings is not directly comparable to the historical financial information of the Company and its subsidiaries. The main differences between the consolidated financial position and results of operations of Holdings and the Company primarily relate to the Shareholder Instruments and preferred shares classified as liabilities. As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and the related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

We have prepared the consolidated financial statements of Holdings in accordance with IFRS.

We prepare our financial information in pounds sterling. Rounding adjustments have been made in calculating some of the financial information included in these listing particulars. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them. As of January 1, 2015, our management began to report “revenue” rather than “income” on our income statement. This is simply a change in name with no underlying differences in accounting treatment.

The accounting treatment of the pension scheme in the Netherlands has been presented in these listing particulars as a defined contribution scheme as of December 31, 2015 and December 31, 2016 but as a defined benefit scheme as of December 31, 2014. The change in accounting treatment relates to the timing of certain contractual changes that were made to remove actuarial and investment risk that meet the requirements of defined contribution accounting under IFRS that we believed to have been effective as of December 31, 2014 but were subsequently, in March 2015, found to require further agreement with the affected employees. The employee agreements to the contractual changes initiated in 2013 were received in December 2015. The impact was not considered sufficiently material to restate previously filed audited financial statements as of December 31, 2014; however, the comparative period as of December 31, 2014 included in the audited consolidated financial statements for Holdings as of and for the year ended December 31, 2015 was restated and is presented on a restated basis in these listing particulars accordingly. The balance sheet line item presented in these listing particulars that is impacted by this change in accounting treatment is “other non-current liabilities.” Our income statement is not affected by this change. See footnote 12 of “*Summary Financial Data*” for more information.

Also presented in these listing particulars are certain unaudited pro forma financial data, which has been prepared for information purposes only to give pro forma effect to the Transactions as described

in “*Use of Proceeds*,” as if they had occurred on January 1, 2016, in the case of pro forma cash interest expense, and on December 31, 2016, in the case of pro forma balance sheet data. The unaudited pro forma financial data is for information purposes only and is hypothetical in nature, and does not purport to present what our results of operations and financial condition would have been had the Offering and the application of the proceeds therefrom actually occurred on these dates, nor project our results of operations for any future period or our financial condition at any future date. While some of the unaudited pro forma financial data has been derived from the audited consolidated financial statements, such financial data contain financial measures other than those used in accordance with IFRS and should not be considered in isolation from or as a substitute for our historical financial information.

The Group has historically reported five trading segments, Retail, Wholesale and Outsourcing, Brazil, Payments and Technology, and Insurance. The Group is in the process of transitioning to a new global trading organizational structure under the leadership of Stephen O'Donovan, our new Chief Commercial Officer (“CCO”). Sales of foreign exchange products, services and outsourcing solutions will be managed through eight geographic regions, with each having a Commercial Director responsible for the overall performance of that region and for the implementation of the Group's strategic plan. Support services and central functions will continue to be managed globally for the Group as a whole. All significant operating decisions will continue to be made by the Executive Committee which comprises the CEO, CFO, CCO and the heads of other global functions. The impact of this reorganization on our external financial reporting will be that Core Group Revenue and Core Group EBITDA will be reported for the Group as a whole, supplemented by additional analysis as appropriate. The timing for implementing this change in external financial reporting, including any appropriate restatements in respect of existing financial statements with respect to segmental disclosure, has not yet been determined but is expected to be implemented by the end of 2017.

Non-IFRS Financial Measures

Throughout these listing particulars, we present financial measures and adjustments that are not prepared in accordance with IFRS, or any other internationally accepted accounting principles, including Adjusted EBITDA, cash-pay debt, Core Group EBITDA, Core Group Revenue, free cash, gross margin, joint venture EBITDA, like-for-like Retail revenue growth, net cash-pay debt, net operating exceptional items and non-underlying adjustments, net usable cash inflow from operating activities, net usable cash (used in) provided by investing activities, net usable cash used in financing activities, Pro Forma Adjusted EBITDA, total segment EBITDA, travellers' cheques EBITDA, Underlying EBITDA, unrestricted cash, and usable cash, as well as certain leverage and coverage ratios derived from Pro Forma Adjusted EBITDA. These non-IFRS financial measures are not reviewed or audited by our independent auditors for the periods presented. For a reconciliation of these non-IFRS financial measures and earnings adjustments, see “*Summary Financial Data*.”

We have defined each of the following non-IFRS financial measures and earnings adjustments as follows:

- “Adjusted EBITDA” represents Core Group EBITDA adjusted to exclude the share of non-consolidated joint ventures that are not attributable to the Group and to include (i) the management fee received from UAE Exchange for operating the French Business for the periods from January 29, 2015 (which was the date of the French Disposal) to December 31, 2015 and from January 1, 2016 to December 31, 2016, in each case, net of the EBITDA of the French Business for those periods and (ii) other adjustments (which include items that, individually, or in aggregate, are of a nature or size to require exclusion to enhance our understanding of the underlying business performance).
- “Cash-pay debt” consists of debt whose interest payments must be serviced in cash and excludes our shareholder loans, which include PIK loans, preferred certificates and preferred shares classified as liabilities.
- “Core Group EBITDA” is Underlying EBITDA adjusted to include (i) 100% of the EBITDA of each of our non-consolidated joint ventures, (ii) the EBITDA of the French Business for the periods from January 29, 2015 (which was the date of the French Disposal) to December 31, 2015 and from January 1, 2016 to December 31, 2016, in each case, net of the management fee we received for those periods from UAE Exchange for operating the French Business and (iii) other adjustments (which include items that, individually, or in aggregate, are of a nature or size to require exclusion

to enhance our understanding of the underlying business performance), and excludes EBITDA attributable to (i) our travellers' cheques business, which does not form part of the Restricted Group, and (ii) share-based payment incentive charges. See footnote 17 of "*Summary Financial Data*" for more information.

- "Core Group Revenue" represents revenues adjusted to include: (i) 100% of the revenue of each of our non-consolidated joint ventures and (ii) the revenue of the French Business for the period from January 29, 2015 to December 31, 2015 and from January 1, 2016 to December 31, 2016 and excludes (i) revenue attributable to our travellers' cheques business, which does not form a part of the Restricted Group and (ii) revenue within Central and Shared Costs.
- "EBITDA" is operating profit (loss) before depreciation and amortization.
- "Free cash" is our estimate of the amount of net cash available to us for immediate use and excludes cash held in tills, vaults and in transit, banknotes prepayments, any cash or deposits held for the travellers' cheques business, customer cash including prepaid cards float deposits, cash classified as held for sale, short-term bank borrowings and management's estimate of cash required to be held locally for regulatory purposes. See footnote 19 of "*Summary Financial Data*" for more information.
- "Gross margin" is gross profit divided by our total revenue for the period.
- "Joint venture EBITDA" comprises 100% of the EBITDA of our joint ventures that are equity accounted, including the share of non-consolidated joint ventures that are not attributable to the Group and minority interests in consolidated joint ventures that are not attributable to the Group.
- "Like-for-like Retail revenue growth" represents the percentage growth in revenue of our Retail locations over a period, excluding the impact of store closings or openings in each such location, and is measured as the revenue from Retail locations that have been in operation for a full financial year at the start of the applicable financial year (for example, for the year ended December 31, 2016, if a location opened on or before December 31, 2014, it will be treated as like-for-like and, if opened on or after January 1, 2015, it will not be treated as like-for-like). A location may have one or more stores in such location (i.e. in an airport or a supermarket, we may have more than one store, but it will be treated as one single location for the purposes of calculating our like-for-like Retail revenue growth). When a Retail location closes, it is excluded from the calculation of our like-for-like Retail revenue growth from the month following its closing. However, Retail locations closed for refurbishment are not excluded from the calculation. Like-for-like growth is a widely used indicator of retailers' current trading performance.
- "Net cash-pay debt" consists of cash-pay debt less free cash.
- "Net operating exceptional items and non-underlying adjustments" are those significant operational items which are separately disclosed by virtue of their size or incidence to enable a clearer understanding of our financial performance. The net operating exceptional items and non-underlying adjustments for the years ended December 31, 2014, 2015 and 2016 are discussed under "*Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Results of Operations.*"
- "Net usable cash inflow from operating activities" consists of cash flow from operating activities excluding movements in items that are excluded from usable cash, excluding the cash impact of exceptional items and including dividends received from equity accounted joint ventures net of cash paid on investment in equity accounted joint ventures. Items excluded from usable cash are cash held in tills, vaults and in transit, banknotes prepayments, cash or deposits held for the travellers' cheques business, customer cash including prepaid card float deposits and a proportion of cash in business that management estimates is required for regulatory and working capital requirements. This measure is used by management in assessing the underlying ability of the business to generate cash that is immediately usable by the Group. As the Group's accessibility to this cash in business has increased as a result of centralized liquidity management process, management now considers free cash as a more relevant measure. See footnote 13 of "*Summary Financial Data*" for more information.
- "Net usable cash (used in) provided by investing activities" consists of cash flow used in investing activities adjusted for the cash impact of exceptional items and non-underlying adjustments, including cash acquired in acquisitions and used in the purchase of assets, and excluding dividends received from equity accounted joint ventures. Net cash paid on the acquisition of the

non-controlling stake in Grupo Confidence in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.

- “Net usable cash used in financing activities” consists of cash flow used in financing activities excluding movements in items that are excluded from usable cash.
- “Pro Forma Adjusted EBITDA” for the year ended December 31, 2016 represents Adjusted EBITDA excluding (i) the EBITDA of the Currency Select business for the period from January 1, 2016 to April 1, 2016 (which was the date the Currency Select business was sold by the Group), (ii) the EBITDA of Travelex Insurance Services for the period from January 1, 2016 to November 16, 2016 (which was the date of the TIS Disposal) and including (i) the EBITDA of Travelex Emirates LLC that was not attributable to the Group prior to August 1, 2016 (which was the date Travelex Emirates LLC was transferred to, and we acquired 55% of the economic benefit and accounting control over, Travelex Emirates Exchange LLC, and we began to consolidate its results in our Group results), (ii) adjustments to our Adjusted EBITDA for the year ended December 31, 2016 when restated at the applicable exchange rates to pounds sterling as of December 31, 2016 and (iii) anticipated cost savings expected from our support function efficiency initiative started in 2016. See footnote 17 of “*Summary Financial Data*” for more information.
- “Total segment EBITDA” is Core Group EBITDA before Central and Shared Costs.
- “Travellers’ cheques EBITDA” comprises the EBITDA of our travellers’ cheques business, which does not form part of the Restricted Group.
- “Underlying EBITDA” is operating profit (loss) before depreciation, amortization and net operating exceptional items and non-underlying adjustments. See footnote 17 of “*Summary Financial Data*” for more information.
- “Unrestricted cash” represents cash and cash equivalents and cash classified as held for sale, less ring-fenced cash and term deposits, short-term bank borrowings, prepaid card floats, banknotes prepayments.
- “Usable cash” represents free cash excluding a portion of cash in business. This cash in business is cash held within the Group but not currently managed by the central treasury function. Historically, approximately two-thirds of this cash has not been readily accessible to us as it was required for working capital requirements of our business. Cash balance movements in cash in business are largely reflected as equal and opposite cash balance movements in cash in tills, vaults and in transit. This is due to the purchase and sale of cash stock (i.e. cash in tills and vaults) being funded by cash in business. As the Group’s accessibility to this cash pool is currently significantly higher than the two-thirds ratio as a result of centralized liquidity management processes, management now considers free cash as a more relevant measure. See footnote 19 of “*Summary Financial Data*” for more information.

We have presented these non-IFRS financial measures as they are used by our management to monitor and report to our board of directors on our financial position and available operating liquidity. Performance of our business is measured based on Core Group Revenue and Core Group EBITDA, as included in our internal management reports. Core Group Revenue and Core Group EBITDA are used to measure performance because our management believes that such information is the most relevant in evaluating the results of certain business segments relative to other entities that operate within these industries. Additionally, we feel that Core Group Revenue and Core Group EBITDA track the underlying business performance of our operations as they fully consolidate the results of each of our joint ventures, including our non-consolidated joint ventures, all of which are managed by us but not consolidated by the Group under IFRS, as well as the performance of the French Business, which we operate in exchange for a management fee. We believe these non-IFRS financial measures enhance investors’ understanding of our indebtedness and our current ability to fund our ongoing operations, make capital expenditures and our ability to service debt requirements, as certain of these non-IFRS financial measures, such as EBITDA, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. We have also presented pro forma net cash-pay debt and pro forma cash interest expense measures, as we believe these non-IFRS financial measures more appropriately reflect to investors the financial position of and cost of debt to Holdings in light of the Transactions. However, these non-IFRS financial measures are not measures based on IFRS, U.S. GAAP or any other internationally accepted accounting principles, and you should not consider such items as an

alternative to the historical financial position or other indicators of our cash flow and forward position based on IFRS measures. The non-IFRS financial measures, as defined by us, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our non-IFRS financial measures are calculated. The non-IFRS financial information contained in these listing particulars is not intended to comply with the reporting requirements of the U.S. Securities and Exchange Commission and will not be subject to review by the U.S. Securities and Exchange Commission. Even though the non-IFRS financial measures are used by our management to assess our financial position and certain of these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for the analysis of our position or results as reported under IFRS. For example, some of the limitations for the non-IFRS financial measures are as follows:

- they exclude certain tax payments that may represent a reduction in cash available to us;
- they do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- they do not reflect changes in, or cash requirements for, our working capital needs; and
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on our debts.

Exchange Rate

We present our financial information in pounds sterling. In presenting Pro Forma Adjusted EBITDA for the year ended December 31, 2016, we have elected to adjust for the foreign exchange impact on our Adjusted EBITDA for the year ended December 31, 2016 by restating Adjusted EBITDA using applicable exchange rates to pounds sterling as of December 31, 2016. Pro Forma Adjusted EBITDA therefore takes into account the weakening of the pounds sterling following the UK's referendum on June 23, 2016, based on which it was determined that the UK would leave the EU. We believe that the conversion rates as of December 31, 2016 represent a fair estimate of the rates of exchange between the applicable foreign currencies and pounds sterling in the near term. Apart from this adjustment to arrive at Pro Forma Adjusted EBITDA, we have not made any further adjustments to reflect foreign exchange impact on our business for the periods presented. See footnote 17(k) of "*Summary Financial Data*."

In converting the euro-denominated amount of offering proceeds into pounds sterling, we have elected to use an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 26, 2017, as published by Bloomberg Generic Composite rate. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date. See "*Use of Proceeds*."

INDUSTRY AND MARKET DATA

Unless otherwise indicated, statements in these listing particulars regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and channels in which we operate are based on data, statistical information, sector reports and third-party studies as well as on our own estimates.

In drafting these listing particulars, we have relied, among others, on the following market data sources:

- YouGov Market Survey dated January 2017;
- The World Bank; and
- Euromonitor International Limited.

The results of the market survey conducted by YouGov presented in these listing particulars, unless otherwise stated, are from YouGov Plc. Total sample size used by YouGov for this survey was 6,403 adults. Fieldwork was undertaken between December 19, 2016 and December 29, 2016. The survey was carried out online. The figures have been weighted on a country-by-country basis and are representative of all adults (aged 18+) in United States, United Kingdom, France and Australia and all urban adults (aged 18+) in the United Arab Emirates. The statement that many of those surveyed consider Travelex a brand they would trust (26%) and one of the world's leading providers of foreign currency (29%) was based by YouGov on those who were aware of one or more of the brands tested (Travelex, Global Exchange, International Currency Exchange, MoneyCorp and UAE Exchange). The statement that Travelex brand recognition is over two times higher than the second most recognized foreign exchange brand that was tested, among persons surveyed who have traveled abroad by air in the last twelve months and not taking into account UAE Exchange, was based on the following results from the survey conducted by YouGov: Travelex (56%), Global Exchange (22%), International Currency Exchange (14%), MoneyCorp (17%) and UAE Exchange (43%).

To the extent that information was taken from third parties, such information has been accurately reproduced by us in these listing particulars and, as far as we are aware and able to ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is by nature forward looking and speculative.

We have not verified the figures, market data and other information used by third parties in our studies, publications and financial information, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in these listing particulars or for the accuracy of data on which our estimates are based.

These listing particulars also contain estimations of market data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry we operate in and our position within it. Our own estimates have not been checked or verified externally. We nevertheless assume that our own market observations are reliable. We give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources.

While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in these listing particulars. As a result, neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in these listing particulars.

EXCHANGE RATES

The following table sets out, for the periods set forth below, the high, low, average and period-end Bloomberg Generic Rate expressed as U.S. dollar per £1.00. The Bloomberg Generic Composite rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Generic Composite rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated historical financial information and other financial information appearing in these listing particulars. None of the Issuer, the Guarantors or the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into pounds sterling at any particular rate indicated or any other rate.

The average rate for a year, a month, or for any shorter period, means the average of the daily Bloomberg Generic Rates during that year, month, or shorter period, as the case may be.

	<u>Period end</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
	(U.S. dollar per £1.00)			
Year				
2012	1.6255	1.5852	1.6279	1.5318
2013	1.6557	1.5649	1.6557	1.4867
2014	1.5577	1.6476	1.7166	1.5517
2015	1.4736	1.5285	1.5883	1.4632
2016	1.2340	1.3554	1.4877	1.2123

	<u>Period end</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
	(U.S. dollar per £1.00)			
Month				
October 2016	1.2242	1.2334	1.2842	1.2123
November 2016	1.2506	1.2441	1.2596	1.2243
December 2016	1.2340	1.2472	1.2732	1.2226
January 2017	1.2579	1.2354	1.2634	1.2047
February 2017	1.2380	1.2488	1.2659	1.2380
March 2017	1.2550	1.2347	1.2559	1.2153
April 2017 (through April 26)	1.2848	1.2612	1.2848	1.2371

	<u>Period end</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
	(€ per £1.00)			
Year				
2012	1.2317	1.2332	1.2857	1.1774
2013	1.2041	1.1779	1.2343	1.1433
2014	1.2876	1.2410	1.2876	1.1908
2015	1.3571	1.3774	1.4416	1.2743
2016	1.1731	1.2242	1.3654	1.0967

	<u>Period end</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
	(€ per £1.00)			
Month				
October 2016	1.1150	1.1190	1.1455	1.0967
November 2016	1.1810	1.1539	1.1810	1.1074
December 2016	1.1731	1.1835	1.1947	1.1691
January 2017	1.1649	1.1621	1.1789	1.1365
February 2017	1.1705	1.1736	1.1865	1.1576
March 2017	1.1778	1.1553	1.1778	1.1397
April 2017 (through April 26)	1.1783	1.1790	1.1967	1.1655

SUMMARY

This summary highlights certain information about us and the Offering of the Notes described elsewhere in these listing particulars. This summary is not complete and does not contain all the information you should consider before investing in the Notes. The summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in these listing particulars, including the consolidated financial statements (and related notes). You should read carefully the entire listing particulars to understand our business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including, without limitation, the risks discussed under the caption "Risk Factors."

Overview

We are a market leading independent foreign exchange business based on retail revenue and retail EBITDA. Over the past 40 years we have built a market leading retail network of specialist foreign exchange stores, and have developed Travelex as a trusted and widely recognized brand in foreign exchange. Our mission is to help our customers spend and send money around the world.

Our business operates across 30 countries and covers the entire value chain of the retail foreign exchange industry. In our Retail business, as of December 31, 2016, we operated stores in 12 of the world's top 20 international airports by international passenger numbers and in major transport hubs, premium shopping malls, high street locations, supermarkets and city centers. We have developed a growing network of over 1,100 ATMs at both on-airport and off-airport locations around the world, and we have built a growing online and mobile foreign exchange platform, having achieved 1.4 million mobile and online transactions in 2016. During the course of 2016, we invested £7.8 million on upgrading and reorganizing our IT platforms and systems, which will underpin our online business growth.

Our Retail activities also include the processing of VAT refunds for our retail customers, the sending of remittances and other international payments. In Wholesale and Outsourcing, we focus on the preparation, processing and delivery of foreign currency orders for major UK banks and, increasingly, international commercial banks, as well as for travel agencies, hotels and casinos; and the sourcing and distribution of large quantities of foreign exchange banknotes for customers, including central banks and international financial institutions. We believe that our presence across the entire value chain supports our ability to identify and secure business opportunities and provide bespoke product and service solutions to our customers.

We have long-standing relationships with many of our partner customers, including: (i) supermarket chains in the United Kingdom, including Tesco, Sainsbury's, and Asda; (ii) large commercial banks, including Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, National Australia Bank, Kiwi Bank, Westpac and HSBC; and (iii) travel agencies, hotels and casinos, including Thomas Cook and Gala Casinos.

We have a strong culture of compliance with anti-money laundering laws and regulations, international sanctions, consumer protection regimes and the regulatory and licensing requirements of each jurisdiction in which we operate. Our compliance and risk operations are based on the three lines of defense model, where the business units are responsible for managing their business risk (the first line), the compliance and risk function are responsible for risk policy and oversight of the business operations (the second line) and the internal audit function (the third line) adopts a risk based audit plan encompassing all corporate activities. We maintain a dedicated compliance and risk function comprising 168 experienced professionals.

We believe that the retail foreign exchange market is attractive because it is a large and growing market. The growth is driven by the trend of increased international travel across the world and also by globalization, which in turn drives more international travel and increased foreign currency spend and international payments. We believe that both outbound and at-destination market segments represent an attractive growth opportunity for our business and global brand.

Our strategy is to grow our business by capitalizing on the strength of our brand and further developing our distribution network. We aim to continue building deep customer relationships and provide exceptional customer service, deliver innovative products, services and channels, increase the footprint in the markets in which we are present, and maintain the efficiency of our operating cost base. We also seek to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust our customers, counterparties and regulators place in our global brand.

In the year ended December 31, 2016, our business generated Core Group Revenue of £777.5 million and Core Group EBITDA of £52.0 million. See “*Summary Financial Data.*”

The tables below show the split of our Core Group Revenue and Core Group EBITDA (which includes 100% of the revenue and EBITDA, respectively, of our non-consolidated joint ventures), by segment for the year ended December 31, 2016. For a description of our business segments, please see “*Use of Terms.*”

Core Group Revenue by Segment		Core Group EBITDA by Segment	
	(millions of £)		(millions of £)
Retail ⁽¹⁾	581.0	Retail ⁽¹⁾	68.3
Wholesale & Outsourcing	106.3	Wholesale & Outsourcing	38.7
<i>of which, Wholesale</i>	33.1	<i>of which, Wholesale</i>	8.6
<i>of which, Outsourcing</i>	73.2	<i>of which, Outsourcing</i>	30.1
Brazil	51.6	Brazil	3.8
Payments & Technology	6.4	Payments & Technology	(6.6)
Insurance	32.2	Insurance	5.5
		Central & Shared Costs	(57.7)
Total	<u>777.5</u>	Total	<u>52.0</u>

(1) Excluding revenue from the French Business, the Retail segment would have generated revenue of £537.2 million and EBITDA of £65.0 million for the year ended December 31, 2016.

Our Strengths

Trusted, globally recognized, leading independent brand

The trust and credibility which customers, partners, wholesalers and regulators place in our brand is our key strength. We believe that, amongst foreign exchange specialists, we have the highest prompted brand awareness. Based on a survey conducted by YouGov in December 2016, many of those surveyed consider Travelex a brand they would trust (26%) and one of the world’s leading providers of foreign currency (29%). Moreover, based on the same survey, Travelex brand recognition is over two times higher than the second most recognized foreign exchange brand that was tested, among persons surveyed who have traveled abroad by air in the last twelve months and not taking into account UAE Exchange. See “*Industry and Market Data.*”

Trust and credibility are especially important in this market and we believe that the Travelex brand creates additional opportunities with consumers, partners, landlords and regulators, including the following:

- **Consumer:** We believe that our brand yields superior hit rates in stores (compared to non-Travelex branded stores) and increases online traffic through our site and subsequent conversion rates. The strength of our brand ensures that Travelex is invited to tender for concessions and leases at major sites around the world.
- **Partners & Landlords:** We believe that our brand and reputation for consistent delivery and excellence in service act as competitive advantages in the market, giving partners and landlords the confidence that they require to invite Travelex to more tenders, to assess us more favorably in competitive bids, and give us more credence in discussions over potential outsourcing solutions and create credibility in the white label service offering to our partners. We have recently renewed several retail contracts in airports (including Melbourne Airport, Manchester Airport, Liverpool Airport and Bologna Airport) and extended the LHR contract to include all foreign exchange stores on an exclusive basis and we have also renewed our contracts to supply outsourcing solutions to

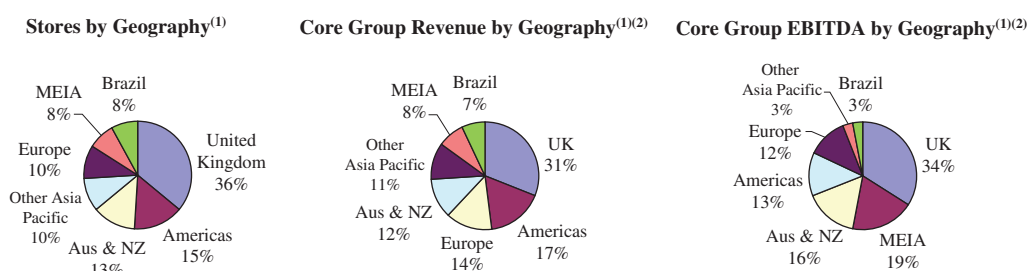
the Royal Bank of Scotland and Tesco. These are examples of our strong brand and track record of service excellence, which in turn translate to continued business opportunities with our partners and landlords.

- **Regulatory:** We believe that our track record of compliance and globally recognized brand create a strong position with regulators. In particular, we have a track record of working alongside regulators in emerging markets (such as China, Malaysia and Turkey) to help define and improve their regulatory regimes. For example, in 2013, we were awarded a national license to offer retail foreign exchange products and services nationwide across China, and in July 2015 we were awarded approval to conduct the import and export of banknotes in China and provide wholesale banknotes across China.
- **Enhanced opportunities:** Given the importance of trust and credibility in purchasing financial products, we believe that our brand strength is a core strength in the launch of innovative products. We aim to maintain a pipeline of new products, such as the launch on March 27, 2017 of Travelex Wire, a proprietary international money transfer product, in the United Kingdom.

Globally diversified geographic footprint and scale

As of December 31, 2016, we had 2,299 Travelex-branded stores and ATMs spread across 27 countries. Our largest markets include the United Kingdom, Australia, Japan, the United States, the Netherlands, Brazil and Turkey. As of December 31, 2016, we operated 522 stores in 114 airports worldwide, which gives us access to over one billion international travelers annually. We won or renewed 9 airport contracts in 2016. We operate in the top five airports by annual international passenger numbers (Dubai International Airport, Hong Kong Airport, LHR, Singapore Changi Airport and Paris Charles de Gaulle Airport). As of December 31, 2016, we operated in 12 of the world's top 20 international airports by annual international passenger numbers. We are growing our presence in major international hub airports such as Dubai International Airport and Istanbul Atatürk Airport. As of December 31, 2016, we also operated stores in major transport hubs, premium shopping malls, high street locations, supermarkets and city centers across the world, which we refer to as "off-airport" locations. We have developed a growing network of over 1,100 ATMs at both on-airport and off-airport locations around the world, and we have built a growing online and mobile foreign exchange platform. We also process and deliver foreign currency orders for major UK banks and, increasingly, international commercial banks, as well as for travel agencies, hotels and casinos. In addition, we source and distribute large quantities of foreign currency banknotes for customers including central banks and international financial institutions. We are also active in remittances, international payments and VAT refunds.

We illustrate below the geographic footprint of our store network for the year ended December 31, 2016, based on the number of stores, as well as our Core Group Revenue and Core Group EBITDA by region for the year ended December 31, 2016, before Central and Shared Costs:



(1) "MEIA" comprises countries in the Middle East, India, Turkey and South Africa; "Other Asia Pacific" comprises Japan, China, Hong Kong, Singapore and Malaysia; "Americas" comprises the United States, Canada and Panama; and "Aus & NZ" comprises Australia and New Zealand.

(2) Core Group Revenue and Core Group EBITDA by geography do not include Central and Shared Costs.

The geographic footprint of our store network is diversified, having benefited from, for example, the acquisition of 75% of the issued share capital of Arti Döviz Ticaret A.S. (now Travelex Döviz) in 2014, which added nine stores across Turkey to our global store network (with six additional stores

opened in Turkey since the date of acquisition), and the acquisition of Grupo Confidente in 2013 which (at the time of the acquisition) added 119 stores throughout Brazil. We are present in key emerging markets, including Brazil, China, South Africa and the Middle East and, in the last five years we have entered other attractive growth markets, including Singapore and Thailand. We continue to work on market entry strategies for retail markets with foreign exchange and remittance growth potential, notably in the Middle East and APAC. In 2016, we continued to seek new opportunities in wholesale markets, winning contracts and developing operations in emerging markets such as Azerbaijan, Georgia and Armenia, and will continue to identify new opportunities in Latin America and APAC.

Our business has a globally diversified geographic footprint. We believe this represents a significant strength because it mitigates the impact of events such as natural disasters or economic recession, which often have a local or regional impact. In particular, the impact of terrorist attacks on the Group's results in Europe was offset by strong growth in the Middle East. See "*Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations.*"

In January 2015, we disposed of our French Business to UAE Exchange but continue to provide management services and operate these stores. The Group no longer consolidates the results of the French Business, but instead earns a fee for the management of this entity and therefore all ATMs and stores are included within the Group's reported network. The revenue and EBITDA of the French Business are also reported in Core Group Revenue and Core Group EBITDA (which do not include the management fee received by the Group for the management of the French Business).

In addition to our store and ATM network, our scale advantage is also reflected in our network of hub vaults and satellite vaults, which allows us to provide depth across the foreign currency value chain, enabling us to source and distribute foreign currencies around the world more efficiently. We have four large central vaults ("hub vaults") in London and Hatfield (United Kingdom), the latter also acting as a dedicated UK disaster recovery site, Sydney (Australia) and Louisville (United States), which yield significant economies of scale. These are operated with increasing levels of automation, thereby further increasing operational efficiency and lowering our cost of currency. These hub vaults are connected to a broader network of 13 smaller vaults ("satellite vaults"). This global interconnected network provides us with the flexibility to source currency locally or from abroad and enables us to efficiently re-circulate currencies from lower margin wholesale locations to countries where they can be resold at higher retail margins. Our international network of vaults allows for a highly differentiated level of vertical integration whereby we source and distribute large quantities of foreign currency banknotes for customers, including central banks and international financial institutions, and process and deliver foreign exchange orders for major commercial banks as well as for travel agencies, hotels and casinos. This vertical integration and the breadth of our worldwide operations provide our Retail business with a low cost source of banknotes in both major and exotic currencies. We believe this is an important competitive advantage relative to smaller competitors, who are unable to source their currency as effectively. We have continued to invest in our world-leading foreign exchange processing capabilities, including our Taxisia system for automated sorting, bundling and packaging currency and other items. The Taxisia system is installed in our key United Kingdom vault, and we are considering opportunities to use it in our other vaults as well. This has significantly reduced the cost of processing currency through the London hub vault. We have also invested in ensuring a high level of IT and business process integration with our customers, which, coupled with our ability to offer a variety of foreign exchange products across multiple channels, helps to support customer retention.

Long-term, mutually beneficial partner relationships underpinning stability of revenues

We have successfully built long-term relationships with blue chip clients, reflecting the quality of our service and our capacity to retain profitable relationships. We operate retail foreign exchange stores and we process and deliver foreign currency orders for partner customers including: (i) supermarket chains in the United Kingdom, including Tesco, Sainsbury's, and Asda; (ii) large commercial banks, including Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, National Australia Bank, Kiwi Bank, Westpac and HSBC; and (iii) travel agencies, hotels and casinos, including Thomas Cook and Gala

Casinos. Our fully integrated, complete end-to-end supply solution to our partners increases efficiency of service and minimizes disruption to our partners. This also means we are deeply integrated with them. We have developed long-term relationships with such partners to capitalize on their established distribution networks and brands based on the strength and depth of our offerings across multiple channels. For example, we have provided outsourced foreign exchange services to both the Royal Bank of Scotland and Barclays Bank for over 15 years. We believe that the nature and quality of our partner relationships are a significant competitive advantage for us and a testament to the level of trust such companies place in us, our compliance standards and in our continued and on-going excellence in service.

We also provide sourcing and distribution of foreign currency banknotes to our wholesale customers, including central banks and international financial institutions, such as the Central Bank of Nigeria, Barclays Bank, HSBC, Forex Bank AB, Ecobank Nigeria and Standard Bank. We also provide the Central Bank of Nigeria with an outsourced distribution solution for its weekly distribution of U.S. dollars to retail foreign exchange stores in Lagos. These long-term relationships are underpinned by trust in the Travelex brand, our compliance standards and our ability to meet specific requirements on the size of banknote consignments and their delivery from vault to vault and onwards to retail locations. The deep, long-term relationships established with partners and wholesale customers and continued excellence in service support our competitive positioning.

The table below indicates our key partners and wholesale customers and the length of our relationship with each:

Key Outsourcing Partners

Duration

Barclays Bank	Over 15 years
The Royal Bank of Scotland	Over 15 years
Tesco	12 years
Kiwibank	11 years
HSBC	10 years
National Australia Bank	10 years
Sainsbury's	9 years
Asda	7 years
Lloyds Banking Group	7 years
Hays Travel	3 years
The Money Shop	3 years

Key Wholesale Customers

Central Bank of Nigeria	Over 20 years
Standard Chartered Bank	Over 20 years
Forex Bank AB	Over 15 years
Rawbank	Over 10 years
Barclays Bank	Over 10 years
Ecobank Nigeria	10 years
Thomas Cook	9 years
Stanbic Bank	6 years
Standard Bank	6 years
Moneycorp	3 years

Continued investment in integrated digital platform

We are continuing to invest in growing our in-house digital capabilities, which will allow us to deliver the next generation of products, while also strengthening our existing offering. In addition, we have a proven track record of providing innovative solutions to our customers, such as our bank-to-bank online consumer payment service that we operate through Travelex International Payments, in partnership with OzForex, and ecommerce and point-of-sale terminals to acquirers, merchants and business customers. We have invested £22.7 million over the last three years (2016: £12.9 million, 2015: £9.8 million, 2014: £nil) in building our digital offering (including recent investments in Travelex Wire). Our digital capabilities are delivering strong growth in the online Retail channel, with online Retail

revenue up 21%, and the number of online Retail transactions up 7%, in the year ended December 31, 2016, as compared to the year ended December 31, 2015. We are currently developing new mobile services, applications and digital card products, and building research and development capabilities. On March 27, 2017, we launched Travelex Wire in the United Kingdom, a new bank-to-bank online consumer payments service.

We expect that the integrated digital technology ecosystem which we have built will serve to strengthen existing products by increasing the agility and flexibility of existing solutions and reducing business risk and operational costs. This modular IT architecture can also be re-purposed to allow us to offer additional services to outsourcing partners. This technological integration with outsourcing partners is particularly beneficial for contract renewals, and has helped us to secure the renewal of contracts with Sainsbury's and the Royal Bank of Scotland. In addition, it is critical to capture new outsourcing clients and to offer pioneering digital cross-platform outsourcing solutions, such as our new outsourced currency solutions contract with Australian financial services provider Westpac. Our IT infrastructure supports and enhances our operations with respect to retail and wholesale transactions, online channels, risk management and compliance. We recently made significant upgrades to much of our IT platforms and systems, spending £7.8 million in 2016 on developing the next-generation IT platform, and expanded our shared services center in Mumbai to support our global functions, which we believe is helping to deliver economies of scale and greater automation of our business.

Diversified and resilient business model set for growth

Secular growth in international travel, particularly in emerging markets, as well as globalization, have driven a corresponding increase in volumes in the retail foreign exchange market. As the number of international trips has increased over the last twenty years and is forecasted to continue to grow (source: The World Bank), such growth should have a positive impact on foreign currency spend and international payments.

Consumer options for foreign exchange continue to increase, from purchases at physical stores and ATMs to payments by credit card, debit and prepaid cards, to electronic purchases via the internet and mobile phones. Our ability to handle customer requests in each channel positions us well to benefit from corresponding growth. We believe that we are well positioned to capitalize on our investments in prepaid cards, and mobile and online platforms, given our track record across countries and markets and the impact of our trusted brand.

Despite the challenges we have faced, we have shown resilient growth in Core Group Revenue at 3.8% CAGR over the last three years, driven in large measure by our strategic geographic and product expansion and diversity. Our business has proven to be resilient to economic cycles and our growth over the last ten years has been driven by the trend of increased international travel across the world and by globalization. These trends drive increased need for products across the foreign exchange value chain across geographies. For example, in 2016, our retail division revenue growth remained strong, underpinned by the robust performance in UK VAT refunds, market share growth in the Middle East and solid growth in other key markets such as Japan, Australia and New Zealand, with each trading quarter in the financial year 2016 performing at least 10% above the comparable trading quarter in the financial year 2015. In addition, we became the sole provider of foreign currency ATM services in LHR, which has contributed to improved revenue in 2016. Our revenue has also benefitted from strong multi-channel performance, particularly in online and ATMs. A large portion of our revenue is also generated from sources not dependent on travel, such as our Wholesale and Outsourcing and Payments and Technology businesses. Finally, much of our revenue is generated from longer term contracts or supported by long-standing relationships, mitigating the effects of economic cycles or other adverse changes in our market.

In addition to resilient revenue growth, most of our segments have shown robust profitability levels through the years. Retail Core Group EBITDA has grown at 3.3% CAGR in the last three years in particular due to the revenue initiatives in the UK and Japan, strong profitability in Turkey and continued focus on our cost base. Outsourcing margins remain strong and prospects are strengthened by the new outsourced currency solutions contract with Westpac, which commenced in September 2016. With improving economic conditions and increasing oil prices, we have seen business in Nigeria

pick up since the second half of 2016. We have received orders from the Central Bank of Nigeria in November 2016 (\$250 million), February 2017 (\$250 million) and April 2017 (\$500 million).

We also believe that the actions we took in 2016 position us well for growth in 2017. We see several attractive opportunities in the market that will contribute to our growth and continued resilient performance. Travelex Brazil provides a strong platform for expansion in Latin America, with remittance, cross-border digital payments and wholesale banknote sales being key focus points. In addition, we secured presence in key developing markets. For example, in July 2016, we commenced operations at Changi airport in Singapore, a top 10 international hub, and are planning to roll out new products such as ATMs, VAT refunds and remittance in the market. During 2016, we expanded the wholesale client base in emerging markets to include jurisdictions such as Azerbaijan, Georgia, Armenia and Dominican Republic. In 2017, we continue to explore new market entry opportunities. We have a proven track record of entry to fast growing markets, and plan to cultivate market entry opportunities in the Middle East and APAC markets with growing foreign exchange and remittance potential, such as Kuwait, Saudi Arabia, Indonesia and Philippines.

Strong culture of compliance and risk management underpinning deep regulatory relationships

Compliance and risk management are at the heart of our business. We seek to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust our customers, counterparties and regulators place in our global brand. We take the trust we have earned very seriously and we plan to continue to maintain our compliance capabilities. In 2017, we plan to upgrade our money laundering and sanctions monitoring systems and fraud monitoring systems, reinforcing our commitment to leading-edge compliance practices. We believe this represents a key competitive advantage in our Retail business when we tender for concessions and leases at on-airport and off-airport locations, as well as for our Wholesale and Outsourcing business. It also enhances the trust and credibility in negotiations with central banks, regulators and sovereign authorities when we seek to enter new countries, expand existing products and services or attract new partners and customers. In addition, we believe that our strength in compliance also represents a key competitive advantage for our Payments and Technology business when we negotiate with potential customers and technology providers. Although we seek to maintain the highest compliance standards, we may be subject to regulatory investigations or experience other compliance issues with regulators from time to time. In such cases, we seek to work collaboratively with regulators to resolve such issues in a timely and comprehensive manner.

Our experience and track record in a variety of regulatory environments across the world has resulted in us being asked by the regulatory authorities of key emerging nations looking to implement regulatory reform, such as China, Turkey and Malaysia, to help them understand the differing regulatory regimes in place, identify best practices and keep pace with the development of the tourist market, and advise them on handling a full range of currencies, prepaid cards and online foreign exchange sales.

Strong management team and supportive shareholders

Our experienced management team has a track record of delivering attractive growth and portfolio optimization. The executive team has many decades of experience and has grown the business across economic cycles.

In addition, we benefit from the consistent support of our shareholders, who have significant experience in the foreign exchange and payments and remittances sector. For example, in December 2016 and in January and February 2017, our shareholders provided £68.5 million in aggregate of subordinated shareholder loans to support our organic growth. See “*Related Party Transactions*.” With the backing of our shareholders, our management team is free to focus on the execution of strategic priorities.

Our Strategy

Our strategy is to grow our business by capitalizing on our brand. We aim to (i) continue building deep customer relationships and providing a seamless experience across channels, (ii) deliver innovative products, services and channels, (iii) increase our footprint in the markets in which we are present; and (iv) maintain the efficiency of our operating model.

There are four core strategic priorities:

Continue building deep customer relationships

Our vision for Travelex over the next five years is to rapidly grow a large base of consumer and corporate customers who use Travelex to send and spend money around the world. We believe that Travelex has a compelling value proposition with the best products, the greatest convenience and the best experience across all channels. We are in the process of developing a roadmap for monetizing customer data and leveraging our new digital products. As of December 31, 2016, we had approximately 800,000 customers in our customer database.

We aim to deliver a seamless customer experience and personalized service across all channels, based on a “single customer view” by investing in our customer database and communications tools. We aim to build deeper relationships with Outsourcing partners by offering white label currency solutions for their foreign exchange needs.

We believe that our deep customer knowledge will drive growth by delivering more relevant products and services, taking advantage of cross-selling opportunities and increasing customer retention. We aspire to build a ‘one stop shop’ for foreign exchange and travel-related needs that will support the sale of multiple Travelex and third-party products to customers.

Deliver innovative products, services and channels

We have a proven track record of bringing new and innovative products to market, such as the multi-currency prepaid cards in the United Kingdom, Australia, New Zealand, Japan and the United States and VAT refunds, which we offer at our major European hubs such as LHR, Paris Charles de Gaulle Airport, Amsterdam Schiphol Airport and Manchester Airport. We aim to continue developing a pipeline of new products for our customers and Outsourcing partners. Through increased investment, we continue to strengthen our digital capabilities to capitalize on growth opportunities and to ensure we continue to deliver the most innovative and leading currency services for our customers whilst adapting to the changing payments landscape.

In addition to our “Travelex Money App,” we are in the process of creating an owned international payments platform which can be offered by Travelex branded channels as well as by partners. Travelex has a track record of success in the payments market, having previously operated one of the largest non-bank providers of corporate cross-border payments.

We are diversifying our product offering by increasing investments in remittances, a key engine of growth in the foreign exchange and international payments category. We are intending to expand beyond our long-established relationship with Western Union to roll out growth products, such as Xpress Money, which is a cash-to-bank and bank-to-bank consumer remittance product, across the Travelex retail network. These products will give us access to new geographic locations and customer segments.

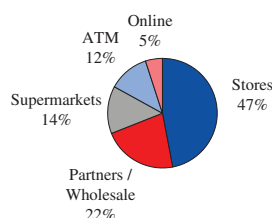
We will consider strategic investment and technology acquisitions in the retail and financial technology sectors for the purposes of accelerating our product and service roadmaps.

Depth in key markets: increase our footprint in the markets in which we are present

We seek to further build upon our market share in our key markets by leveraging our full range of distribution channels and business models. Key markets include Australia, the Netherlands, the United Kingdom and the United States, and we are also present in other major travel markets such as China,

Germany and France. In the United Kingdom, we have a significant number of airport locations which offer foreign exchange services and VAT refunds, and we offer outsourcing solutions to four major banks and three major supermarket chains. We also have a comprehensive online platform proposition, which can be individually tailored for each of our partners. The chart below illustrates our current split per business in the United Kingdom, our most mature market, which we aim to replicate in the other countries and regions in which we operate, calculated based on revenue for the year ended December 31, 2016:

United Kingdom Revenue by Channel⁽¹⁾



(1) Revenue in the United Kingdom for the year ended December 31, 2016 excludes revenue related to UK banknotes for the year ended December 31, 2016, as a majority of such revenue relates to delivery of banknotes outside the United Kingdom, and revenue related to Tesco and Sainsbury's stores.

Similarly, in the Netherlands, we have a strong airport presence with a strong share of outbound planned market foreign exchange through our downtown retail proposition and our outsourcing relationships with the major banks, together with a growing online business.

There are a number of opportunities for us to expand our distribution including: (i) expanding participation in airports (we are targeting a number of important airport contracts in 2017); (ii) expanding our on-airport ATM network; (iii) replicating the UK supermarkets model in other markets; (iv) extending online and mobile reach to drive penetration in the outbound planned market and access higher average transaction values ("ATVs") that are typical of this channel, and offering white label websites for outsourcing and retail partners; and (v) expanding our Wholesale and Outsourcing business by driving share in the outbound planned market through replication of the outsourcing model, by focusing on core markets in the United States or Australia, where we already have vaults and existing outsourcing customer relationships, as well as driving growth from European markets where we can leverage our infrastructure in the United Kingdom.

As of December 31, 2016, we operated, either under our own brand or through one of our partners' brands, 1,509 stores in 27 countries and over 1,100 ATMs in 15 countries. There is scope to expand our global footprint in selective other markets where we believe we can operate across the supply chain and they have an opportunity to be a significant contributor to EBITDA.

Historically, we have employed a number of expansion strategies to enter new markets, including by acquisition, organic development and joint venture arrangements. For example, our operations in Thailand, Panama, South Africa, Qatar, UAE, Oman, Bahrain, Turkey and Malaysia all started as joint ventures, and most of them continue as such. In December 2015, we acquired 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade assets of Renova S.A. Corretora de Cambio. The Renova business comprised a network of retail stores across Brazil with a remittance and business to business foreign exchange offering which is complementary to the Grupo Confidence offering in Brazil. On February 2, 2015, we acquired the remaining 51% interest in Grupo Confidence, the leading independent foreign exchange business in Brazil, having acquired 49% stake in April 2013. In May 2014, we acquired a 75% stake in Arti Döviz (now Travelex Döviz), a leading foreign exchange business in Turkey, for £24.6 million. In January 2017, we purchased the remaining 51% of our joint venture in South Africa that we did not previously own for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing). In each of these markets, we will continue to focus on consolidating our market share by expanding distribution and business models, and developing innovative payments propositions, in line with our strategy for existing markets.

Maintain the efficiency of our operating model

We continue to leverage our scale to optimize efficiencies in our business. We have implemented a global structure, with business units supported by functions on a global basis and we continue to evolve our operating model. We have a global supply chain, and we are currently testing automated vault technology aimed at reducing our vault costs and error rates. Support functions are leveraging our growing shared services center in Mumbai, which currently provides finance, IT, compliance and human resources services, and which employed 510 people as of December 31, 2016.

We intend to continue to increase operational efficiency by reviewing our organizational design looking for further process improvements and for process automation. We will also invest in upgrading and developing platforms for our Outsourcing and SME customers, as well as key systems to support new digital products, customer database, compliance, and further improve our data analytics capability.

We look for continuous improvement across the business to drive economies of scale. We have several globally organized programs within the business. For example, our Retail business runs a Global Channel and Sales Effectiveness ("GCSE") program, which leverages best practice sales techniques across our stores, and "Retex," a global initiative to optimize store rostering. Our contract strategy and commercial propositions are centrally managed to ensure we take advantage of our global knowledge and experience.

We continue to seek opportunities for further efficiency whilst also ensuring that our skills and capabilities are aligned with our strategic objectives. We believe that there are further opportunities for standardizing and automating routine transactional activities. For example, in 2016, we commenced a support function efficiency initiative which will further reduce costs through increased offshoring of our finance and risk functions. In 2017, we announced the relocation of approximately 70 finance roles from the United Kingdom to our shared services center in Mumbai.

Recent Developments

Trading update

We estimate that our Core Group Revenue for the three months ending March 31, 2017 will be between £170 million and £176 million compared to £153.2 million for the three months ended March 31, 2016 (excluding the £14.8 million Core Group Revenue contribution of the Currency Select and Insurance businesses, which were disposed of in 2016). This increase was primarily due to an increase in revenue from Brazil and the Middle East, Supermarket sales, our UK VAT business, recommencement of Nigeria wholesale orders and a foreign exchange translation gain on foreign revenue. We estimate that our Core Group EBITDA for the three months ending March 31, 2017 will be approximately £2 million compared to a loss of £1.2 million for the three months ended March 31, 2016 (excluding the £1.9 million Core Group EBITDA contribution of the Currency Select and Insurance businesses, which were disposed of in 2016). This increase in EBITDA was primarily due to the revenue drivers set out above. We also estimate that our cash and cash equivalents (net of bank overdrafts) and free cash as of March 31, 2017 will be between £925 million and £945 million and between £75 million and £85 million, respectively, compared to £560.3 million and £106.1 million, respectively, as of December 31, 2016. Cash and cash equivalents increased primarily due to £432.4 million of wholesale banknote prepayments in March 2017 and £32.5 million in borrowings under our 2045 Shareholder Loan Program in January 2017, which were partially offset by our redemption of £38.9 million in aggregate principal amount of our outstanding Existing Notes in March 2017 and £10.8 million in interest payment on our Existing Notes in March 2017. The decrease in free cash was primarily due to £38.9 million in redemption of Existing Notes and £10.8 million in interest payment partially offset by £32.5 million in shareholder borrowings described above.

This information is based solely on preliminary internal information used by management and is based on our management accounts (including the full consolidation of all of our joint ventures). Our actual consolidated financial results as of and for the three months ending March 31, 2017 may differ from our preliminary estimated results and remain subject to our normal end of period closing procedures and review process, including the adjustments required to present this accounting information in accordance with IFRS. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast

or representation by us or any other person regarding our financial performance as of and for the three months ending March 31, 2017 or any future period. See “*Forward Looking Statements*” and “*Risk Factors*” for a more complete discussion of certain of the factors that could affect our future performance and results of operation.

Recent acquisitions, disposals and organic expansion

On January 12, 2017, we purchased the remaining 51% share capital of Travelex Africa that we did not previously own, for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing).

On February 23, 2017, we completed the acquisition of 100% of Global Money Remittance PTE Ltd, Singapore for SGD 7.8 million (approximately £4.5 million at the time of acquisition).

We were granted a foreign exchange license from the Bank of Spain in November 2016 for Travelex España, S.A and we are exploring a number of opportunities to commence trading in Spain in 2017.

Shareholder borrowings

In December 2016, we entered into a subordinated loan note program with our shareholders, Dr. B.R. Shetty, Saeed Mohamed Butti K. Al Qebaisi and Khaleefa Butti Omair Yousif Al Muhairi, for a maximum amount of £70 million due in December 2045 (the “2045 Shareholder Loan Program”). In December 2016, we borrowed £31.5 million under this program, (i) £27.5 million of which was used to repay trade payables owed to BRS Personal Investments under a banknote supply arrangement (as described in “*Business—Material Agreements—BRS Personal Investments Banknote Supply Agreement*”), (ii) £1.5 million of which was used to finance our newly incorporated joint venture in Thailand and (iii) £2.5 million of which was used to pay the purchase price in connection with the acquisition of the remaining 51% of our joint venture in South Africa. Under this program, on January 17, 2017, we borrowed £32.5 million, which was held as cash on balance sheet and, on February 22, 2017, we borrowed a further £4.5 million, which was used to pay the purchase price in connection with our acquisition of Global Money Remittance PTE Ltd, Singapore, in February 2017. See “*Related Party Transactions—Other related party transactions.*”

Open market purchases and partial redemption of the Existing Notes

In December 2016, we acquired £11.1 million in aggregate principal amount of our outstanding Existing Notes through open market purchases. In February 2017, we redeemed a further £38.9 million in aggregate principal amount of our outstanding Existing Notes. As a result, the aggregate principal amount of our Existing Notes that remains outstanding is £300.0 million.

Expected new reporting structure under new Chief Commercial Officer

The Group has historically reported five trading segments, Retail, Wholesale and Outsourcing, Brazil, Payments and Technology, and Insurance. The Group is in the process of transitioning to a new Global Trading organizational structure under the leadership of Stephen O'Donovan, our new Chief Commercial Officer. Sales of foreign exchange products, services and outsourcing solutions will be managed through eight geographic regions, with each having a Commercial Director responsible for the overall performance of that region and for the implementation of the Group's strategic plan. Support services and central functions will continue to be managed globally for the Group as a whole. All significant operating decisions will continue to be made by the Executive Committee which comprises the CEO, CFO, CCO and the heads of other global functions. The impact of this reorganization on our external financial reporting will be that Core Group Revenue and Core Group EBITDA will be reported for the Group as a whole, supplemented by additional analysis as appropriate. The timing for implementing this change in external financial reporting, including any appropriate restatement in respect of existing financial statements with respect to segmental disclosure, has not yet been determined but is expected to be implemented by the end of 2017.

Reorganization

To streamline our corporate structure, we plan to begin implementing a reorganization aimed at simplifying our corporate structure in the second half of 2017. Pursuant to the reorganization plan we intend to take certain actions, which may include merging, combining or otherwise amalgamating entities both within and outside the Restricted Group, as well as liquidating, winding up, dissolving or otherwise removing entities from within and outside the Restricted Group.

Specifically, we currently intend to liquidate (i) TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, each of which is a redundant holding company which sits outside the Restricted Group and (ii) TP Financing 4 Limited and Travelex Group Limited, each of which is a redundant holding company within the Restricted Group.

In addition, on or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such instruments. Following such amendments, UTX Holdings Limited will be the lender and Holdings will be the borrower under the Shareholder Instruments. See “—*Summary Structure*” and “*Presentation of Financial and Other Information*.”

Our Shareholders

On January 29, 2015, the Apax Funds and Mr. Lloyd Dorfman, our founder and former chairman, sold their interests in the Group to UTX Holdings Limited, a company incorporated in Jersey and which is ultimately controlled by Dr. B.R. Shetty (however, 5% of Holdings is still beneficially owned by Mr. Lloyd Dorfman, our former Chairman and founder, and The Lloyd Dorfman Children’s Settlement). The new shareholders control a portfolio of companies, including UAE Exchange, a global remittance business based in Abu Dhabi. In connection with the sale, one of our subsidiaries, Travelex France Holdings Limited, sold its 100% stake in the French Business to UAE Exchange UK Limited (the “French Disposal”).

While we believe that opportunities for both businesses to work more closely together and to benefit from each other will arise, we will continue to operate independently for the foreseeable future. We are currently in the process of evaluating strategic opportunities for growth in our global payments and remittance offering by leveraging UAE Exchange’s technology platforms and best practices, and quicker expansion into the Middle East and India. See “*Principal Shareholders*.”

The Issuer

The Issuer is a public limited company registered in England and Wales under number 8566601 and is a financing subsidiary of the Company, which is itself an indirect subsidiary of Holdings. The Issuer has its registered office at 4th Floor, Kings Place, 90 York Way, London N1 9AG and its telephone number is +44 (0)207 812 5500. The Issuer was incorporated under the laws of England and Wales on June 12, 2013.

The Transactions

We estimate that the gross proceeds of the Offering of the Notes will be €360.0 million. We plan to use the gross proceeds of the Offering, along with cash on hand, to redeem in full the Existing Notes together with unpaid interest and any redemption premium, commissions, fees and expenses associated with these transactions. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimate of fees, expenses and outstanding amounts upon repayment.

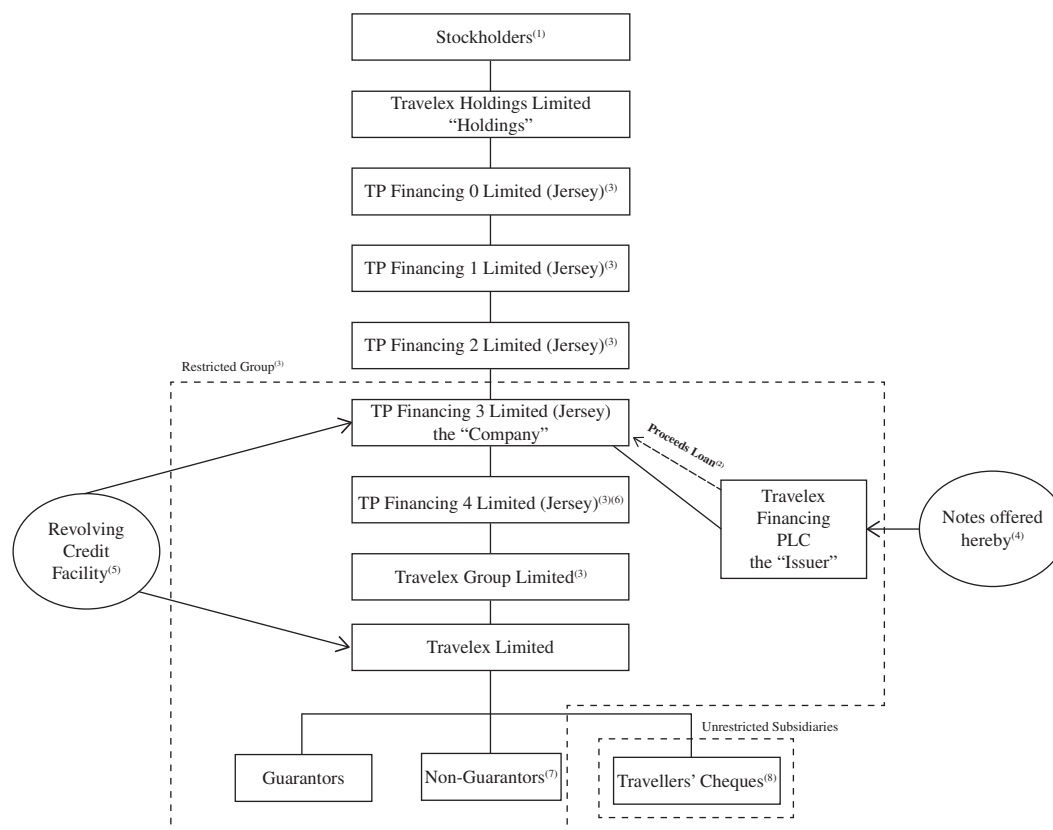
The following table sets forth the estimated sources and uses of the proceeds from the Offering. To the extent that the planned uses for the proceeds are less than we expect, we will use any excess cash for general corporate purposes.

Source of Funds		Use of Funds	
	(millions of £)		(millions of £)
Notes offered hereby ⁽¹⁾	305.5	Redemption of Existing Notes ⁽²⁾	300.0
Cash on hand	10.5	Estimated commissions, fees and other expenses ⁽³⁾	16.0
Total Sources	<u>316.0</u>	Total Uses	<u>316.0</u>

- (1) Represents €360.0 million aggregate principal amount of Notes, translated at an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 26, 2017, as published by Bloomberg Generic Composite rate. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date.
- (2) Represents the outstanding aggregate principal amount of the Existing Notes. This amount excludes accrued and unpaid interest of approximately £4.1 million that will be due on the outstanding amount of the Existing Notes and a redemption premium of £3.8 million in relation to the fixed rate tranche of the Existing Notes, in each case as of the redemption date of May 5, 2017, which is included under estimated commissions, fees and other expenses in this table. The accrued and unpaid interest amounts are calculated from February 1, 2017 with respect to the fixed rate tranche of the Existing Notes and from May 1, 2017 with respect to the floating rate tranche of the Existing Notes, the most recent interest payment dates, respectively. See “*Capitalization*.”
- (3) Represents the estimated fees and expenses associated with the Transactions, including the estimated accrued and unpaid interest of approximately £4.1 million and estimated redemption premium of £3.8 million on the Existing Notes, in each case as of the redemption date of May 5, 2017, as well as commitment, placement and other transaction costs and professional fees.

Summary Structure

The following diagram summarizes certain aspects of our corporate and financing structure, on an as adjusted basis after giving effect to the Transactions.



- (1) As of December 31, 2016, Dr. B.R. Shetty, Mr. Khaleefa Butti Omais Al Muhairi and Mr. Saeed Mohamed Butti K. Al Qebaisi indirectly owned 95% of the ordinary shares in Holdings. The remaining 5% is owned by Mr. Lloyd Dorfman (our former Chairman and founder) and The Lloyd Dorfman Children's Settlement.
- (2) Following the receipt of the proceeds of the Notes, the Issuer will on-lend the gross proceeds of the Offering to the Company pursuant to a proceeds loan agreement, which the Company will use to repay the proceeds loan made by the Issuer to the Company in relation to the Existing Notes, which will in turn be used to repay the Existing Notes. See "Use of Proceeds."
- (3) The entities in the Restricted Group will be subject to the covenants in the Revolving Credit Facility and the Indenture. To streamline our corporate structure, we plan to begin implementing a reorganization aimed at simplifying our corporate structure in the second half of 2017. Pursuant to the reorganization plan we intend to take certain actions, which may include merging, combining or otherwise amalgamating entities both within and outside the Restricted Group, as well as liquidating, winding up, dissolving or otherwise removing entities from within and outside the Restricted Group. We currently intend to liquidate TP Financing 0 Limited, TP Financing 1 Limited, TP Financing 2 Limited, TP Financing 4 Limited and Travelex Group Limited.
- (4) The Issuer will issue €360.0 million aggregate principal amount of Notes. The Notes will be senior secured obligations of the Issuer and will, as of the Issue Date, be guaranteed on a senior secured basis by the Company, and as of the Issue Date or within the time periods set forth herein, by certain of its subsidiaries. See "Description of the Notes—Notes Guarantees." The Notes Guarantees of the Company and the English Guarantors will be secured obligations of such Guarantors and certain of the Notes Guarantees of the Non-English Guarantors will be secured obligations of such Guarantors. The Notes Guarantees will be subject to certain limitations under law, as described under "Risks Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability." To the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and Permitted Collateral Liens (as defined in "Description of the Notes—Certain Definitions"), (i) each of the Issuer, the Company and the English Guarantors (other than Travelex Europe Limited) will grant in favor of the Security Agent, fixed and floating charges on a first-priority basis, over (subject to certain carveouts) substantially all of the assets of the Issuer, the Company and such English Guarantors, (ii) the Company and TP Financing 4 Limited will each grant in favor of the Security Agent, security on a first-priority basis over the shares held by such entities in TP Financing 4 Limited and Travelex Group Limited, respectively, and (iii) each of the Guarantors that directly owns another Guarantor will grant in favor of the Security Agent, security on a first-priority basis over the shares held by such Guarantor in such other Guarantor. However, no security will be granted over the shares of the Australian Guarantors or, subject to the next sentence, the shares of the Brazilian Guarantor or the assets of Travelex Europe Limited. The Revolving Credit Facility Agreement requires that, to the extent legally possible and not prohibited under any third party arrangements (including,

without limitation, the BRS Facility Agreement (as defined herein)), if the Security Agent (acting on the instructions of the facility agent) so requests in accordance with the terms of the Revolving Credit Facility Agreement, subject to the Agreed Security Principles, (i) Traveler Europe Limited shall grant security over its material assets within 60 days of such request and (ii) security shall be granted over the shares of the Brazilian Guarantor to a co-security agent within 180 days of such request. Such security would also need to be granted for the benefit of the holders of the Notes. See “*Description of the Notes—Security—The Collateral*.” To the extent legally possible and subject to the Agreed Security Principles, the release of the security granted in favor of the Existing Notes and the Existing Revolving Credit Facility and any Permitted Collateral Liens (as defined in “*Description of the Notes—Certain Definitions*”), the Collateral to be granted by the Issuer, the Company, each of the English Guarantors (other than Traveler Europe Limited) and TP Financing 4 Limited will, in each case and except as set out below, be granted on the Issue Date and the Collateral to be granted by the Issuer and such English Guarantors will be limited by and subject to certain statutory preferences under English law. The Collateral to be granted by the Company in respect of its shares in TP Financing 4 Limited and by TP Financing 4 Limited in respect of its shares in Traveler Group Limited will be limited by and subject to certain statutory preferences under Jersey law and English law, respectively. The Collateral to be granted by Traveler Group Investments Limited UK in respect of its shares in Traveler America Holdings, Inc. and Traveler America Holdings, Inc. in respect of its shares in Traveler America, Inc. has been granted effective June 16, 2017 and is limited by and subject to certain statutory preferences under U.S. law. The Collateral to be granted by Traveler Limited in respect of its shares in Traveler Japan KK has been granted effective June 16, 2017 and is limited by and subject to certain statutory preferences under Japanese law. The Collateral to be granted by Traveler Limited in respect of its shares in Traveler N.V. is expected to be granted within 120 days of the Issue Date, subject to certain Dutch works’ council advice being obtained and will be limited by and subject to certain statutory preferences under Dutch law. As a result of the Reorganization, we expect to make certain changes to the Guarantor group and the Collateral described in these listing particulars, which will be in accordance with the terms of the Indenture, and which we do not expect will adversely affect the Guarantor and Collateral coverage. Under the terms of the Intercreditor Agreement, holders of the Notes will receive the proceeds from any enforcement of the Collateral after any obligations secured on a super priority basis have been paid in full, including under the Revolving Credit Facility, certain operating facilities and certain hedging obligations.

- (5) As part of the Transactions, the Company will enter into the Revolving Credit Facility with commitments of £90 million. The borrowers under the Revolving Credit Facility are the Company and Traveler Limited. Subject to certain limitations, other subsidiaries of the Company that guarantee the Revolving Credit Facility may become borrowers under the Revolving Credit Facility in the future. Proceeds on enforcement of the Collateral will be used to satisfy obligations outstanding under the Revolving Credit Facility and certain other obligations, before any such proceeds are used to repay the Notes. See “*Description of Other Indebtedness—Revolving Credit Facility*.”
- (6) TP Financing 4 Limited will not provide a Notes Guarantee nor does it guarantee obligations under the Revolving Credit Facility. However, to the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and Permitted Collateral Liens (as defined in “*Description of the Notes—Certain Definitions*”), TP Financing 4 Limited will grant security in favor of the Security Agent over its shares in Traveler Group Limited.
- (7) The Issuer, Guarantors and non-Guarantors accounted for nil, £487 million and £77 million, or 0%, 86.4% and 13.6%, respectively, of the total assets of the Restricted Group as of December 31, 2016, which for the avoidance of doubt, exclude the assets of travellers’ cheques and exclude goodwill and the assets of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for nil, £81 million and £9 million, or 0%, 90.1% and 9.9%, respectively, of the Underlying EBITDA of the Restricted Group for the year ended December 31, 2016, which for the avoidance of doubt, excludes the results of our travellers’ cheques business and the results of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for £344 million, £236 million and £57 million, or 54%, 37% and 9%, respectively, of the total liabilities of the Restricted Group for the year ended December 31, 2016. No individual Guarantor accounts for over 20% of either Underlying EBITDA, total assets or total liabilities of the Restricted Group. In addition, as of December 31, 2016, our subsidiaries that form part of the Restricted Group that will not guarantee the Notes did not have any outstanding cash-pay debt.
- (8) The subsidiaries comprising the Travellers’ Cheques business will be unrestricted subsidiaries under the terms of the Indenture and will not be subject to the restrictive covenants of the Indenture. See “*Description of the Notes—Restricted Subsidiaries and Unrestricted Subsidiaries*.” The unrestricted subsidiaries collectively generated £3.9 million of EBITDA for the year ended December 31, 2016.

THE OFFERING

The following summary of the Offering contains basic information about the Notes, the Notes Guarantees and the Collateral. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, the Notes Guarantees and the Collateral, including certain definitions of terms used in this summary, please refer to the section of these listing particulars entitled “Description of the Notes” and “Description of Other Indebtedness—Intercreditor Agreement.”

Issuer	Travelex Financing plc, a public limited company incorporated under the laws of England and Wales (the “Issuer”).
Notes Offered	<p>€360.0 million aggregate principal amount of 8% senior secured notes due 2022 (the “Notes”).</p> <p>The Issuer may issue additional Notes, subject to compliance with the covenants in the indenture governing the Notes (the “Indenture”).</p>
Issue Date	May 5, 2017 (the “Issue Date”).
Issue Price	The issue price for the Notes is 100% (plus accrued and unpaid interest from the Issue Date).
Maturity Date	The Notes will mature on May 15, 2022.
Interest Rates	The Notes will bear interest at a rate of 8% per annum.
Interest Payment Dates	<p>Interest on the Notes will accrue from the Issue Date.</p> <p>Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2017.</p>
Form and Denomination	The Notes will be issued as global notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Ranking of the Notes	<p>The Notes will:</p> <ul style="list-style-type: none">• be senior secured obligations of the Issuer;• be secured by first priority liens over the Collateral, but under the terms of the Intercreditor Agreement will receive proceeds from enforcement of security over the Collateral only after any obligations secured on a super priority basis, including lenders under the Revolving Credit Facility and certain operating facilities and counterparties to certain hedging obligations except to the extent that certain assets cannot secure the Notes due to local law limitations, have been paid in full, as described under “Description of the Notes—Security—The Collateral” and “Description of Other Indebtedness—Intercreditor Agreement;”• rank equally in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including indebtedness incurred under the Revolving Credit Facility;• be senior in right of payment to all future indebtedness of the Issuer that is subordinated in right of payment to the Notes;

Notes Guarantees

- be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness;
- be structurally subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Notes; and
- be unconditionally guaranteed on a senior basis by the Guarantors, subject to certain guarantee limitations.

On the Issue Date, to the extent legally possible and subject to the Agreed Security Principles and the terms of the Indenture, the Issuer's obligations under the Notes and the Indenture are fully and unconditionally and jointly and severally guaranteed (the "Notes Guarantees") on a senior secured basis by Travelex Agency Services Limited, Travelex Banknotes Limited, Travelex Central Services Limited, Travelex Europe Limited, Travellers Exchange Corporation Limited, Travelex Foreign Coin Services Limited, Travelex Group Limited, Travelex Group Investments Limited, Travelex Italia Limited, Travelex Limited, Travelex UK Limited and Travelex Currency Services Limited (collectively, the "English Guarantors") and TP Financing 3 Limited (the "Company").

In addition to the Notes Guarantees by the Company and the English Guarantors, to the extent legally possible and subject to the Agreed Security Principles and the terms of the Indenture the Issuer's obligations under the Notes and the Indenture are fully and unconditionally and jointly and severally guaranteed on a senior secured basis by:

- Travelex America Holdings, Inc., Travelex America, Inc. and Travelex Currency Services, Inc., which are each organized under the laws of the State of Delaware (United States), and which have guaranteed the Notes effective June 16, 2017;
- Travelex Australia Holdings Proprietary Limited and Travelex Limited, which are each organized under the laws of Australia, and which have guaranteed the Notes effective June 16, 2017;
- Travelex Japan KK, which is organized under the laws of Japan, and which has guaranteed the Notes effective June 16, 2017;
- Travelex N.V., which is incorporated under the laws of the Netherlands, and which is expected to guarantee the Notes within 120 days of the Issue Date, subject to certain Dutch works' council advice being obtained; and
- Travelex do Brasil Holding Societaria Ltda, which is organized under the laws of Brazil, and which is expected to guarantee the Notes within 180 days of the Issue Date.

(collectively, the "Non-English Guarantors" and together with the English Guarantors and the Company, the "Guarantors").

As a result of the Reorganization, we expect to make certain changes to the Guarantor group described in these listing particulars, which will be in accordance with the terms of the Indenture, and which we do not expect will adversely affect Guarantor coverage.

The Issuer, Guarantors and non-Guarantors accounted for nil, £487 million and £77 million, or 0%, 86.4% and 13.6%, respectively, of the total assets of the Restricted Group as of December 31, 2016, which for the avoidance of doubt, exclude the assets of travellers' cheques and exclude goodwill and the assets of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for nil, £81 million and £9 million, or 0%, 90.1% and 9.9%, respectively, of the Underlying EBITDA of the Restricted Group for the year ended December 31, 2016, which for the avoidance of doubt, excludes the results of our travellers' cheques business and the results of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for £344 million, £236 million and £57 million, or 54%, 37% and 9%, respectively, of the total liabilities of the Restricted Group for the year ended December 31, 2016. No individual Guarantor accounts for over 20% of either Underlying EBITDA, total assets or total liabilities of the Restricted Group. In addition, as of December 31, 2016, our subsidiaries that form part of the Restricted Group that will not guarantee the Notes did not have any outstanding cash-pay debt.

The Notes Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of Other Indebtedness—Intercreditor Agreement.*" Under the terms of the Intercreditor Agreement, in the event of an acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of Notes Guarantees or the Collateral securing the Notes, are required to be turned over to the common Security Agent. Subject to the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the common Security Agent, and the costs and expenses incurred in connection with any enforcement of security, amounts received by the common Security Agent are to be paid by the common Security Agent to the lenders under the Revolving Credit Facility and certain operating facilities and to counterparties to certain hedging obligations in priority to the holders of the Notes.

The Notes Guarantees will be subject to contractual and legal limitations, and may be released under certain circumstances. See "*Risk Factors—Risks Related to the Notes and Our Structure—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee,*" "*Description of the Notes—Security—The Collateral—Release of Liens*" and "*Description of Other Indebtedness—Intercreditor Agreement.*"

Ranking of the Notes Guarantees

Each Notes Guarantee will be a senior obligation of the relevant Guarantor. Accordingly, subject to certain limitations under applicable law, each Notes Guarantee will:

- be the senior obligations of the relevant Guarantor, which will be secured by first priority liens over the Collateral, but will receive proceeds from enforcement of security over the Collateral only after any obligations secured on a super priority basis, including lenders under the Revolving Credit Facility, certain operating facilities and counterparties to certain hedging obligations, have been paid in full;

- rank equally in right of payment with all of the Guarantors' existing and future senior indebtedness, including any indebtedness under the Revolving Credit Facility and certain operating facilities and certain hedging obligations;
- be senior in right of payment to all existing and future subordinated indebtedness of the Guarantors;
- to the extent secured, be effectively subordinated to any existing and future indebtedness of the Guarantors that is secured by property or assets that do not secure the Guarantors' guarantees of the Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness; and
- be structurally subordinated to any existing and future indebtedness of subsidiaries of the Guarantors that do not guarantee the Notes.

The Notes Guarantees will be subject to significant contractual and legal limitations and may be released under certain circumstances. See *"Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability," "Description of the Notes—Notes Guarantees" and "Enforceability of Judgments."*

Collateral

To the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and any Permitted Collateral Liens (as defined in *"Description of the Notes—Certain Definitions"*), (i) each of the Issuer, the Company and the English Guarantors (other than Travelex Europe Limited) will grant in favor of the Security Agent, fixed and floating charges on a first-priority basis over (subject to certain carveouts) substantially all of the assets of the Issuer, the Company and such English Guarantors, including shares of capital stock of each of the Issuer and such English Guarantors; certain bank accounts; certain real property; certain intellectual property; and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Issuer over the Proceeds Loan, (ii) the Company and TP Financing 4 Limited will each grant in favor of the Security Agent, security on a first-priority basis over the shares held by such entities in TP Financing 4 Limited and Travelex Group Limited, respectively, and (iii) each of the Guarantors that directly owns another Guarantor will grant in favor of the Security Agent, security on a first-priority basis over the shares held by such Guarantor in such other Guarantor except that no security will be granted over the shares of the Australian Guarantors or, subject to the next sentence, the shares of the Brazilian Guarantor or the assets of Travelex Europe Limited. The Revolving Credit Facility Agreement requires that, to the extent legally possible and not prohibited under any third party arrangements (including, without limitation, the BRS Facility Agreement), if the Security Agent (acting on the instructions of the facility agent) so requests in accordance with the terms of the Revolving Credit Facility Agreement, subject to the Agreed Security Principles, (i) Travelex Europe Limited shall grant security over its material assets within 60 days of such request

and (ii) security shall be granted over the shares of the Brazilian Guarantor to a co-security agent within 180 days of such request. Such security would also need to be granted for the benefit of the holders of the Notes.

In addition, subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and Permitted Collateral Liens (as defined in “*Description of the Notes—Certain Definitions*”), the Notes will be secured by a fixed charge granted by TP Financing 4 Limited over the shares it holds in Travelex Group Limited. The Collateral will also secure the Revolving Credit Facility and certain operating facilities and hedging obligations.

The lenders under the Revolving Credit Facility and certain operating facilities and counterparties to certain hedging agreements will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes.

To the extent legally possible and subject to the Agreed Security Principles, the release of the security granted in favor of the Existing Notes and the Existing Revolving Credit Facility and any Permitted Collateral Liens (as defined in “*Description of the Notes—Certain Definitions*”), the Collateral to be granted by the Issuer, the Company, each of the English Guarantors (other than Travelex Europe Limited) and TP Financing 4 Limited will, in each case and except as set out below, be granted on the Issue Date and the Collateral to be granted by the Issuer and such English Guarantors will be limited by and subject to certain statutory preferences under English law. The Collateral to be granted by the Company in respect of its shares in TP Financing 4 Limited and by TP Financing 4 Limited in respect of its shares in Travelex Group Limited will be granted on the Issue Date and will be limited by and subject to certain statutory preferences under Jersey and English law, respectively. The Collateral granted by Travelex Group Investments Limited UK in respect of its shares in Travelex America Holdings, Inc. and Travelex America Holdings, Inc. in respect of its shares in Travelex America, Inc. has been granted effective June 16, 2017 and is limited by and subject to certain statutory preferences under U.S. law. The Collateral granted by Travelex Limited in respect of its shares in Travelex Japan KK has been granted effective June 16, 2017 and is limited by and subject to certain statutory preferences under Japanese law. The Collateral granted by Travelex Limited in respect of its shares in Travelex N.V. is expected to be granted within 120 days of the Issue Date, subject to certain Dutch works’ council advice being obtained and will be limited by and subject to certain statutory preferences under Dutch law. See “*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.*”

As a result of the Reorganization, we expect to make certain changes to the Collateral described in these listing particulars, which will be in accordance with the terms of the Indenture, and which we do not expect will adversely affect the Collateral coverage.

Use of Proceeds

We plan to use the gross proceeds of the Offering, along with cash on hand, to redeem in full the Existing Notes together with unpaid interest and any redemption premium, commissions, fees and expenses associated with these transactions. See “*Use of Proceeds*.”

Additional Amounts

All payments with respect to the Notes or a Notes Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other similar governmental charge (including penalties, interest and other liabilities related thereto), except to the extent required by law. If an applicable withholding agent is required by law to withhold or deduct any amount for taxes imposed by any Relevant Taxing Jurisdiction (as defined herein) in respect of payments on the Notes or any Notes Guarantee, subject to certain exceptions, the Issuer and the Guarantors will pay such additional amounts as may be necessary so that the net amount received by any beneficial owner of Notes after such withholding or deduction (including any withholding or deduction attributable to additional amounts) will equal the amount such beneficial owner would have received if such withholding or deduction had not been required. See “*Description of the Notes—Withholding Taxes*.”

Optional Redemption of the Notes

Prior to May 15, 2020, the Issuer may, at its option, redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable “make-whole” premium described in these listing particulars and accrued and unpaid interest and additional amounts, if any, to the redemption date.

On or after May 15, 2020, the Issuer may redeem, at its option, all or a portion of the Notes at the applicable redemption prices set forth under the caption “*Description of the Notes—Optional Redemption—Optional Redemption of the Notes*” plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

Prior to May 15, 2020, the Issuer may, at its option, on one or more occasions redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings at a redemption price equal to 108% of the principal amount outstanding in respect of the Notes, plus accrued and unpaid interest to the redemption date, so long as at least 60% of the original aggregate principal amount of the Notes remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the closing of the relevant equity offering. See “*Description of the Notes—Optional Redemption*.”

Optional Redemption for Tax Reasons

If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes, and, as a result, the Issuer is required to pay additional amounts on the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See “*Description of the Notes—Redemption for Taxation Reasons*.”

Change of Control

Upon the occurrence of certain events defined as constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase.

Certain Covenants

The Indenture will, among other things, limit the ability of the Issuer, the Company and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer, the Company or its restricted subsidiaries or prepay or redeem its subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or any of its restricted subsidiaries;
- sell, lease or transfer certain assets, including capital stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities, or sell all or substantially all of its assets; and
- impair the Collateral securing the Notes.

Each of these covenants is subject to a number of important qualifications and exceptions. See “*Description of the Notes—Certain Covenants.*”

Transfer Restrictions

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act or any other applicable securities laws and are subject to restrictions on transferability and resale. See “*Notice to Investors*” and “*Transfer Restrictions.*” We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).

Absence of a Public Market for the Notes

The Notes will be new securities for which there is no existing market. The Initial Purchasers have advised us that they intend to make a market in the Notes. However, they are not obligated to do so, and may discontinue any market making at any time at their sole discretion and without notice. Accordingly, there is no assurance that an active trading market will develop or be maintained for the Notes.

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Global Exchange Market which is the exchange regulated

market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

Trustee	Deutsche Trustee Company Limited.
Paying Agent	Deutsche Bank AG, London Branch.
Security Agent	Deutsche Bank AG, London Branch.
Irish Listing Agent	Matheson.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Governing Law of the Notes, the Indenture and the Notes Guarantees	New York.
Governing Law for the Intercreditor Agreement	English.
Governing Law of the Collateral Securing the Notes and the Notes Guarantees	English, Jersey, New York, Japanese and Dutch law.
ISINs for the Notes	Reg S: XS1577963306; Rule 144A: XS1577964882;
Common Codes for the Notes	Reg S: 157796330; Rule 144A: 157796488;

RISK FACTORS

Investing in the Notes involves substantial risks. Investors should carefully consider all the information in these listing particulars. In particular, investors should consider the factors set forth under “*Risk Factors*” before making a decision to invest in the Notes.

SUMMARY FINANCIAL DATA

The Issuer was incorporated under the laws of England and Wales on June 12, 2013, in connection with the issuance of the Existing Notes and is a wholly owned finance subsidiary of Holdings. Consequently, we present the consolidated financial information relating to Holdings in these listing particulars and the Issuer requests derogation from the obligation to provide its stand-alone historical financial information. The following tables set forth (i) the summary financial data for Holdings as of and for each of the years ended December 31, 2014, 2015 and 2016, derived from our audited consolidated financial statements as of and for each of the years ended December 31, 2014, 2015 and 2016 included elsewhere in these listing particulars (unless otherwise indicated) which would also include the financial information of the Issuer as of and for these periods. We have prepared the consolidated financial information of Holdings in accordance with IFRS as adopted by the European Union.

Holdings will not provide a guarantee or any type of credit support for the Notes. The consolidated financial statements of Holdings include the results of operations and financial position of Holdings, TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, which are not attributable to the Company and its subsidiaries. As a result, the consolidated financial information of Holdings is not directly comparable to the historical financial information of the Company and its subsidiaries. The main differences between the consolidated financial position and results of operations of Holdings and the Company primarily relate to the Shareholder Instruments and preferred shares classified as liabilities. As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and the related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

We also present in these listing particulars certain financial measures and adjustments that are not prepared in accordance with IFRS, or any other internationally accepted accounting principles. See *“Presentation of Financial and Other Information—Non-IFRS Financial Measures.”*

Also presented in these listing particulars are certain unaudited pro forma financial data, which has been prepared to give pro forma effect to the Transactions, as if they had occurred on January 1, 2016, in the case of pro forma cash interest expense, and on December 31, 2016, in the case of pro forma balance sheet data. The unaudited pro forma financial data is for information purposes only, and does not purport to present what our results of operations and financial condition would have been had the Transactions actually occurred on these dates, nor project our results of operations for any future period or our financial condition at any future date. While some of the unaudited pro forma financial data has been derived from our consolidated financial statements prepared in accordance with IFRS, such financial data contain financial measures other than those used in accordance with IFRS and should not be considered in isolation from or as a substitute for our consolidated financial statements.

The following tables should be read in conjunction with our consolidated financial statements and the accompanying notes of Holdings included elsewhere in these listing particulars. The tables below should also be read together with the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.” The results of operations for prior years or the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

For more information on the presentation of this financial information, including non-IFRS financial measures, see “*Presentation of Financial and Other Information*.”

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Income Statement Data:			
Revenue	693.3	655.7	699.1
Cost of sales	(424.1)	(408.2)	(450.0)
Gross profit	269.2	247.5	249.1
Net operating expense	(215.1)	(234.5)	(144.3)
Analyzed as:			
Underlying net operating expense	(189.5)	(180.7)	(208.9)
Net operating exceptional items and non-underlying adjustments ...	(25.6)	(53.8)	64.6
Net operating expense	(215.1)	(234.5)	(144.3)
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Analyzed as:			
Underlying EBITDA ⁽¹⁷⁾	79.7	66.8	40.2
Net operating exceptional items and non-underlying adjustments ...	(25.6)	(53.8)	64.6
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Depreciation and amortization	(24.4)	(25.3)	(32.9)
Operating profit (loss)	29.7	(12.3)	71.9
Finance income	23.7	9.2	20.8
Finance costs ⁽¹⁰⁾	(187.8)	(114.5)	(113.4)
Share of profit in equity accounted investments	2.1	3.4	3.8
Loss before tax	(132.3)	(114.2)	(16.9)
Tax charge	(13.4)	(8.3)	(19.3)
Loss for the year from continuing operations	(145.7)	(122.5)	(36.2)
Discontinued operations			
Discontinued operations	0.6	1.6	0.8
Loss for the year	(145.1)	(120.9)	(35.4)

	As of December 31,		
	2014	2015	
	Restated ⁽¹²⁾	Restated ⁽⁷⁾⁽¹⁰⁾	2016
	(millions of £)		
Selected Balance Sheet Data:			
Non current assets			
Intangible assets	413.4	396.8	383.1
Property, plant and equipment	42.1	42.9	43.2
Investments accounted for using the equity method ⁽¹⁾	13.1	10.9	12.5
Investments ⁽²⁾	24.6	22.0	21.2
Financial assets ⁽³⁾	107.9	96.4	90.1
Other non-current assets ⁽⁴⁾	17.1	15.6	23.5
	618.2	584.6	573.6
Assets included in disposal group held for sale ⁽⁵⁾	33.8	1.0	—
Current assets			
Inventories	0.5	0.4	1.1
Trade and other receivables ⁽⁶⁾	89.9	96.2	100.8
Investments ⁽²⁾	2.2	2.9	3.9
Other current assets ⁽⁴⁾	19.2	22.2	25.5
Cash and cash equivalents ⁽⁷⁾	505.3	451.3	577.9
Restricted cash ⁽⁸⁾	0.3	—	—
	617.4	573.0	709.2
Current liabilities			
Trade and other payables ⁽⁹⁾	(637.0)	(615.3)	(677.1)
Borrowings ⁽¹⁰⁾	(3.9)	(44.5)	(17.7)
Other financial liabilities ⁽¹¹⁾	(45.8)	—	—
Other current liabilities ⁽¹²⁾	(20.0)	(28.8)	(39.1)
	(706.7)	(688.6)	(733.9)
Net current liabilities	(89.3)	(115.6)	(24.7)
Total assets	1,269.4	1,158.6	1,282.8
Non current liabilities			
Trade and other payables ⁽⁹⁾	(0.3)	(0.1)	—
Borrowings ⁽¹⁰⁾	(1,521.1)	(985.5)	(1,090.2)
Other non-current liabilities ⁽¹²⁾	(26.7)	(24.2)	(21.1)
Liabilities in disposal group held for sale⁽⁵⁾	(17.6)	—	—
Net liabilities	(1,003.0)	(539.8)	(562.4)

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Selected Cash Flow Statement Data:			
Cash flows from operating activities	33.0	2.7	12.0
Taxation paid	(15.5)	(5.8)	(8.5)
Net cash generated from operating activities	17.5	(3.1)	3.5
Net cash (used in) generated from investing activities	(52.2)	(14.4)	100.1
Net cash used in financing activities	(34.4)	(74.3)	(12.8)
Exchange (losses) gains on cash and cash equivalents and bank overdrafts	(1.1)	(12.6)	62.1
Net (decrease) increase in cash and cash equivalents and bank overdrafts	(70.2)	(104.4)	152.9
Cash, cash equivalents and bank overdrafts at the beginning of the year	582.0	511.8	407.4
Cash, cash equivalents and bank overdrafts at the end of the period	511.8	407.4	560.3

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Selected Usable Cash Flow Data:			
Net usable cash inflow from operating activities ⁽¹³⁾	51.9	69.3	22.7
Taxation paid	(15.5)	(5.8)	(8.5)
Net usable cash (used in) provided by investing activities ⁽¹⁴⁾	(52.8)	(11.1)	84.8
Net usable cash used in financing activities ⁽¹⁵⁾	(34.4)	(44.8)	(42.7)
Net usable cash outflow from one-off items ⁽¹⁶⁾	(20.9)	(35.4)	(14.2)
Exchange (losses) gains on cash and cash equivalents and bank overdrafts.	(2.1)	(6.4)	3.5
Net (decrease) increase in usable cash	(73.8)	(34.2)	45.6
Usable cash at the beginning of the period	140.1	66.3	32.1
Usable cash at the end of the period	66.3	32.1	77.7

	For the year ended December 31,		
	2014	2015	2016
	(millions of £, unless otherwise indicated and except ratios and percentages)		
Other Financial Data:			
Gross margin	38.8%	37.7%	35.6%
Underlying EBITDA ⁽¹⁷⁾	79.7	66.8	40.2
Core Group EBITDA ⁽¹⁷⁾	85.9	83.2	52.0
Adjusted EBITDA ⁽¹⁷⁾	83.9	75.8	46.8
Pro Forma Adjusted EBITDA ⁽¹⁷⁾			52.4
Number of stores ⁽¹⁸⁾ (actual number, including those of the French Business)	1,605	1,491	1,509
Number of ATMs (actual number, including those of the French Business)	1,377	1,460	1,121
Free cash ⁽¹⁹⁾	90.8	43.4	106.1
Like-for-like Retail revenue growth ⁽²⁰⁾	6%	5%	2%
Net cash-pay debt ⁽²¹⁾	254.0	333.0	230.4
Pro Forma Financial Data			
Pro forma cash interest expense ⁽²²⁾⁽²⁶⁾			26.5
Pro forma free cash ⁽²³⁾⁽²⁶⁾			89.2
Pro forma cash-pay debt ⁽²⁴⁾⁽²⁶⁾			305.8
Pro forma net cash-pay debt ⁽²⁵⁾⁽²⁶⁾			216.6
Ratio of Pro Forma Adjusted EBITDA to pro forma cash interest expense ⁽¹⁷⁾⁽²²⁾⁽²⁶⁾			1.97x
Ratio of pro forma cash-pay debt to Pro Forma Adjusted EBITDA ⁽¹⁷⁾⁽²⁴⁾⁽²⁶⁾			5.84x
Ratio of total pro forma net cash-pay debt to Pro Forma Adjusted EBITDA ⁽¹⁷⁾⁽²⁵⁾⁽²⁶⁾			4.13x

- (1) "Investments accounted for using the equity method" comprises our investments in joint ventures which are not consolidated. They are recorded at cost and accounted for under the equity method, which reflects our share of the net assets of the joint ventures. Any goodwill or fair value adjustments attributable to our share in the joint venture are included in the carrying value of the investment. This includes our joint ventures in the United Arab Emirates until July 31, 2016 (as of August 1, 2016, we have consolidated this entity as a subsidiary with a non-controlling interest), South Africa (as of January 12, 2017, we acquired the remaining 51% of this entity), Qatar and Malaysia, and excludes our non-wholly owned subsidiaries in Bahrain, Oman, Panama, Turkey and Brazil (prior to our acquisition of the remaining 51% of Grupo Confidenc in February 2015) which are fully consolidated.
- (2) "Investments" (current and non-current) comprises current travellers' cheques float deposits and current and non-current money on structured deposits, all of which are related to our travellers' cheques business that does not form part of the Restricted Group.

- (3) "Financial assets" (non-current) relate to reimbursements by AmTrust under the reimbursement agreement and insurance policy we entered into in May 2013 which covers the risk related to the encashment of properly presented travellers' cheques awaiting redemption, as well as the insurance premium, both of which are recognized as financial assets.
- (4) "Other non-current assets" include trade and other receivables and deferred tax assets. "Other current assets" include available for sale investments, tax receivables, current financial assets and derivative financial assets.
- (5) Refers to the carrying values of assets and liabilities related to the French Disposal and disposal of an office building in the Netherlands, as applicable. The contract for the disposal of the office building in the Netherlands was signed on December 31, 2015 and the transaction was completed in early 2016. The carrying values of payables and receivables are considered to be an approximation of fair value primarily as all amounts are held for less than three months. The French Disposal has not been treated as a discontinued operation as it did not represent a major line of business or geographical area of operations, given it contributed less than 10% of our EBITDA.
- (6) "Trade and other receivables" includes certain trade receivables, certain amounts due from travellers' cheques agents and prepayments and accrued revenue derived from amounts.
- (7) "Cash and cash equivalents" includes:

- cash held in tills, vaults and in transit;
- cash from customer settlements received in advance;
- monies received from prepaid card customers whose use is restricted to the settlement of associated liabilities; and
- cash and term deposits with original maturities of less than three months which are ringfenced with its use restricted to the travellers' cheques business.

The remaining balance is deposited in bank accounts throughout the Group. See "*Presentation of Financial and Other Information.*"

The balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries that we have determined do not meet the criteria for netting. This has resulted in a gross up to balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 of £13.6 million.

- (8) "Restricted cash" as of December 31, 2014 comprises amounts held in escrow relating to the sale of our former prepaid card program management business to MasterCard.
- (9) "Trade and other payables" is mainly comprised of travellers' cheques awaiting redemption and balances on prepaid cards issued but not encashed. These balances are presented in accordance with their contractual maturity dates, except for travellers' cheques which do not have a contracted maturity date. See "*Management's Discussion and Analysis of our Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Internal Factors—Restructuring of our travellers' cheques business*" for more information.
- (10) "Borrowings" (current and non-current) include the Existing Notes, current bank loans and overdrafts, non-current term loans and amounts related to preference shares classified as liabilities under IFRS. Non-current borrowings include (i) outstanding amounts under the unsecured subordinated PIK and loan notes due 2021 issued by TP Financing 1 Limited on August 2, 2005 (the "UTX Loan 1"), (ii) amounts outstanding under the institutional subordinated preference certificates due 2035 issued by TP Financing 1 on August 2, 2005 (the "UTX Preference Certificates"), (iii) amounts outstanding under the unsecured subordinated loan notes due 2021 issued by TP Financing 2 Limited (the "UTX Loan 2"), (iv) outstanding amounts under the unsecured subordinated loan notes due 2021 issued by Travelex Holdings Limited on January 29, 2015 (the "UTX Loan 3") and unsecured subordinated loan notes due 2021 issued by Travelex Holdings Limited on January 29, 2015 (the "UTX Loan 4" and, together with UTX Loan 1, UTX Loan 2 and UTX Loan 3, the "UTX Loans"), (v) preference shares classified as liabilities consisting of £138.5 million related to the non-cash dividend payment from the 10.0% cumulative preference shares issued by Holdings and £61.3 million related to the nominal value of such preference shares ("preference shares classified as liabilities"), (vi) amounts outstanding under the unsecured subordinated loan notes due 2045 issued by Travelex Holdings Limited on December 4, 2015 (the "Renova Loan") and (vii) amounts outstanding under our 2045 Shareholder Loan Program (together with the UTX Loans, the UTX Preference Certificates and the Renova Loan, the "Shareholder Instruments"). The Shareholder Instruments are held by our shareholders and treated as shareholder debt. For further details regarding the Shareholder Instruments and certain other amendments to our shareholder debt structure, see "*Related Party Transactions.*" As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. Excluding the impact of the Shareholder Instruments and preferred shares classified as liabilities (which on or about the Issue Date will not be attributable to the Restricted Group) our finance costs were £30.9 million, £33.5 million and £44.6 million for the years ended December 31, 2016, 2015 and 2014, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans. Following a review of the debt profile of the Group, we plan to extend the maturities of the UTX Loans and the preference shares classified as liabilities to 2035 on or about the Issue Date. The balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries that we have determined do not meet the criteria for netting. This has resulted in a gross up to balances for cash and cash equivalents and bank overdraft as of December 31, 2015 of £13.6 million.
- (11) "Other financial liabilities" as of December 31, 2014 relates to the redemption liability for the acquisition of the remaining 51% interest in Grupo Confidencé, which took place in February 2015.
- (12) "Other current liabilities" includes tax payables, provisions and derivative financial liabilities. "Other non-current liabilities" include post-employment benefit liabilities, provisions and deferred tax liabilities. Other non-current liabilities as of

December 31, 2014 has been derived from the unaudited restated comparative period of December 31, 2014 included in the consolidated financial statements of Holdings as of and for the year ended December 31, 2015, which reflects the pension scheme in the Netherlands as a defined benefit scheme. See “*Presentation of Financial and Other Information.*”

- (13) “Net usable cash inflow from operating activities” consists of cash flow from operating activities excluding movements in items that are excluded from usable cash, excluding the cash impact of exceptional items and including dividends received from equity accounted joint ventures net of cash paid on investment in equity accounted joint ventures. Items excluded from usable cash are cash held in tills, vaults and in transit, banknotes prepayments, cash or deposits held for the travellers’ cheques business, customer cash including prepaid card float deposits and a proportion of cash in business that management estimates is required for regulatory and working capital requirements. This measure is used by management in assessing the underlying ability of the business to generate cash that is immediately usable by the Group. As the Group’s accessibility to this cash in business has increased as a result of centralized liquidity management process, management now considers free cash as a more relevant measure. The following table presents the reconciliation of cash flow from operating activities to net usable cash inflow from operating activities:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Cash flow from operating activities	33.0	2.7	12.0
Dividends received from equity accounted joint ventures net of cash paid on investments in equity accounted joint ventures	(2.5)	5.2	1.8
Movement in cash held in tills, vaults and in transit	(19.9)	(7.4)	35.4
Movement in banknotes prepayments	(8.1)	8.6	3.6
Movement in cash and deposits held for the travellers’ cheques business	10.8	3.4	(6.3)
Movement in prepaid card float deposits	20.3	11.4	(31.9)
Movement in cash in business	(2.6)	10.0	(6.1)
Add back cash exceptional items	20.9	35.4	14.2
Usable cash inflow from operating activities	51.9	69.3	22.7

- (14) “Net usable cash (used in) provided by investing activities” consists of cash flow used in investing activities adjusted for the cash impact of exceptional items and non-underlying adjustments, including cash acquired in acquisitions and used in the purchase of assets, and excluding dividends received from equity accounted joint ventures. Net cash paid on the acquisition of the non-controlling stake in Grupo Confidencía in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.
- (15) “Net usable cash used in financing activities” consists of cash flow used in financing activities excluding movements in items that are excluded from usable cash. Net cash paid on the acquisition of the non-controlling stake in Grupo Confidencía in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.
- (16) “Net usable cash outflow from one-off items” includes the following overall cash impacts:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Global reorganization costs ^(a)	(4.8)	(1.8)	(4.6)
Systems Development and Shared Services Migration costs ^(b)	(1.4)	(0.4)	—
Costs relating to corporate projects ^(c)	(12.8)	(24.1)	(9.1)
Other exceptional items ^(d)	(1.9)	(9.1)	(0.5)
Total one-off items	(20.9)	(35.4)	(14.2)

- (a) Global reorganization costs mainly comprise of redundancy costs (from 2012 to 2014) associated with the reorganization of our business along product and distribution channel lines, rather than on the historical geographic basis, Retex (a global initiative to optimize store rostering) in 2015 and the support function efficiency initiative and Brazil store rationalization in 2016.
- (b) The systems development and shared services migration initiative costs are associated with our cost saving initiatives, which took place from 2012 to 2014 and comprise costs that do not meet the Group’s criteria for capitalization.
- (c) Relates to costs associated with the sale of the Group by Apax to our current shareholders.
- (d) Comprise (i) in 2014, legal and professional fees associated with the acquisition of a 75% stake in Arti Döviz Ticaret A.S. (now Travelex Döviz), costs associated with a financing project that we decided not to execute and certain costs associated with the acquisition of the remaining 51% in Grupo Confidencía, (ii) in 2015, costs associated with corporate projects including costs associated with a financing project that we decided not to execute, the reorganization of Travelex Netherlands and legal and professional fees related to merger and acquisition activities, and (iii) in 2016, costs associated with corporate projects including legal and professional fees related to merger and acquisition activities and the reorganization of Travelex Netherlands.
- (17) Underlying EBITDA consists of operating profit (loss) before depreciation, amortization and net operating exceptional items and non-underlying adjustments. For the avoidance of doubt, Underlying EBITDA includes the EBITDA of our consolidated joint ventures. Core Group EBITDA consists of Underlying EBITDA adjusted to include (i) 100% of the EBITDA of each of our non-consolidated joint ventures, (ii) the EBITDA of the French Business for the periods from January 29, 2015 (which was the date of the French Disposal) to December 31, 2015 and from January 1, 2016 to December 31, 2016, in each case, net of the management fee we received for those periods from UAE Exchange for operating the French Business and

(iii) other adjustments (which include items that, individually, or in aggregate, are of a nature or size to require exclusion to enhance our understanding of the underlying business performance), and excludes EBITDA attributable to (i) our travellers' cheques business, which does not form part of the Restricted Group, and (ii) share-based payment incentive charges. Adjusted EBITDA consists of Core Group EBITDA adjusted to exclude the share of non-consolidated joint ventures that are not attributable to the Group and to include (i) the management fee received from UAE Exchange for operating the French Business for the periods from January 29, 2015 (which was the date of the French Disposal) to December 31, 2015 and from January 1, 2016 to December 31, 2016, in each case, net of the EBITDA of the French Business for those periods and (ii) other adjustments (which include items that, individually, or in aggregate, are of a nature or size to require exclusion to enhance our understanding of the underlying business performance). Pro Forma Adjusted EBITDA for the year ended December 31, 2016 represents Adjusted EBITDA excluding (i) the EBITDA of the Currency Select business for the period from January 1, 2016 to April 1, 2016 (which was the date the Currency Select business was sold by the Group), (ii) the EBITDA of Travelex Insurance Services for the period from January 1, 2016 to November 16, 2016 (which was the date of the TIS Disposal) and including (i) the EBITDA of Travelex Emirates LLC that was not attributable to the Group prior to August 1, 2016 (which was the date Travelex Emirates was transferred to, and we acquired 55% of the economic and accounting control over, Travelex Emirates Exchange LLC, and we began to consolidate its results in our Group results), (ii) adjustments to our Adjusted EBITDA for the year ended December 31, 2016 when restated at the applicable exchange rates to pounds sterling as of December 31, 2016 and (iii) anticipated cost savings expected from our support function efficiency initiative started in 2016.

We believe EBITDA, Underlying EBITDA Core Group EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are meaningful metrics for investors because they provide an analysis of our operating results, profitability and ability to service debt and because, among other measures, Core Group EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA, Underlying EBITDA, Core Group EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not measurements of operating performance under IFRS, and should not be considered a substitute for operating profit, profit for the financial year, cash flows generated from operations or other income or cash flow statement data, or as measures of profitability or liquidity. Further, EBITDA, Underlying EBITDA, Core Group EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. EBITDA, Underlying EBITDA, Core Group EBITDA, Adjusted EBITDA or Pro Forma Adjusted EBITDA may not be indicative of our historical operating results nor is it meant to be predictive of potential future results. Other companies may calculate EBITDA, Underlying EBITDA, Core Group EBITDA, Adjusted EBITDA or Pro Forma Adjusted EBITDA in a different way; our presentation may not be comparable to similarly entitled measures of other companies. See "Presentation of financial and other information—Non-IFRS financial measures."

The following table presents the calculation of Underlying EBITDA, Core Group EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Operating profit (loss)	29.7	(12.3)	71.9
Depreciation and amortization	24.4	25.3	32.9
Net operating exceptional items and non-underlying adjustments ^(a)	25.6	53.8	(64.6)
Operating profit before depreciation, amortization and net operating exceptional items and non-underlying adjustments ("Underlying EBITDA")	79.7	66.8	40.2
Joint venture EBITDA ^(b)	5.2	9.1	8.8
Adjustment for French Disposal ^(c)	—	3.1	1.0
Share-based payments ^(d)	3.1	0.8	—
Travellers' cheques EBITDA ^(e)	(1.7)	3.4	2.0
Other adjustments ^(f)	(0.4)	—	—
Core Group EBITDA	85.9	83.2	52.0
Adjustment for non-consolidated joint ventures ^(g)	(2.4)	(4.3)	(4.2)
Adjustment for French Disposal ^(c)	—	(3.1)	(1.0)
Other adjustments ^(f)	0.4	—	—
Adjusted EBITDA	83.9	75.8	46.8
Pro forma adjustment for the disposal of the Currency Select Business ^(h)	—	—	(0.3)
Pro forma adjustment for the disposal of the TIS Business ⁽ⁱ⁾	—	—	(5.5)
Pro forma adjustment for Travelex Emirates LLC ⁽ⁱ⁾	—	—	1.9
Pro forma adjustment for foreign exchange impact ^(k)	—	—	3.7
Pro forma adjustment for our cost savings programs ^(l)	—	—	5.8
Pro Forma Adjusted EBITDA	—	—	52.4

(a) "Net operating exceptional items and non-underlying adjustments" are those significant operational items that are separately disclosed by virtue of their size or incidence to enable a clearer understanding of our financial performance. The net operating exceptional items and non-underlying adjustments for the years ended December 31, 2014, 2015 and 2016 are discussed under "Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Results of Operations."

- (b) “Joint venture EBITDA” comprises 100% of the EBITDA of our joint ventures that are equity accounted, including the share of non-consolidated joint ventures that are not attributable to the Group and minority interests in consolidated joint ventures that are not attributable to the Group. The share of net profit in equity accounted investments is included in the income statement below the operating profit line.
 - (c) The “French Business” (i) for the purposes of the calculation of Core Group EBITDA, represents the EBITDA of the French Business for the period from January 29, 2015 (which was the date of the French Disposal) to December 31, 2016, net of the management fee we received in that same period from UAE Exchange for operating the French Business and (ii) for the purposes of the calculation of Adjusted EBITDA, represents the management fees we received for the period from January 29, 2015 to December 31, 2016 from UAE Exchange for operating the French Business, net of the EBITDA of the French Business for that same period.
 - (d) “Share-based payments” comprises the charge to the income statement for our share based payment incentive scheme.
 - (e) “Travellers’ cheques EBITDA” comprises the EBITDA of our travellers’ cheques business, which does not form part of the Restricted Group.
 - (f) “Other adjustments” include items that, individually, or in aggregate, are of a nature or size to require exclusion to enhance our understanding of the underlying business performance.
 - (g) “Adjustment for non-consolidated joint ventures” comprises the EBITDA of our non-consolidated joint ventures that is not attributable to the Group.
 - (h) “Pro forma adjustment for the disposal of the Currency Select business” comprises the EBITDA of the Currency Select business for the period from January 1, 2016 to April 1, 2016 equal to £0.3 million. In April 2016, we disposed of Travelex Outsourcing Pty Ltd, which provided DCC solutions to acquirers, merchants and business partners through “Currency Select,” to Global Blue SA. The gross proceeds of the sale were AUD 67.5 million (approximately £36.1 million at the time of disposition).
 - (i) “Pro forma adjustment for the disposal of the TIS business” comprises the EBITDA of the TIS business for the period from January 1, 2016 to November 16, 2016 equal to £5.5 million. In November 2016, we disposed of Travelex Insurance Services, Inc., our travel insurance brokerage in the United States, to Cover-More Group Limited. The gross proceeds of the sale were \$109.6 million (approximately £86.7 million at the time of disposition).
 - (j) “Pro forma adjustment for Travelex Emirates LLC” comprises the EBITDA of Travelex Emirates LLC that was not attributable to the Group prior to August 1, 2016. Travelex Emirates LLC was our UAE joint venture with the late Sheikh Shaya Bin Ahmed Al Hamed, which was transferred to Travelex Emirates Exchange LLC on August 1, 2016. As of August 1, 2016, we held 40% of the shares of Travelex Emirates Exchange LLC and assumed accounting control over the entity as we have the ability to appoint the majority of board members and are entitled to 55% of the distributable reserves. Therefore, Travelex Emirates Exchange LLC is consolidated as a subsidiary with a non-controlling interest as of August 1, 2016.
 - (k) “Pro forma adjustment for foreign exchange impact” reflects the adjustment to our Adjusted EBITDA for the year ended December 31, 2016 when restated at the applicable exchange rates to pounds sterling as of December 31, 2016, which we believe reflects a fair estimate of the applicable exchange rates to pounds sterling in the near term. See “*Presentation of Financial and Other Information—Exchange Rate.*”
 - (l) “Pro forma adjustment for our cost savings programs” comprises management’s estimate of cost savings we expect to achieve over the next 12 to 18 months as a result of the support function efficiency initiative that we commenced in 2016, which we believe will reduce costs through increased offshoring of our finance, risk and compliance and IT functions, as well as removing layers of management within our IT, finance, compliance, human resources and legal function and other support functions. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operation—Key Factors Affecting Our Results of Operations—Internal Factors—Cost Saving Initiatives*” for a more detailed discussion on our cost savings initiatives. These cost savings reflect management’s current expectations, but we cannot assure you that these cost savings will ultimately be achieved in this or any future financial period. See “*Forward Looking Statements.*”
- (18) “Number of stores” includes 507, 377 and 413 stores located in supermarkets (included in our Retail and outsourcing businesses), as of December 31, 2014, 2015 and 2016, respectively. “Number of Stores” as of December 31, 2015 and 2016 excludes stores under our Sainsbury’s partnership which, since March 31, 2015, is being reported in our Wholesale and Outsourcing segment as opposed to in our Retail segment. Excluding the stores under our Sainsbury’s partnership, we would have had 1,440 stores as of December 31, 2014. The number of stores includes those of the French Business.

- (19) “Free cash” is our estimate of the amount of net cash available to us for immediate use and excludes cash held in tills, vaults and in transit, banknotes prepayments, any cash or deposits held for the travellers’ cheques business, customer cash including prepaid cards float deposits, cash classified as held for sale, short-term bank borrowings and management’s estimate of cash required to be held locally for regulatory purposes. “Usable cash” is our free cash less a proportion of cash in business. This cash in business is cash held within the Group but not currently managed by the central treasury function. Historically, approximately two-thirds of this cash has not been readily accessible to us as it was required for working capital requirements of our business. Cash balance movements in cash in business are largely reflected as equal and opposite cash balance movements in cash in tills, vaults and in transit. This is due to the purchase and sale of cash stock (i.e. cash in tills and vaults) being funded by cash in business. As the Group’s accessibility to this cash pool is currently significantly higher than the two-thirds ratio as a result of centralized liquidity management processes, management now considers free cash as a more relevant measure. The following table presents the calculation of “free cash” and “usable cash:”

	For the year ended December 31,		
	2014	2015	2016
	(millions of £, unless otherwise indicated and except percentages)		
Cash and cash equivalents	505.3	451.3	577.9
Cash classified as held for sale ^(a)	9.7	—	—
Ring-fenced cash and term deposits ^(b)	(39.9)	(38.2)	(44.5)
Short-term bank borrowings ^(c)	(3.2)	(14.0)	(17.6)
Prepaid card floats ^(d)	(146.6)	(140.2)	(197.2)
Banknotes prepayments ^(e)	(20.9)	(12.3)	(8.7)
Unrestricted cash	304.4	246.6	309.9
Cash in tills, vaults and in transit ^(f)	(198.6)	(188.2)	(188.8)
Management estimate of regulatory cash ^(g)	(15.0)	(15.0)	(15.0)
Free cash	90.8	43.4	106.1
Cash in business ^(h)	(24.5)	(11.3)	(28.4)
Usable cash	66.3	32.1	77.7

- (a) “Cash classified as held for sale” comprises the cash held in the French Business, which has been classified as held for sale for the applicable period.
- (b) “Ring-fenced cash and term deposits” relate to the travellers’ cheques business. They consist of cash in travellers’ cheques bank accounts, float deposits and term deposits with maturity dates within three months of the balance sheet date. As float deposits are reinvested on maturity, often for up to 6 months, the proportion of the balance fluctuates at each balance sheet date.
- (c) “Short-term bank borrowings” consist of bank overdrafts generally within notional cash pools which are recorded within current payables. The balances for cash and cash equivalents as of December 31, 2015 have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries that we have determined do not meet the criteria for netting. This has resulted in a gross up to balances for cash and cash equivalents and bank overdraft as of December 31, 2015 of £13.6 million.
- (d) “Prepaid card floats” consists of prepaid card cash floats held on deposit whose use is restricted to the settlement of related liabilities. This balance increases/decreases consistently with the related liability.
- (e) “Banknotes prepayments” represents cash paid in advance by wholesale customers where we have not yet purchased the foreign currency to fulfill the order.
- (f) “Cash in tills, vaults and in transit” represents foreign and local currency stocks held in our retail network and stocks of foreign and local currency held in our vaults. These amounts are necessary for the conduct of our business.
- (g) “Management estimate of regulatory cash” represents an estimate of cash required to be held locally for regulatory purposes.
- (h) “Cash in business” consists of cash held in bank accounts of our business operations around the world, and includes cash to service local working capital requirements and surplus funds. As of December 31, 2016, we estimate that we can access at least one third of this cash and we therefore have adjusted our cash in business balance to include only the notional two-thirds that has historically not been readily accessible to us as it was required for working capital requirements of our business. As the Group’s accessibility to this cash pool is currently significantly higher than the two-thirds ratio as a result of centralized liquidity management processes, management now considers free cash as a more relevant measure.
- (20) “Like-for-like Retail revenue growth” represents the percentage growth in revenue of our Retail locations over a period, excluding the impact of store closings or openings in each such location and is measured as the revenue from Retail locations that have been in operation for a full financial year at the start of the applicable financial year (for example, for the year ended December 31, 2016, if a location opened on or before December 31, 2014, it will be treated as like-for-like and, if opened on or after January 1, 2015, it will not be treated as like-for-like). A location may have one or more stores in such location (i.e. in an airport or a supermarket, we may have more than one store, but it will be treated as one single location for the purposes of calculating our like-for-like Retail revenue growth). When a Retail location closes, it is excluded from the calculation of our like-for-like Retail revenue growth from the month following its closing. However, Retail locations closed for refurbishment are not excluded from the calculation. Like-for-like growth is a widely used indicator of retailers’ current trading performance.

(21) "Net cash-pay debt" consists of cash-pay debt less free cash:

	As at December 31,		
	2014	2015	2016
	(millions of £, unless otherwise indicated and except percentages)		
Borrowings from non-shareholders ^(a)	343.4	345.6	336.2
Draw down under the Existing Revolving Credit Facility ^(b)	—	29.9	—
Finance leases and other loans	1.4	0.9	0.3
Total cash-pay debt	344.8	376.4	336.5
Free cash	(90.8)	(43.4)	(106.1)
Net cash-pay debt	254.0	333.0	230.4

(a) Borrowings from non-shareholders comprise the Existing Notes. The Existing Notes will be refinanced in whole with the proceeds of the offering.

(b) Reflects borrowings under the Existing Revolving Credit Facility.

(22) "Pro forma cash interest expense" represents interest charges that both accrue and require settlement in cash periodically under our debt agreements, including the Notes offered hereby, and excluding the Existing Notes redeemed in February 2017 and all debt repaid as a result of the Transactions, as if they had occurred on January 1, 2016. This amount includes fees paid in respect of the Existing Revolving Credit Facility for the year ended December 31, 2016, which we have assumed to be indicative of the fees that we expect to pay in connection with the Revolving Credit Facility, but excludes interest charges accruing on non-cash-pay debt.

(23) "Pro forma free cash" represents total free cash as of December 31, 2016 as adjusted for the cash inflow of £32.5 million from borrowings under our 2045 Shareholder Loan Program in January 2017 less the cash outflow of £38.9 million from the payments made for the redemption of a portion of our Existing Notes in February 2017 and a further cash outflow of £10.5 million that we expect to make in connection with the Transactions. See "Use of Proceeds" and "Capitalization."

(24) "Pro forma cash-pay debt" represents total debt excluding the debt represented by the Shareholder Instruments, preferred shares classified as liabilities and other non-cash pay indebtedness, as adjusted for the Existing Notes redeemed in February 2017 and the Transactions. See "Use of Proceeds" and "Capitalization." Pro forma cash-pay debt does not include £37.0 million in aggregate borrowings from our shareholders in January 2017 and February 2017. See "Capitalization" and "Related Party Transactions."

(25) "Pro forma net cash-pay debt" represents pro forma cash-pay debt less pro forma free cash.

(26) In converting the euro-denominated amount of offering proceeds into pounds sterling for the calculation of these pro forma financial metrics, we have elected to use an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 26, 2017, as published by Bloomberg Generic Composite rate. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date.

RISK FACTORS

An investment in the Notes involves risk. You should carefully consider the risks described below as well as the other information contained in these listing particulars before making an investment decision. Any of the following risks could materially adversely affect our business, financial condition or results of operations, and as a result you may lose all or part of your original investment. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or results of operations.

These listing particulars contain “forward looking” statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward looking statements. Factors that might cause such differences are discussed below and elsewhere in these listing particulars. See “Forward Looking Statements.”

Risks Related to Our Industry and Our Business

Our Retail and outsourcing businesses are highly dependent on international travel, which is seasonal and may be adversely affected by regional or global circumstances.

Our Retail and outsourcing businesses are highly dependent on international travel. Economic recession, airline strikes, natural disasters, outbreak of international hostilities, terrorist activities, contagious disease outbreaks or other similar events could reduce international travel, which in turn could materially and adversely affect our business, results of operations and financial condition. For example, terrorist attacks in 2015 and 2016 in France, Belgium, Germany and Turkey have contributed to depressed levels of tourism growth in Europe.

Furthermore, issues specific to a single country or city may significantly impact passenger volumes in key locations. For example, major events like the London Olympics in 2012 led to a significant decline in the number of passengers in certain key airports, most notably LHR. Additionally, any threat of international terrorism, threat of widespread communicable disease, any general economic slowdown or local natural disasters can lead to a sharp decline in inbound and outbound passenger volumes, which in turn could materially and adversely affect our business, results of operations and financial condition. For example, in 2010 the volcanic ash cloud in Iceland, due to the eruption of the Eyjafjallajökull volcano, caused a significant short-term decrease in international travel in many of our core markets.

In addition, a significant part of our business serves the leisure segment of the travel industry, which is seasonal in nature. For example, passenger volumes tend to increase during the summer holidays in the Northern hemisphere. Accordingly, our revenue and operating revenue are generally lower in the first and fourth quarter. Other seasonal factors such as holidays and migrant worker remittances, which are higher in the summer and autumn, also could materially and adversely affect our business, results of operations and financial condition.

Our Retail business is dependent on our airport concessions and would be adversely affected by the termination or increased cost of such concessions, or other changes to terms.

The majority of our concession agreement for space in on-airport locations, where we operate approximately 43% of our retail stores but which generate a significantly higher portion of our revenue, are typically three to seven year concessions that are subject to early termination by either party upon varying notice periods. 31% of the Core Group Revenue for the year ended December 31, 2016 was accounted for by our top 10 airports. Some of these are up for renewal in the next three years. We may not be able to renew our airport concessions on favorable economic terms or at all and tenders may be granted to a competitor. For example, in March 2013, February 2016, October 2016, and October 2016 we stopped our operations in London Gatwick Airport, Prague International Airport, Toronto Pearson International Airport and Sydney Airport, respectively, due to our inability to secure favorable terms for the renewal of the concession during the tender process. Our concession at Paris Charles de Gaulle Airport is scheduled to terminate at the beginning of 2018. We expect the tender process for the allotment of this concession to commence in the first quarter of 2017 but cannot assure you that we will succeed in securing this concession on favorable terms, or at all. We have a number of separate

non-exclusive concession agreements in respect of our seven retail stores in Terminals 1 and 3 of Abu Dhabi Airport with the Abu Dhabi Airports Company, some of which expire as early as May 2017. Furthermore, concessions could be awarded to more than one foreign exchange provider in the same airport, thus increasing competition and decreasing volume of business. Any decision by airport authorities to exercise their right to terminate their concessions with us, not renew them or increase rental costs could result in our business, results of operations and financial condition being materially and adversely affected.

Moreover, as part of our concession arrangements, airport authorities can require a range of terms, including up-front payments, pricing terms, capital expenditure on store locations, provision of rental guarantees or ongoing provision of information on transaction volumes. Many of these airport concession agreements require fixed payments that have the potential to make our on-airport locations less profitable. Unlike our off-airport locations, where rental space is more freely available, our on-airport locations cannot move to a nearby location should airport authorities impose less favorable terms on us during the renewal process. Failure to comply with terms in existing concessions could give rise to financial penalties or lease termination. These terms or non-compliance with such terms could have a material adverse effect on our business, results of operations and financial condition.

The Wholesale and Outsourcing business is dependent on a small number of important customers.

The Wholesale and Outsourcing business is dependent on long-term contracts and long-term non-contractual relationships. We have agreements with commercial banks, central banks, other financial institutions, supermarket chains, travel agencies, hotels, casinos and large retail companies that could be subject to early termination. For instance, we are currently in the process of renewing our contract with US Bank, which accounts for approximately 25% of our outsourcing business in the United States, and expect to have a new agreement in place in the first half of 2017. We may not be able to renew these agreements on favorable economic terms or at all. In addition, customers who transact with us on a non-contracted basis may choose to reduce their business volumes or vary the terms on which they transact. Given the heavy concentration among a few important customers, any termination of business or material change to the terms on which they do business (whether contracted or not) could materially affect our business, results of operations and financial condition.

We may not be able to source banknotes and other currency on attractive financing terms or at all.

As a money service business, we source the currency we provide to our customers from our shareholders, central banks, reserve banks and large commercial banks. We finance these purchases with customer prepayments, vendor credit and bank financing. If we are no longer able to obtain currencies from these sources, whether as a result of law, regulation, internal policy decision of these entities or any other reason, we would no longer be able to provide currency to our customers in all our business channels.

In addition, we source our currency from banknote suppliers who hold an “extended custodial inventory” (“ECI”) license from the United States Federal Reserve (the “Federal Reserve”), under which the Federal Reserve distributes U.S. dollars to authorized custodians. If in the future the Federal Reserve ceases this program or any of our suppliers ceases to have such license or terminates its agreement with us for any reason, we would need to change our supplier, which may offer less attractive financing terms or charge higher fees. In August 2016, we signed a new banknotes supply agreement for our UK vault operation with Bank of America, N.A. which runs until December 31, 2017. The new agreement with Bank of America, N.A. contains certain commitments around the financial, operational and functional separation of the UAE Exchange and our businesses, including an annual cap of £300 million on the volumes of banknotes to be traded between UAE Exchange and ourselves. If Bank of America, N.A. were unwilling to renew the current agreement on acceptable terms, or if we were unable to meet the conditions that Bank of America, N.A. has stipulated in our current agreement, we may be unable to source currency on attractive financing terms, or at all, which would materially disrupt our operations, and, in turn could have a material adverse effect on our business, results of operations and financial condition.

Changes in the regulatory environment could adversely affect our business.

Our business is subject to varying levels of supervision and regulation in all countries and territories in which our services are offered. In addition, certain of our operations rely on local regulatory framework or authorizations and any adverse changes to such regulatory environment may result in a loss of, or adverse changes to, such operations. For instance, there is an increased regulatory focus in certain jurisdictions in which we operate on limiting the use of prepaid cards due to recent cases of misuse of this product in connection with terrorist activities, which, in one instance, has already led a bank to move away from providing support for prepaid cards. Certain countries currently, or in the future may, limit certain of our activities to banks or similarly licensed financial institutions or introduce other legislation, such as exchange controls, which decreases the volume of our business. Such restrictions may limit who we can utilize as an agent, require us to conduct business through a different form of licensed entity or prohibit us altogether from conducting business in such country.

The jurisdictions in which we operate may also amend existing regulations or impose new regulations that could impact our revenue and foreign exchange risk by, among other possibilities, imposing regulations that limit our ability to obtain the benefit of the exchange rate spread between wholesale and retail currency rates, limiting the currencies which we may offer to our customers or the amounts of such currencies, or imposing banking moratoria or other actions that could affect currency liquidity. For example, the UK Office of Fair Trading eliminated reverse interchange charges from October 2012, which had an adverse impact on our revenue and Retail business. Any such changes could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to secure banking services in one or more of our core markets as a result of financial institutions de-risking in the money services business sector.

Our money services business involves access to commercial banking services, including, in particular, the transferring of funds internationally, and is dependent upon foreign and domestic financial institutions to provide banking services, including the execution of funds transfers and foreign currency transactions. Changes to existing regulations or changes to policy and procedure of financial institution operations, including but not limited to those designed to combat terrorism or money laundering, could require us to alter our operating procedures in a manner that increases our cost of doing business or to terminate certain product offerings as a result of financial institutions deciding to de-risk their exposure to the money services business sector. In addition, as a result of existing regulations and/or changes to those regulations or policies and procedures, financial institutions could decide to cease providing the services on which we depend, requiring us to terminate certain product offerings, which may lead to us not being able to secure banking services in one or more of our core markets.

Loss of licenses could have a material adverse effect on our business.

We are required, among other things, to obtain and maintain licenses or registrations of some type in all countries where we have operations. Potential licensees are often required to meet certain financial requirements and sometimes to provide security. Failure to obtain or maintain a license in a particular location could preclude us from offering our services in that location or subject us to fines and penalties under local laws.

In addition, licensees are generally subject to certain reporting requirements and audits and may require the maintenance of a minimum level of infrastructure and local management, which imposes additional costs. Training employees and investing in compliance systems to remain in compliance with applicable laws and regulations also imposes additional costs for the operation of our business. Any material increase in the costs associated with obtaining and maintaining licenses or remaining in compliance with applicable laws and regulations or penalties for failure to comply, as a result of a change in law or otherwise, could force us to leave the relevant jurisdiction or lead to the payment of fines, which could have a material adverse effect on our business, results of operation and financial condition.

Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks.

Our business is subject to anti-money laundering (“AML”) and anti-bribery laws and regulations in the jurisdictions in which we operate. Such laws and regulations were enacted to combat, *inter alia*, bribery

or other improper payments and money laundering via financial institutions, including money transmitters. In addition, we are subject to laws and regulations which prohibit us from transmitting money to specified countries or to or on behalf of prohibited individuals, particularly, the laws and regulations of the Office of Foreign Assets Control (“OFAC”) of the Department of the Treasury in the United States and HMRC in the United Kingdom and regulations enacted by the EU’s Common Foreign & Security Policy and the United Nations Security Council.

Equivalent or similar legislation exists in other countries where we conduct business. Although procedures are in place to ensure conformity with all relevant legislation, we cannot ensure that the risk of non-compliance is completely mitigated. Fines and penalties, which may include the shutting down of operations or central banks limiting our ability to source currency, could be imposed in the various countries in which we operate, and more stringent AML, sanctions or anti-bribery legislation could create increased reporting obligations and the need for increased resources devoted to AML or other compliance functions.

Any failure, or suspected failure, by us to comply with our obligations relating to AML, sanctions or anti-bribery, could not only have a material adverse effect on our business, results of operations and financial condition but could also have a material adverse effect on our reputation and goodwill. For example, in 2014, the DNB, the Dutch regulator, performed an audit of parts of Travelex Netherlands and concluded that Travelex Netherlands was in breach of certain provisions of the Dutch Money Laundering and Terrorist Financing (Prevention) Act (“Wwft”) and the Dutch Sanctions Act of 1977. Travelex Netherlands has since undertaken a significant remediation program and continues to cooperate with its regulators. In June 2015, Travelex Netherlands was informed that the DNB had referred certain findings from their investigation to the Dutch National Public Prosecutor’s Office for Financial, Economic and Environmental Offences (the “DNPPO”), which had decided to conduct a criminal investigation of Travelex Netherlands relating to the Wwft. The investigation was conducted by investigating officers of the Fiscal Intelligence and Investigation Service of the Dutch Tax and Customs Administration (the “FIOD”), and the FIOD provided their report to us in January 2017 stating that, in its view, Travelex Netherlands had committed various breaches of Wwft rules. The report has been presented to the DNPPO for a decision on whether or not the investigation will be continued.

Furthermore, in 2015, BACEN, the local regulator of our businesses in Brazil, commenced disciplinary proceedings against Grupo Confidence alleging certain monitoring irregularities primarily in the period between July 2012 and June 2013. Travelex acquired 49% of the shares in Banco Confidence in April 2013, and made significant changes to its approach to regulatory compliance in the period following its acquisition. A significant proportion of the alleged irregularities predate Travelex’s investment in Banco Confidence. BACEN decided against Banco Confidence in August 2016, and imposed financial penalties amounting to approximately \$18 million on Grupo Confidence. We are currently appealing this decision. However, we cannot assure you that this, or other similar regulatory actions in the future, may not result in sanctions, fines, penalties or other actions that could have a material adverse effect on our business, results of operations and financial condition. See also *“Business—Compliance Issues at Travelex Netherlands and Banco Confidence.”*

We are subject to currency exchange rate risk in the conduct of our business.

Our business operates globally and our principal currencies of operation are the U.S. dollar, pounds sterling, the euro, the Japanese yen, the Australian dollar and the Brazilian real. We are subject to currency exchange risk in all its forms including transaction risk, translation risk and economic risk. In our retail network, our key exposure arises from holding physical currencies in tills and vaults. In our wholesale business, our key exposure arises from transactions involving consignments of wholesale banknotes for central banks and international financial institutions, which are typically denominated in U.S. dollars.

We are exposed to transaction risk because fluctuations in foreign exchange rates impact the value in pounds sterling of cash flows arising from our sales and purchases of foreign currency, the operation of our Retail business and the servicing of our international partner and wholesale customers. We are exposed to translation risk because our reporting currency is the pounds sterling and hence fluctuations in foreign exchange rates impact the consolidation into pounds sterling of foreign currency denominated assets, liabilities and earnings. See *“—Continuing uncertainties and challenging conditions in the global economy and in the Eurozone and legal, political and economic uncertainty*

surrounding the expected exit of the United Kingdom from the European Union may be a source of instability in international markets, create significant currency fluctuations, and adversely impact current trading and supply arrangements, which could have a material adverse effect on our business, results of operations and financial condition.” We are exposed to economic risk because we expect fluctuations in foreign exchange rates to impact the overall cash flow generated by our business and ultimately our likely market valuation. See “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation.”

Because we maintain a significant supply of cash in our stores, vaults and ATMs, we may be subject to cash shrinkage and temporary disruptions due to employee error, theft or fraud.

Since our business requires us to maintain a significant supply of cash in each of our stores, vaults and ATMs, we are subject to the risk of cash shrinkage resulting from employee errors and theft. Although we have implemented policies and procedures to reduce these risks and we carry insurance against such risks, we cannot ensure that employee error and theft will not occur or that our insurance policies will be sufficient or will continue to be available. Material occurrences of employee error and theft could lead to a loss of cash and temporary disruptions to our business.

Furthermore, our business is vulnerable to loss resulting from theft since we maintain and transport large amounts of currency around the world. In the past we have been subject to theft of currency and will remain vulnerable in the future. Although we have obtained insurance for all transit movements and for all stock held at stores and vaults, we cannot assure you that such insurance will be sufficient or will continue to be available. Due to the nature of our business, we are also subject to loss from fraud if our customers present counterfeit money for exchange or if counterfeit prepaid cards are used. Additionally, we are also subject to losses from the fraudulent use of debit and credit cards through our online, telephone and ATM business channels. The failure to control or reduce fraud or theft of currency in a cost-effective manner could materially and adversely affect our business, results of operations and financial condition.

Our business is subject to loss through physical disaster, computer malfunction or sabotage.

Our business is vulnerable to loss resulting from physical disaster, computer malfunction or sabotage since we maintain stocks of currencies in each of our retail stores and at vaults at various international locations. Our business requires high values of stocks of foreign banknotes to be located at our retail stores, vaults and other locations. We undertake high value global shipments of these stocks to supply our agents and customers throughout the world. Although we have obtained insurance against the risk of loss of high value stock, we cannot assure you that such insurance will be sufficient or continue to be available or that it would pay out in a timely fashion to enable us to meet our obligations. Most of our business channels rely on computerized networks and systems to process orders and payments and perform reconciliations. If any of these systems were to fail or develop operational problems, this could materially disrupt our operations, which in turn could have a material adverse effect on our business, results of operations and financial condition. Business continuity and disaster recovery plans are in place and tested annually to protect the business from major localized disasters at each of the main processing centers and provide for the use of both internal and external recovery centers for workspace for our staff in the event that our own buildings are unavailable, but there is no assurance that such plans or recovery centers would mitigate the impact of such disasters.

We depend heavily on our information technology systems to operate our business. Any failure, data security breach or technological changes could have a significant negative impact on our business.

Our business activities rely to a significant degree on the efficient and uninterrupted operation of our various computer and communication systems, including our custom-designed IT platforms. Any inadequate system design, transition to new systems or any failure of current or future systems could impair our ability to receive, process and reconcile transactions, manage our compliance and risk functions, and conduct other day-to-day operations of our business. In addition, the computer and communications systems are vulnerable to damage or interruption from a variety of sources, including attacks by computer malware, electronic break-ins or cyber-attacks, theft or corruption of confidential data or other unanticipated problems. Although we have introduced various security measures, including both technology and policy controls, and we have cyber-attack insurance in place in order to

cover such risks, we cannot ensure that these measures offer the appropriate level of security or protection.

In addition, a significantly increasing proportion of our sales originate online, so failures or disruptions of our online infrastructure could have a material adverse effect on our operations. Finally, the cost of implementation for emerging and future technologies could be significant. Any significant disruption of our computer or communication systems could significantly affect our ability to manage our information technology systems or lead to recovery costs, litigation brought by customers or business partners or a diminished ability to operate the business, which in turn could have a material adverse effect on our business, results of operations and financial condition.

There is a continuing risk that we may not comply with applicable data protection and privacy legislation or failure to comply with Payment Card Industry Data Security Standards.

We are required to comply with applicable data protection laws and regulations in many of the jurisdictions in which we operate, including by notifying, updating and/or continually working with many regulators in the event of a breach of applicable data protection and privacy laws and regulations. A significant breach of such laws and regulations could result in fines and/or other sanctions, including criminal sanctions, being levied against our business. For example, the Information Commissioner in the United Kingdom has the power to impose up to a £500,000 fine for a serious breach of data protection laws and regulations. The Dutch Data Protection Authority has the power to impose up to €820,000 in fines for serious breaches of data protection laws and regulations and, as of May 25, 2017, it will increase this to a maximum fine of the greater of 4% of the annual global turnover or €20 million. It should also be noted that the European General Data Protection Regulation, which becomes effective in May 2018, sets maximum penalties for a breach of applicable data protection laws and regulation at 4% of global annual turnover. If we were to experience a data breach and be fined the maximum amount, then this would represent a significant cost for our business. Finally, should we be found in breach of applicable data protection and privacy laws and regulation we would be faced with material damage to our brand and potential loss of customer trust and confidence, which in turn could materially and adversely affect our business, results of operations and financial position. In addition, in certain jurisdictions in which we accept debit and/or credit cards or administer prepaid card sales for our Retail, ecommerce and call center businesses, it is becoming increasingly important to demonstrate that we are managing data security risks effectively. We have a Payment Card Industry (“PCI”) program in place with regard to our compliance with the requirements of Payment Card Industry Data Security Standards. Our United Kingdom business, global call center and most ecommerce platforms are now PCI compliant, with other segments scheduled to follow in 2017 on a risk based approach. It is possible that our suppliers and partners (including merchant acquirers) could terminate their existing relationships with us unless we achieve full compliance. The impact could be a loss of contracts, revenue and an inability to offer card payment options to customers leading to a potentially significant loss of business. Even with PCI compliant platforms, weaknesses in our data security controls could result in an unlawful use of card data, and we could face significant card scheme penalties and remediation costs and be faced with material damage to our brand and potential loss of customer trust and confidence.

The integrity, reliability and efficiency of our internal controls and procedures may not be successful.

Our business relies on internal controls and procedures that regulate customer and management information, finance, credit exposure, foreign exchange risk, regulatory compliance and other aspects of our business. See “*Business—Risk Management.*” With the increasing focus by regulators, the press and our commercial partners on AML, bribery and other compliance issues, our internal controls and procedures become more important. If our internal controls and procedures are not adequately designed to meet the changing needs of our business, we may need to incur further costs to design and implement new controls or may encounter instances of embezzlement and fraud. The process by which our internal controls and procedures are implemented may be inadequate to ensure full compliance with such controls and procedures, leaving us vulnerable to inconsistencies and failures that may materially and adversely affect our business. For example, we discovered early in 2016 that a former employee of our Canadian subsidiary made certain unauthorized payments in an aggregate amount of approximately CAD\$5 million to her associates’ accounts. We have initiated civil and criminal proceedings in Canada to recover these amounts but cannot assure you that we will succeed to recover any or all of it. See “*Business—Litigation.*”

The joint venture businesses may have less rigorous internal controls and procedures than us, or may take more time, incur more costs, or may be unable to successfully implement the same level of internal controls and procedures that we have. We also rely on the integrity of our management and employees to properly implement these controls and procedures. If we fail to train and manage our employees properly, these internal controls and procedures may be ineffective. As a result, any of the foregoing factors may materially and adversely affect our business, results of operations and financial condition.

See also “—Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks” and “Business—Compliance Issues at Travelex Netherlands and Banco Confidence.”

Plans to further expand into international growth markets may fail or not produce the desired results.

We plan on further strengthening our global presence in important growth markets internationally by enlarging and expanding our store network, products, research and development and by further developing strategic partnerships with local partners. For example, in 2013 we acquired the Brazilian company Grupo Confidence and a 75% stake in Arti Döviz Ticaret A.S. (now Travelex Döviz). Such transactions can carry risks relating to integration, including loss of key personnel in the local jurisdictions or a need for a transition plan with respect to, for example, shared services, and acquisition funding risk, particularly where the consideration is tied to performance of the business and this risk is not otherwise hedged. Our strategy remains to continue expanding in selected new markets, including countries such as Armenia, Azerbaijan, China, Georgia, Indonesia, Thailand and Moldova, which are subject to significantly more risk, such as integrating cultural differences and compliance with regulatory regimes, than many of the core markets in which we currently operate. The overall economic environment in these markets is subject to volatility and the markets could develop more slowly than we expect at any given time. We also seek to expand our product offering into new or developing technologies, such as our recent offerings in mobile services and prepaid cards. There can be no assurance that any nascent technology which we might seek to expand into (i) will develop into a viable offering for consumers or (ii) will not otherwise become the subject of partial or complete obsolescence. Furthermore, our additional international and technological expansion is associated with substantial costs, and it is possible that we will not have the requisite financial resources and expertise to continue our expansion as planned or experience other difficulties. In particular, successful entry into a new market may require a local partner, which may be difficult to obtain or slow down the speed of expansion.

Should our further expansion into international growth markets not be successful or not be as successful as planned, our substantial investments made might not result in the desired growth in revenue, which would have a material adverse effect on our business, financial condition and results of operations.

The proliferation of credit cards and other new payment technologies presents a risk that the need for cash may decrease.

A primary part of our business depends on cash exchanges. As the use of credit, debit and smart cards becomes more widespread and less expensive, and new technologies such as near field communication, contactless payments and online virtual currencies are developed, the use of cash may decrease. Furthermore, some countries, like Norway, have proposed to eliminate cash in its entirety and only allow credit and debit cards to be used. As many banks increasingly allow customers to withdraw cash from ATMs in local currencies, people may convert currencies in this manner rather than by exchanging cash at a foreign exchange retail store. We continue to expand our payments offerings to attempt to mitigate this risk; however a significant decrease in the use of cash, or increased withdrawals of cash from non-Travelex ATMs, could have a material adverse effect on our business, results of operations and financial condition.

Litigation or investigations involving us or our agents could result in material settlements, fines or penalties and may adversely affect our business, financial condition and results of operations.

From time to time, we also are the subject of litigation related to our business. In addition, we have been, and in the future may be, subject to allegations and complaints that individuals or entities have

used our services for fraudulent purposes, which may result in fines, penalties, judgments, settlements and litigation expenses. The outcome of such allegations, complaints, claims and litigation cannot be predicted. See “*Business—Litigation.*”

Regulatory and judicial proceedings and potentially adverse developments in connection with ongoing litigation may adversely affect the licenses we hold as well as our business, financial condition and results of operations. There may also be adverse publicity associated with lawsuits and investigations that could decrease customer acceptance of our services. Plaintiffs or regulatory agencies in these lawsuits, actions or investigations may seek recovery of very large or indeterminate amounts, and the magnitude of these actions may remain unknown for substantial periods of time. The cost to defend or settle future lawsuits or investigations may be significant and could materially and adversely affect our business, results of operations and financial condition.

See also “—*Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks*” and “*Business—Compliance Issues at Travelex Netherlands and Banco Confidence.*”

We operate in competitive markets.

All of our businesses operate in competitive markets. We compete with a wide variety of banks and other businesses of varying sizes and covering different product categories, including International Currency Exchange (ICE), Global Exchange, American Express and TTT MoneyCorp, as well as traditional banks. Actions taken by our competitors, as well as actions taken by us to maintain our market share, competitiveness and reputation, have placed and will continue to place pressure on our pricing, margins and profitability, as well as the availability and attractiveness of key contracts, especially at on-airport locations and our outsourcing contracts. Some of our competitors may have greater financial resources, greater purchasing economies of scale and lower cost bases than us, any of which may give them a competitive advantage over us. In addition, our entry into new market segments or businesses in the future, or the emergence of new technologies or a new class of offerings, could lead to new or different competitors in the future. Any of these factors could adversely and materially affect our business, results of operations and financial condition.

In addition, any potential consolidation of our competitors, especially in the retail foreign exchange business, may result in a lower market share for our Group and in increased difficulties in bidding and renewing contracts in on-airport and off-airport locations, which in turn could adversely and materially affect our business, results of operations and financial condition.

A loss of key personnel could have a material adverse effect on our business.

Our success is largely dependent on the skills, experience and efforts of our senior management and other key personnel. The loss of services of one or more members of our senior management team and key operational leaders could materially and adversely affect our business, results of operations and financial condition.

The international scope of our business results in exposure to adverse political and governmental action as well as economic conditions.

International operations are subject to risks associated with the prevailing local political climate, including potentially high costs of terminating labor contracts, restrictions on transfers of funds, unexpected changes in regulatory environments, difficulty in domestic and international customs and tariffs, potentially adverse tax consequences and changes in effective tax rates. We cannot assure you that any of the foregoing factors will not have a material and adverse effect on our ability to increase or maintain our overseas operations, on our results of operations or on our financial condition.

Our ability to remain competitive depends in part on our ability to protect our brands.

The Travelex brand, consisting of trademark registrations in various countries, is material to our company. The loss of the Travelex trademark or a diminution in the perceived quality associated with the name as a result of any reputational damage would harm our business. See “*Business—Intellectual Property and Information Technology.*”

The laws of certain foreign countries in which we do business either do not recognize intellectual property rights or do not protect them to the same extent as do the laws of the United Kingdom. Adverse determinations in judicial or administrative proceedings in the United Kingdom or in foreign countries could impair our ability to sell our services or license or protect our intellectual property, which could adversely affect our business, financial position and results of operations.

We face a number of risks relating to our travellers' cheques business including reliance on the AmTrust insurance policy and Barclays Bank.

In 2001, we acquired our travellers' cheques business as a by-product of the acquisition of the global and financial services division of Thomas Cook Holdings Ltd. ("TCFS"), which issued new travellers' cheques until 2008. In 2005, we separated our travellers' cheques business with the intention to completely isolate our travellers' cheques business from the rest of our business. Despite this separation, we continue to have some residual liability for the travellers' cheques business. In May 2013, we entered into a series of agreements which resulted in assets equivalent to expected encashments being held in bankruptcy-remote vehicles or with Barclays Bank and in an insurance policy contracted with AmTrust covering encashments of travellers' cheques in excess of these funds. There remain a number of risks related to these arrangements, as described below:

The assets held to cover liabilities linked to travellers' cheques issued with the VISA logo and sold outside of the United States have been deposited with Barclays Bank and are not protected from a possible bankruptcy of Barclays Bank.

Liabilities linked to travellers' cheques actuarially expected to be encashed are covered by assets held in bankruptcy-remote vehicles (other than assets held linked to travellers' cheques issued with the Visa logo and sold outside of the United States, which have been deposited with Barclays Bank). We have agreed the terms of an insurance policy whereby any shortfall resulting from excess encashment of travellers' cheques will be covered by AmTrust. Should AmTrust become insolvent, or otherwise not perform under the insurance policy, for example, as a result of breach of contract by either the Group or AmTrust, the travellers' cheques business would no longer be able to rely on the insurance policies contracted to cover encashment of travellers' cheques in excess of funds deposited in bankruptcy-remote vehicles. Additionally, should Barclays Bank become insolvent, the funds deposited to cover encashment of a portion of travellers' cheques may no longer be available and we may need to increase the collateral granted as security to VISA. Either of these factors could adversely and materially affect our business, results of operations and financial condition.

Travellers' cheques sold in the United States are subject to U.S. state escheatment laws requiring the reversion of unclaimed property to the relevant state government, typically after 15 years, but in some states at an earlier stage. If escheatment laws or laws with a similar impact were adopted or otherwise caused to be applied in other jurisdictions where we issued or sold travellers' cheques, we could not rely on the assets deposited with Barclays Bank, in bankruptcy-remote vehicles or on the insurance policy to generate the funds necessary to make such escheat payments and would need to fund this requirement from non-travellers' cheques resources, which in turn could materially and adversely affect the Group's business, results of operations and financial condition.

The travellers' cheques business has been in operation since the 19th century, and the quality of the records is variable. Each year a small number of travellers' cheques which should have been destroyed, as well as cheques which had been registered as destroyed, get presented for encashment. In 2016, £18,600 of such cheques was presented for encashment, and the Group wrote off £1,000, while in 2014 and 2015, £3,600 and £5,100 were presented for encashment, respectively, and the Group wrote off £400 and £1,000, respectively. These amounts are consistent with the trend over recent years, where we have not written off more than £5,000 in any given year. The insurance policy with AmTrust only covers unrecorded travellers' cheques, discrepancy and cancelled cheques up to £25 million and therefore should such presentation exceed £25 million, we would need to fund such requirement from non-travellers' cheques resources, which in turn could materially and adversely affect our business, results of operations and financial condition.

A number of our employees in Europe are unionized and wage increases or work stoppages by our unionized employees may have a material adverse effect on our business.

A number of our employees, especially in Europe, are represented by labor unions under collective bargaining agreements, which need to be renewed from time to time. We currently have collective

bargaining agreements in the Netherlands and Germany. Upon the expiration of these agreements, if we are unable to negotiate terms more favorable or similar to those currently in place, we could face labor disputes and work stoppages, which could adversely affect our business.

Our insurance coverage may be insufficient to cover our losses.

Our insurance coverage may be insufficient to cover losses that we might incur. We have comprehensive insurance with leading insurers to cover transportation, physical loss or damage, operational risks and general third-party liability. In particular, we have a cash policy in place with a syndicate of insurers, which covers the risk of damage or loss of cash in our Wholesale and Outsourcing businesses. Under such policy, we are covered for any loss exceeding the £500,000 deductible in aggregate for each year. See “*Business—Insurance*.”

The occurrence of losses or other damages not covered by insurance, or that exceed insurance limits, could result in unexpected additional costs. In addition, our insurance policies are subject to review by our insurers and the level of premia may increase, which could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by risks associated with acquisitions or investments in joint ventures with third parties.

We have made and continue to make certain strategic cooperations with third parties. These cooperations are and may be developed pursuant to joint venture agreements over which we only have partial or joint control, and in particular the joint venture counterparties may have different business or investment strategies from us, and we may have disagreements or disputes with such parties. Our partners may be unable, or unwilling, to fulfill their obligations under the relevant joint venture agreements and shareholder agreements, may seek to use their rights to block decisions on certain matters, such as distribution of cash, or may experience financial or other difficulties that may adversely impact our investment in a particular joint venture, which in turn could have a material adverse effect on our business, results of operations and financial condition.

We are dependent on key service providers in order to deliver key products to our customers.

We utilize external service providers to deliver certain key products to our customers, most notably prepaid cards (MasterCard), money transfers (Western Union), international payments (OzForex) and distribution of banknotes in Nigeria for and on behalf of the CBN (Banker's Warehouse Limited). Any failure of the systems of these providers, a change to key product features or pricing, a failure to remain up-to-date with market developments or a termination of any of the agreements we have in place with external service providers could adversely impact our revenue and profitability and reputation as a brand. Suppliers, such as banks who provide banknotes, bank accounts, acquiring or other services to us, could terminate their arrangements with us for any reason, including because they view Travelex as a competitor. The loss of a significant supplier relationship could restrict our ability to offer international payment services in certain jurisdictions, increase costs and increase execution and settlement time.

Additionally, we are dependent on key payment networks and associations, including VISA, MasterCard, China Union Pay and LINK Interchange Network to deliver a number of our products, including withdrawal of foreign currency from our ATM network and prepaid cards. Any change to the terms of these networks and associations could limit our ability to provide our products, or the margins thereon. In addition, a failure of the systems of these networks could limit our ability to provide certain products any of which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to counterparty risk, including hedging counterparty risk and credit risk.

We maintain substantial cash balances on deposit with financial institutions and in investment funds. These cash deposits include prepaid card customer balances, funds backing travellers' cheque liabilities, wholesale customer prepayments and corporate cash. While we regularly monitor our counterparty risk, any failure of an investment counterparty would have a material adverse impact on our financial condition.

We are also exposed to the default risk of the financial institutions with which we operate, customers, particularly with relation to sourcing of currency and payments made in our Wholesale and Outsourcing businesses. Although we actively manage this risk, our risk management strategy may not be successful in limiting our exposure to credit risk, which could adversely affect our business, financial condition and results of operations.

Continuing uncertainties and challenging conditions in the global economy and in the Eurozone and legal, political and economic uncertainty surrounding the expected exit of the United Kingdom from the European Union may be a source of instability in international markets, create significant currency fluctuations, and adversely impact current trading and supply arrangements, which could have a material adverse effect on our business, results of operations and financial condition.

As a large portion of our business depends on business and leisure travel, any disruption in the world economy or other factors that could have an impact on customers spending could materially affect our business, financial conditions and results of operations. For example, Brazil's economy has contracted since 2014, driven by a growing trade deficit, weak commodity prices and political instability. A continued period of economic contraction together with further currency depreciation of the Brazilian real against other currencies could materially and adversely affect our business, results of operations and financial condition.

The United Kingdom held a referendum on June 23, 2016, to determine whether the United Kingdom should leave the EU or remain as a member state, and the outcome of that referendum was in favor of leaving the EU ("Brexit"). Under Article 50 of the 2009 Lisbon Treaty ("Article 50"), the United Kingdom will cease to be a member state when a withdrawal agreement is entered into, or failing that, two years following the notification of an intention to leave under Article 50, unless the European Council (together with the United Kingdom) unanimously decides to extend this period. The United Kingdom has formally notified the European Council of its intention to leave the EU on March 29, 2017. Until the United Kingdom officially exits the EU, EU laws and regulations will continue to apply, and changes to the application of these laws and regulations are unlikely to occur during negotiations. However, due to the size and importance of the United Kingdom economy, the uncertainty and unpredictability concerning the United Kingdom's legal, political and economic relationship with Europe after the United Kingdom exits, there may continue to be instability in the international markets, significant currency fluctuations, and/or otherwise adverse effects on trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future, including beyond the date of the United Kingdom's withdrawal from the EU.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. In addition, Brexit may lead to a down-turn in the United Kingdom or other European economies and could lead to lower levels of tourism as individuals have less disposable income. Any reduction in our customers' willingness or ability to spend due to Brexit-related changes in the economic environments of the United Kingdom and Europe could materially affect our revenue.

Lack of clarity about future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal, including financial laws and regulations, data privacy and collection laws and regulations and tax and free trade agreements, may increase costs associated with operating in either or both of the United Kingdom and Europe. In particular, we are subject to a number of EU laws and regulations governing our operations, such as the ability to 'passport' licenses (which we do for a few select products) across European Union Member States, and uncertainty regarding the future applicability of these regulations may increase our compliance costs. Additionally, any substantial change in the regulations applicable to our United Kingdom business could jeopardize our ability to continue to operate in a manner consistent with our past practice.

Furthermore, in recent years, nationalist and populist movements have gained momentum worldwide. Such movements are directed against perceived elites and economic and social inequality, with a particular focus on reducing and exercising stronger controls on immigration and globalization. This

phenomenon could lead to a general softening in global travel, international trade and business or could pressure governments to alter the legislation and regulation relevant to our industry in a manner adverse to our business, any of which could have a material adverse effect on our business, financial condition and results of operations.

Concerns regarding the instability of the euro or the potential dissolution of the euro entirely, could have a material adverse effect on our business.

In the normal course of our business, we maintain significant euro denominated cash balances. The withdrawal of a country from Eurozone, a significant decline in the use of the euro or the dissolution of the euro could result in a sudden and substantial devaluation of both euro and non-euro denominated deposits that we hold in banks. In addition, financial markets could cease to operate in a particular country due to economic instability and the movement of money between financial institutions in that country could be restricted. The possibility of a general breakdown in the currency supply chain, and the resultant disruption to trade, could impair the ability of both corporations and individuals to pay their financial obligations and result in economic instability throughout the Eurozone.

Our ability to fund our operations could be impaired if the funds transfer mechanisms within the Eurozone are damaged, and our ability to access our deposits in banks could be restricted. The sudden devaluation of the euro, or a new currency, could impact the value of our euro denominated cash deposits, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Sustained financial market illiquidity, or illiquidity at our financial institutions, could adversely affect our business, financial conditions and results of operations.

Our business requires access to liquidity and banking facilities (including guarantee lines and dealing lines) to undertake our day-to-day operations and to fund growth. We face certain risks in the event of a sustained deterioration of financial market liquidity, as well as in the event of sustained deterioration in the liquidity of, or the failure of, our financial institutions.

Furthermore, in the event of a failure at a commercial bank where we maintain our deposits, we may incur a loss to the extent such loss exceeds the insurance limitation.

If financial liquidity deteriorates, there can be no assurance we will not experience an adverse effect, which may be material, on our ability to access capital and on our business, financial condition and results of operations.

We are subject to taxation which is complex and often requires making subjective determinations subject to scrutiny by, and disagreements with, tax regulators.

We are subject to many different forms of taxation including but not limited to income tax, withholding tax, property tax, value added tax, transfer pricing rules, commodity tax and social security and other payroll related taxes. Tax law and administration is complex and often requires us to make subjective determinations. Tax authorities around the world are increasingly rigorous in their scrutiny of transactions and may not agree with the determinations that are made by us with respect to the application of tax law. Such disagreements could result in lengthy legal disputes, an increased overall tax rate applicable to us and, ultimately, in the payment of substantial amounts for tax, interest and penalties, which could have a material adverse effect on our results of operations. Additional tax expenses could accrue in relation to previous tax assessment periods, which are still subject to a pending tax audit or have not been subject to a tax audit yet. As a result, the tax authorities could revise original tax assessments and substantially increase the tax burden (including interest and penalty payments) of our affected entities (for example, in connection with restructuring measures, transaction costs or recovery of indirect taxes). The realization of any of these risks could have a material adverse effect on our business, results of operations and financial condition.

Changes in law, regulation or policy can have a material impact on customer demand for our products.

Demand for our products and services depend in part on the tax and regulatory treatment of those products and services. Any change in law, regulation or policy can impact customers' demand for our

products. For example, historically in the Group's Brazilian operations, a temporary favorable tax regime, which imposed a 0.38% tax on overseas purchases of prepaid cards (compared to a 6.38% tax on credit cards), made prepaid cards a popular product with customers. In December 2013, the Brazilian government eliminated this difference, so that prepaid cards purchased overseas will be taxed at the same rate as credit cards. In addition, the Central Bank of Nigeria announced a policy change in 2013 such that commercial banks would have to seek approval from the Central Bank of Nigeria before importing foreign banknotes. As a result, commercial banks have substantially reduced purchases. These developments or similar tax, regulatory or policy changes throughout the countries in which we operate, could have a material adverse effect on our business, results of operations and financial condition.

We may face unexpected difficulties and costs as a result of the acquisition of the Group by Dr. B.R. Shetty or any negative press related to any companies controlled by Dr. B.R. Shetty.

Since our acquisition by Dr. B.R. Shetty, we aim to increase the cooperation between the Group and UAE Exchange and take advantage of any potential benefits of such cooperation. Cooperation between the Group and UAE Exchange presents various challenges which may be difficult and costly to overcome and could prevent us from realizing the expected benefits of such cooperation, such as potential cost savings in running the business and growth opportunities, which may not be realized in full (or at all) or may take longer to realize than planned. Furthermore, any cooperation between the Group and UAE Exchange may require additional management capacity which may not be available. Finally, any cooperation between UAE Exchange and the Group may face applicable antitrust restrictions in the jurisdictions where we operate our business.

In addition, any negative press or publicity on Dr. B.R. Shetty, UAE Exchange or any related companies may have an impact on the Group, as our Group is ultimately controlled by Dr. B.R. Shetty. For example, in 2014, certain employees of UAE Exchange in Bahrain were convicted of participation in a money laundering scheme and other related crimes, including providing false information to the Central Bank of Bahrain. Although this matter has not had any negative impact on our brand or on our result of operations, any similar activities which are outside of our control may garner negative publicity and may, in the future, have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Risks Related to Our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.

After the issuance of the Notes, we will remain highly leveraged. As of December 31, 2016, after giving effect to the partial redemption of the Existing Notes in February 2017, the borrowings of £32.5 million in January 2017 under our 2045 Shareholder Loan Program and the Transactions, we would have had £305.8 million of total cash-pay debt. In addition, as of December 31, 2016, we had £21.7 million of bank guarantees that were outstanding. See "*Capitalization*." The degree to which we will be leveraged following the issuance of the Notes could have important consequences to holders of the Notes in the Offering, including:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flows from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditure, acquisitions, joint ventures, product research and development or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. The terms of the Indenture will permit us to incur substantial additional indebtedness, including in respect of borrowings and under local lines of credit or working capital facilities under the Revolving Credit Facility and indebtedness under certain operating facilities.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indenture will, among other things, limit the ability of the Issuer, the Company and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer, the Company or its restricted subsidiaries or prepay or redeem its subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or any of its restricted subsidiaries;
- sell, lease or transfer certain assets, including capital stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities, or sell all or substantially all of its assets; and
- impair the Collateral securing the Notes.

Each of these covenants is subject to a number of important qualifications and exceptions. See “*Description of the Notes—Certain Covenants.*” The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, we are subject to the affirmative and negative covenants contained in the Revolving Credit Facility. Our ability to meet the financial ratio test in the Revolving Credit Facility can be affected by events beyond our control, and we cannot assure you that we will meet it. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under our Revolving Credit Facility. Upon the occurrence of any event of default under our Revolving Credit Facility, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. If our creditors, including the creditors under our Revolving Credit Facility, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any Collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Revolving Credit Facility and the Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these “*Risk Factors*,” many of which are beyond our control. The Revolving Credit Facility

will terminate 57 months from the Issue Date. The Notes will mature in 2022. See “*Description of Other Indebtedness—Revolving Credit Facility Agreement*” and “*Description of the Notes*.” In addition, the BRS Facility Agreement contains a covenant requiring each member of the Group to upstream surplus cash to UTX Holdings Limited, subject to such payments being permitted under the Notes and the Revolving Credit Facility and subject to certain other exceptions and qualifications. The operation of this covenant could result in cash leaving the Group. See “*Principal Shareholders—BRS Facility Agreement*.” At the maturity of the loans under the Revolving Credit Facility, the Notes or any other debt which we may incur, if we do not have sufficient cash flows from operating activities and other capital resources to pay our debt obligations, or to fund our other liquidity needs or we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to reduce or delay our business activities or capital expenditure, sell assets, or raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of our Revolving Credit Facility, the Indenture and any future debt may limit our ability to pursue any of these measures.

Despite our current level of indebtedness, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Any debt incurred by any of our subsidiaries that is not a Guarantor would be structurally senior to the Notes, and other debt could be secured or could mature prior to the Notes. Although the Revolving Credit Facility and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries’ existing debt levels, the related risks that we now face would increase. In addition, the Revolving Credit Facility and the Indenture will not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

The loans under our Revolving Credit Facility bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

The loans under our Revolving Credit Facility bear interest at floating rates of interest per annum equal to EURIBOR as adjusted periodically, plus a spread. These interest rates could rise significantly in the future. Although we intend to maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase, thereby reducing our cash flow.

Our hedging agreements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy.

We are party to certain hedging agreements to hedge our exposure to fluctuations in exchange rates. Under any such agreements, we are exposed to credit risks of our counterparties. If one or more of our counterparties becomes bankrupt or insolvent under applicable laws, claims we have under the swap agreements or other hedging arrangements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

Risks Related to the Notes and Our Structure

The Issuer is a finance subsidiary of the Company as of the Issue Date that has no material assets or any revenue generating operations of its own and will depend on cash received under its Proceeds Loans in order to be able to make payments on the Notes.

The Issuer is a finance subsidiary of the Company as of the Issue Date and was formed in order to offer and issue debt securities. The Issuer conducts no business operations of its own, and has not

engaged in, and will not be permitted to engage in, any activities other than those relating to its finance activities. The Issuer has no material assets other than the Proceeds Loans pursuant to which it will on-lend the gross proceeds of the Offering to the Company and the proceeds loan relating to the Existing Notes which will be repaid on the Issue Date. Therefore, the Issuer will be dependent upon payments from other members of the Group to meet its obligations, including its obligations under the Notes. We intend to provide funds to the Issuer in order for it to meet its obligations under the Notes through interest payments on the Proceeds Loans. If the other members of the Group do not fulfill their obligations under the Proceeds Loans, the Issuer will not have any other source of funds that would allow it to make payments to the holders of the Notes. The amounts available to the Issuer from the other relevant members of the Group will depend on the profitability and cash flows of such members of the Group and the ability of such members to make payments to it under applicable law or the terms of any financing agreements or other contracts that may limit or restrict their ability to pay such amounts. Various agreements governing our debt may restrict, and in some cases may actually prohibit, the ability of these subsidiaries to move cash within the Restricted Group. See “*Description of Other Indebtedness—Intercreditor Agreement*.” Applicable tax laws may also subject such payments to further taxation. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The Notes will be structurally subordinated to the liabilities of non-Guarantor members of the Group.

Some, but not all, of the members of the Group will guarantee the Notes. The Issuer, Guarantors and non-Guarantors accounted for nil, £487 million and £77 million, or 0%, 86.4% and 13.6%, respectively, of the total assets of the Restricted Group as of December 31, 2016, which for the avoidance of doubt, exclude the assets of travellers’ cheques and exclude goodwill and the assets of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for nil, £81 million and £9 million, or 0%, 90.1% and 9.9%, respectively, of the Underlying EBITDA of the Restricted Group for the year ended December 31, 2016, which for the avoidance of doubt, excludes the results of our travellers’ cheques business and the results of our joint ventures. The Issuer, Guarantors and non-Guarantors accounted for £344 million, £236 million and £57 million, or 54%, 37% and 9%, respectively, of the total liabilities of the Restricted Group for the year ended December 31, 2016. No individual Guarantor accounts for over 20% of either Underlying EBITDA, total assets or total liabilities of the Restricted Group. In addition, as of December 31, 2016, our subsidiaries that form part of the Restricted Group that will not guarantee the Notes did not have any outstanding cash-pay debt. Unless a member of the Group is a Guarantor, such member will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, subsidiaries of the Company that are not Guarantors, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such non-Guarantor companies before these assets are made available for distribution to the Company or any Guarantor, as a direct or indirect shareholder.

In the event that any non-Guarantor subsidiary of the Company becomes insolvent, enters examinership, is liquidated, reorganized, or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such company; and
- the creditors of such non-Guarantor company, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such company before the Company or any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and each Notes Guarantee will be structurally subordinated to trade creditors, creditors under certain operating facilities and any preferred stockholders of the Company’s and each Guarantor’s non-Guarantor subsidiaries.

Certain of the Notes Guarantees of the Guarantors will be unsecured and the Notes will be secured only to the extent of the value of the assets that have been granted as Collateral, and in the event that the Collateral is enforced, the holders of the Notes will only be paid once the

creditors under the Revolving Credit Facility, certain operating facilities, counterparties of certain hedging obligations and any other holders of additional super priority indebtedness are repaid in full.

If we default on the Notes, the holders of the Notes will be secured only to the extent of the value of the assets underlying their security interest. Certain Guarantors will provide unsecured Notes Guarantees and not all our assets secure the Notes and the secured Notes Guarantees and we will not be obligated to take action to perfect all liens on assets that do secure the Notes and certain secured Notes Guarantees. In the future, the obligations to provide additional guarantees and grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary as a restricted subsidiary or otherwise, is subject to the Agreed Security Principles and the Intercreditor Agreement. The Agreed Security Principles set out a number of limitations on the rights of the holders of the Notes to require granting of, or payment or enforcement under, a guarantee or security in certain circumstances. The operation of the Agreed Security Principles may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited or security not being granted over a particular type or class of assets. Accordingly, the Agreed Security Principles may affect the value of the guarantees and security provided by us and our subsidiaries. The validity and enforceability of the guarantees and security may also be affected by local law limitations. See “—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.”

Furthermore, the Intercreditor Agreement will provide that proceeds from the enforcement of the security will be applied to repay the claims of the creditors under the Revolving Credit Facility, certain operating facilities, counterparties of certain hedging obligations and any other holders of additional super priority indebtedness, in priority to the Notes and other secured obligations. Under the terms of the Notes, up to £100.0 million of indebtedness can be incurred under credit facilities, up to £12.5 million of certain operating facilities and certain hedging obligations can be secured in priority to the Notes. As a result, holders of the Notes will receive less from the proceeds of security in an enforcement or insolvency scenario than if they were not required to share the proceeds.

In addition, only certain assets of the Guarantors will be secured as Collateral. See the description of Collateral under “*Description of the Notes—Security—The Collateral.*” For example, no security will be granted over the shares of the Australian Guarantors or, subject to the next sentence, the shares of the Brazilian Guarantor or the assets of Travelex Europe Limited. The Revolving Credit Facility Agreement requires that, to the extent legally possible and when it is no longer prohibited under any third party arrangements (including, without limitation, the BRS Facility Agreement), if the Security Agent so requests in accordance with the terms of the Revolving Credit Facility Agreement, subject to the Agreed Security Principles, (i) Travelex Europe Limited shall grant security over its material assets within 60 days of such request and (ii) security shall be granted over the shares of the Brazilian Guarantor to a co-security agent within 180 days of such request. Such security would also need to be granted for the benefit of the holders of the Notes. Further, Agreed Security Principles may restrict our ability to add to the Collateral in the future. For a description of the Agreed Security Principles, see “*Description of the Notes—Security—The Collateral.*”

Holders of the Notes will not control certain decisions regarding the Collateral.

The Notes will be secured by the same Collateral securing the obligations under our Revolving Credit Facility, certain operating facilities and certain hedging obligations except to the extent that certain assets cannot secure the Notes due to local law limitations. In addition, under the terms of the Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

The Intercreditor Agreement provides that, except in certain circumstances, the agent of the creditor class who wishes to deliver an enforcement instruction must first consult with every agent or representative of the other creditor classes, certain creditors and the Security Agent for a period of not less than 30 days (or such shorter period as may be agreed). After an initial Consultation Period, the Security Agent may act upon the instructions of an instructing group, which may be holders of 66⅔% of the aggregate principal amount of the Notes outstanding or creditors of 66⅔% of the aggregate principal amount of certain super senior indebtedness (which includes drawn and undrawn commitments under the Revolving Credit Facility, certain operating facilities and certain hedging

obligations). To the extent there are conflicting instructions, those on behalf of the holders of the Notes will prevail. However, in certain circumstances the creditors under the Revolving Credit Facility and certain operating facilities and counterparties to certain hedging arrangements will have control over enforcement of the Security, including if (i) such creditors have not been fully repaid within six months of the end of the first Consultation Period, (ii) the Security Agent has not commenced any enforcement action within three months of the end of the first Consultation Period or (iii) an insolvency event in relation to a member of the Restricted Group has occurred and the Security Agent has not commenced any enforcement action.

These arrangements could result in the enforcement of the Collateral in a manner that results in lower recoveries by holders of the Notes. Furthermore, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Company or its subsidiaries during such period, the Company or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value.

If the Security Agent sells the Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes and the Notes Guarantees and the liens over any other assets securing the Notes and the Notes Guarantees may be released. See *“Description of Other Indebtedness—Intercreditor Agreement”* and *“Description of the Notes—Security—The Collateral—Release of Liens.”*

The Collateral may not be sufficient to secure the obligations under the Notes.

The Notes will be secured by the same Collateral that also secures the obligations under our Revolving Credit Facility. The Collateral may also secure additional debt, including certain operating facilities and hedging obligations, to the extent permitted by the terms of the Revolving Credit Facility, the Indenture and the Intercreditor Agreement except to the extent that certain assets cannot secure the Notes due to local law limitations. Your rights to the Collateral may be diluted by any increase in debt secured by the Collateral on a similar or more favorable basis to the Notes or a reduction of the Collateral securing the Notes. In addition, the BRS Facility Agreement only permits the Group to grant security to the holders of the Notes that was granted to the holders of the Existing Notes. As a result, for so long as this restriction under the BRS Facility Agreement continues to apply to us, security granted to the holders of the Notes will be limited to the Collateral. See *“Principal Shareholders—BRS Facility Agreement.”*

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including the ability to sell the Collateral in an orderly sale, economic conditions where operations are located and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. Due to the nature of our business, all or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Similarly, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. In the event that a bankruptcy case is commenced by or against us, if the value of the Collateral is less than the amount of principal and accrued and unpaid interest on the Notes and other senior secured obligations, interest may cease to accrue on the Notes from and after the date the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the obligations due under the Notes.

The Collateral is primarily located in England and includes an English law governed debenture and English, Jersey, New York, Japanese and Dutch law governed share security. The multi-jurisdictional nature of any foreclosure on the Collateral may limit the realizable value of the Collateral. For example, the bankruptcy, insolvency, administrative, examinership and other laws of the various jurisdictions may be materially different from, or conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings.

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and the Intercreditor Agreement and

accepted by other creditors that have the benefit of security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens, certain statutory preferences or re-characterization under the laws of certain jurisdictions. Additionally, as many of the Guarantors are regulated entities, certain regulators may have consent rights with respect to any potential enforcement action.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests in the Collateral and there can be no assurance that the security will be saleable. For example, the enforcement of share pledges, whether by means of a sale, public auction, or judicial or private appropriation, may be subject to certain specific requirements and the Security Agent may need to obtain the consent of a third-party to enforce a security interest or to appoint an independent expert to assess the value of the Collateral. The Security Agent may not be able to obtain any such consent and the consents of any third parties may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that will secure our obligations under the Notes and the obligations of the Guarantors under the Notes Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Collateral. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, which will (subject to the applicable provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

In addition, our counsel has advised us that under Dutch law, security interests such as rights of pledge cannot be validly created in favor of a person who is not the creditor of the claim that the security interest intends to secure. The beneficial holders of the Notes from time to time will not be party to the security documents. In order to permit the holders of the Notes from time to time to have a secured claim, the documentation relating to the Notes will provide for the creation of a “parallel debt.” Pursuant to the parallel debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. Any pledges governed by Dutch law will directly secure the parallel debt. The parallel debt concept has not been tested under Dutch law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Dutch law.

The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Intercreditor Agreement and security documents will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which would reduce the amounts payable to the holders of the Notes from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, the Notes Guarantees and the Collateral securing the Notes will be released automatically. See “Description of the Notes—Notes Guarantees” and “Description of the

Notes—Security—The Collateral—Release of Liens.” In addition, if the Security Agent sells Collateral comprising the shares of the Issuer or any of our other subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Notes and the Notes Guarantees may be released or transferred. See “*Description of Other Indebtedness—Intercreditor Agreement*” and “*Description of the Notes—Security—The Collateral—Release of Liens.*” Your ability to recover on the Notes could be materially impaired in such circumstances.

The Intercreditor Agreement also provides that the Collateral securing the Notes may be released and retaken in connection with the refinancing of certain indebtedness, including the Notes, if the Issuer has confirmed in writing to the Security Agent that it has determined that it is either not possible or not desirable to implement any such refinancing on terms satisfactory to it by granting additional Collateral and amending the terms of the existing Collateral. In certain jurisdictions, such a release and retaking of Collateral may give rise to the start of a new “hardening period” in respect of such Collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such Collateral and thus reduce your recovery under the Notes. See “*Description of Other Indebtedness—Intercreditor Agreement.*”

The interests of holders of additional notes under the Indenture may be inconsistent with the holders of the Notes under the Indenture.

Subject to certain restrictions, further series of additional notes may be issued under the Indenture which have different terms in respect to currency, interest rate, maturity, call schedule and other matters. Such additional notes will also generally vote as a single class with other series of notes issued under the Indenture, but may have interests that differ from the holders of other series of notes issued under the Indenture, including the Notes.

Some of the Collateral and the Guarantees will not be in place as of the Issue Date.

Some of the Guarantees and the Collateral securing the Notes offered hereby may not be taken as of the Issue Date of the Notes. To the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and Permitted Collateral Liens (as defined in “*Description of the Notes—Certain Definitions*”), the Collateral that is governed by New York and Japanese law security documents has been granted effective June 16, 2017, the Collateral that is governed by Dutch law security documents is expected to be granted within 120 days of the Issue Date, subject to certain Dutch works council advice being obtained, the Guarantors organized under Delaware, Australian and Japanese law have provided Notes Guarantees effective June 16, 2017, the guarantors organized under Dutch law are expected to provide Notes Guarantees within 120 days of the Issue Date, subject to certain Dutch works council advice being obtained and the guarantors organized under Brazilian law are expected to provide Notes Guarantees within 180 days of the Issue Date. In addition, the Collateral may be subject to certain perfection requirements in order to be enforced. See “—*Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral*” and “*Description of the Notes—Security—The Collateral.*”

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and the grantor of the security. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder’s rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taker over the claims the security taker (as creditor) has against the debtor and there has occurred an event of default under the Indenture. Finally, since the ranking of pledges is determined by the date on which they became

enforceable against third parties, a security interest created on a later date over the same Collateral, but which came into force for third parties earlier (by way of registration in the appropriate register or by notification) has priority. None of the Trustee or the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties.

In the case of the laws of England and Wales, where the Collateral is registerable, provided that such Collateral is registered, then the ranking of security interests granted by security providers incorporated in England and Wales is, subject to certain exceptions, determined by the date on which they were created. Accordingly, a security interest created on a later date over the same Collateral which has been duly registered will take priority over an earlier created security interest which has not been registered within the appropriate timeframe. The ranking of certain other security interests is determined by the date of registration or, as applicable, the date of notice. None of the Trustee or the Security Agent has any obligation to register the security interests in the Collateral.

The security interests in the Collateral may be declared unenforceable against third parties under fraudulent conveyance laws.

In the case of the laws of England and Wales, Section 423 of the Insolvency Act 1986 applies in respect of transactions entered into at an undervalue defrauding creditors. This provision can be used at any time and any person prejudiced by the relevant transaction may apply to the court to have such transaction set aside or to have their interests protected by other means. Remedies granted under this provision are not limited to transactions entered into within set time limits and transactions can be avoided even if the company was solvent at the time of the transaction. Therefore, the granting of security interests in the Collateral in favor of the holders of the Notes may be avoided by other creditors of the grantors of such security interest in the Collateral.

Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.

Each Notes Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. However, the Indenture will provide that each Notes Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Notes Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of each Notes Guarantee would be subject to certain generally available defenses.

Enforcement of any of the Notes Guarantees against any Guarantor will be subject to certain defenses available to Guarantors in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, related party transactions, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Notes Guarantee depending on the amounts of its other obligations and the applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Notes Guarantee against any Guarantor.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Notes Guarantee, (ii) direct that the holders of the Notes return any amounts paid under a Notes Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Notes Guarantee was incurred to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, when the granting of the Notes Guarantee has the effect of giving a creditor a preference or when the recipient was aware that the Guarantor was insolvent when it granted the relevant Notes Guarantee;
- the Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Notes Guarantee and the Guarantor was: (i) insolvent or rendered

insolvent because of the relevant Notes Guarantee; (ii) undercapitalized or became undercapitalized because of the relevant Notes Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant Note Guarantee was not validly established or authorized or otherwise contravenes the relevant Guarantor's constituent documents;
- the relevant Notes Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of or to promote the success of the Guarantor; or
- the amount paid or payable under the relevant Notes Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to the Notes Guarantees or any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Notes Guarantee was issued, that payments to holders of the Notes constituted preferences, transactions at undervalue, fraudulent challengeable transfers or conveyances on other grounds.

The liability of each Guarantor under its Notes Guarantee will be limited to the amount that will result in such Notes Guarantee not constituting a preference, transaction at undervalue, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Notes Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court decided that a Notes Guarantee was a preference, transaction at undervalue, fraudulent transfer or conveyance and voided such Notes Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Notes Guarantee that has not been declared void. In the event that any Notes Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Notes Guarantee obligations apply, the Notes would be structurally subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Notes Guarantee is found to be a preference, transaction at undervalue, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes.

We may not have distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and the security documents.

The payment of dividends or principal or interest on the Proceeds Loans to the Issuer or to service our debt obligations (including under the Notes) will reduce the distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and security documents. We are under no obligation to maintain a specific level of distributable profits and reserves, and, if we have distributable profits and reserves, we may make dividend payments or payments of principal and interest on the Proceeds Loans that reduce our distributable profits and reserves to zero. We intend to make dividends and enter into intercompany loans to service indebtedness and to hedge against foreign exchange fluctuations. We may not have distributable profits and reserves available to satisfy the obligations under the Notes Guarantees and security documents, whether or not we distribute dividends or enter into intercompany loans. In addition, the payment under the Notes Guarantees and the enforcement of security interests under the relevant security documents may require certain prior corporate formalities to be completed, including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions.

English, Jersey, Australian, Japanese, Brazilian and Dutch insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuer and other members of the Group, including certain of the Guarantors, are incorporated under the laws of England and Wales, Jersey, Australia, Japan, Brazil and the Netherlands. Accordingly, insolvency proceedings with respect to any of those entities would be likely to proceed under, and be governed by, the relevant insolvency laws of such jurisdictions. English, Jersey, Australian, Japanese, Brazilian and Dutch insolvency law may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar. See “*Certain Limitations on Validity and Enforceability*” and “*Enforceability of Judgments*.”

In the event that any one or more of the Issuer, the Guarantors, any future Guarantors, if any, or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer and certain other transactions, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction’s laws should apply, adversely affect your ability to enforce your rights under the Notes Guarantees or the Collateral in these jurisdictions and limit any amounts that you may receive. See “*—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.*”

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a “change of control,” the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. If a change of control were to occur requiring such offers, we cannot assure you that we would have sufficient funds available at such time to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in the Revolving Credit Facility, the Indenture, the Intercreditor Agreement or our other existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Revolving Credit Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from the Company or its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of such a change of control, may be limited by our then existing financial resources. In addition, under the terms of the Revolving Credit Facility, under certain circumstances, we are required to repay an equal amount of debt under our Revolving Credit Facility if we repay all or a portion of the aggregate principal amount of the Notes. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting such a change of control occurs at a time when we are prohibited under any of our existing indebtedness from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to repurchase the Notes or may attempt to refinance the indebtedness that contain such prohibition. If such consent to repurchase the Notes is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we will require third-party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that we will be able to obtain such financing.

Any failure by the Issuer to offer to repurchase the Notes will constitute a default under the Indenture, which will, in turn, constitute a default under the Revolving Credit Facility and certain other indebtedness. See “*Description of the Notes—Change of Control.*”

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or

other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “Change of Control” as defined in the Indenture. Except as described under “*Description of the Notes—Change of Control*,” the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of “Change of Control” in the Indenture will include a disposition of all or substantially all of the assets of the Company and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the Company’s assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trade on the Global Exchange Market, which is a regulated market of the Irish Stock Exchange, such Notes may not become or remain listed. Although no assurance is made as to the liquidity of any of the Notes as a result of the admission to trading on the Global Exchange Market, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes from the Official List of the Irish Stock Exchange may have a material adverse effect on a holder’s ability to resell the Notes in the secondary market.

In addition, the Indenture will allow us to issue additional notes in the future which could adversely impact the liquidity of the Notes.

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euros. If investors measure their investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which investors measure the return on their investment because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss for investors when the return on the Notes is translated into the currency by reference to which the investors measure their return on their investments. Investments in the Notes may also have important tax consequences as a result of foreign exchange gains or losses, if any. See “*Taxation—Certain U.S. Federal Income Tax Consequences to U.S. Holders.*”

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and certain of the Guarantors and their respective subsidiaries are organized outside the United States, and our business is conducted largely outside the United States. The directors and executive officers of the Issuer and certain of the directors and executive officers of the Guarantors are non-residents of the United States. Although we and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on these directors and executive officers. In addition, as many of the assets of the Issuer and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce judgments obtained in the U.S. courts against assets located outside the U.S. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer and the non-U.S. Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with England. There is, therefore, doubt as to the enforceability in England of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in England. In addition, the enforcement in England of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. securities laws, will be subject to certain conditions. There is also doubt that an English court would have the requisite power or authority to grant remedies sought in an original action brought in England on the basis of U.S. securities laws violations. See “*Enforceability of Judgments.*”

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of the Notes.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Notes Guarantees have not been registered under, and we are not obliged to register the Notes or the Notes Guarantees under, the U.S. Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See “*Transfer Restrictions.*” We have not agreed to or otherwise undertaken to register any of the Notes or the Notes Guarantees, and do not have any intention to do so.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of the Notes. The common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the applicable global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes representing the Notes will be made to Deutsche Bank AG, London Branch, as Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to the common depository for

Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and if you are not a participant in Euroclear, Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream, or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or on a timely basis.

Similarly, upon the occurrence of an event of default under an Indenture, unless and until the relevant definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. We cannot assure you that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes.

Investors in the Notes may have limited recourse against the independent auditors.

The independent audit report of PricewaterhouseCoopers LLP on the audited consolidated financial statements of Holdings as of and for the year ended December 31, 2014, which we have included in these listing particulars, contains the following statement: “We do not in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.” The independent audit reports of Ernst & Young LLP on the audited consolidated financial statements of Holdings as of and for the years ended December 31, 2015 and 2016, which we have included in these listing particulars, contains the following statement: “To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.”

Investors in the Notes should understand that in making these statements the independent auditor confirmed that it does not accept or assume any liability to parties (such as the purchasers of the Notes) other than to those to whom such report is addressed. The U.S. Securities and Exchange Commission would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act, or in a report filed under the U.S. Securities Exchange Act of 1934, as amended. If a U.S. court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent auditor based on their report or the consolidated financial statements to which it relates could be limited. The extent to which the independent auditor has responsibility or liability to third parties is unclear under the laws of many jurisdictions, including the United Kingdom. The inclusion of the language referred to above, however, may limit the ability of holders of the Notes to bring any action against our independent auditor for damages arising out of an investment in the Notes.

Risks Related to our Ownership

The interests of our principal shareholders may conflict with your interests.

The interests of our principal shareholders, in certain circumstances, may conflict with your interests as holders of the Notes. UTX Holdings Limited and ultimately Dr. B.R. Shetty, Mr. Khaleefa Butti Omaid Yousif Al Muhairi and Mr. Saeed Mohamed Butti K. Al Qebaisi, control us. See “*Principal Shareholders*.” Our shareholders are able to appoint a majority of our board of directors and to determine our corporate strategy, management and policies. In addition, our shareholders have control over our decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of shareholders regardless of whether holders of the Notes believe that any such transactions are in their own best interests. For example, the shareholders could vote to cause us to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the Indenture, the Revolving Credit Facility and the Intercreditor Agreement so

permit. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate revenue, each of which could adversely affect holders of the Notes.

Additionally, certain of our shareholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. For example, Dr. B.R. Shetty also holds a significant stake in UAE Exchange, a global currency exchange, remittance and bill pay solutions company. Certain of our shareholders may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as UTX Holdings Limited and ultimately Dr. B.R. Shetty, together with Mr. Khaleefa Butti Omair Yousif Al Muhairi and Mr. Saeed Mohamed Butti K. Al Qebaisi, collectively continue to own a significant amount of our capital stock, even if such amount is less than 50%, UTX Holdings Limited, Dr. B.R. Shetty, Mr. Khaleefa Butti Omair Yousif Al Muhairi and Mr. Saeed Mohamed Butti K. Al Qebaisi will continue to be able to strongly influence or effectively control our decisions. UTX Holdings Limited, Dr. B.R. Shetty, Mr. Khaleefa Butti Omair Yousif Al Muhairi and Mr. Saeed Mohamed Butti K. Al Qebaisi's interests may not coincide with your interests.

We are subject to certain restrictive covenants under the BRS Facility Agreement.

In addition, in relation to our acquisition by UTX Holdings Limited, BRS Ventures & Holdings Limited (the parent of UTX Holdings Limited) entered into a \$750 million credit facility agreement that was replaced with a \$490 million credit facility agreement on March 25, 2016 (as amended and/or as amended and restated from time to time) (the "BRS Facility Agreement"). The BRS Facility Agreement contains a financial covenant as well as certain covenants and restrictions with respect to the Group, including merger and consolidation, incurrence of non-permitted financial indebtedness, disposition of any assets, as well as other customary restrictions. For example, under the BRS Facility Agreement, we are permitted to grant only such security to the holders of the Notes that was granted to the holders of the Existing Notes. As a result, for so long as this restriction under the BRS Facility Agreement continues to apply to us, security granted to the holders of the Notes will be limited to the Collateral. To the extent payments are not made with respect to the BRS Facility Agreement or covenants are violated and not remedied, there would be a risk that finance parties under the BRS Facility Agreement would accelerate payments and/or enforce their interests in share security to take control of entities that ultimately control the Group, resulting in a change of control. See "*Principal Shareholders—BRS Facility Agreement.*"

USE OF PROCEEDS

We estimate that the gross proceeds of the Offering of the Notes will be €360 million. We plan to use the gross proceeds of the Offering to redeem in full the Existing Notes together with unpaid interest and any redemption premium, commissions, fees and expenses associated with the Transactions. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimate of fees, expenses and outstanding amounts upon repayment.

The following table sets forth the estimated sources and uses of the proceeds from the Offering. To the extent that the planned uses for the proceeds are less than we expect, we will use any excess cash for general corporate purposes.

Source of Funds		Use of Funds	
	(millions of £)		(millions of £)
Notes offered hereby ⁽¹⁾	305.5	Redemption of Existing Notes ⁽²⁾	300.0
Cash on hand	10.5	Estimated commissions, fees and other expenses ⁽³⁾	16.0
Total Sources	316.0	Total Uses	316.0

- (1) Represents €360.0 million aggregate principal amount of Notes, translated at an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 20, 2017, as published by Bloomberg Generic Composite rate. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date.
- (2) Represents the outstanding aggregate principal amount of the Existing Notes. This amount excludes accrued and unpaid interest of approximately £4.1 million that will be due on the outstanding amount of the Existing Notes and a redemption premium of £3.8 million in relation to the fixed rate tranche of the Existing Notes, in each case as of the redemption date of May 5, 2017, which is included under estimated commissions, fees and other expenses in this table. The accrued but unpaid interest amounts are calculated from February 1, 2017 with respect to the fixed rate tranche of the Existing Notes and from May 1, 2017 with respect to the floating rate tranche of the Existing Notes, the most recent interest payment dates, respectively. See “*Capitalization*.”
- (3) Represents the estimated fees and expenses associated with the Transactions, including the estimated accrued and unpaid interest of £4.1 million and estimated redemption premium of £3.8 million on the Existing Notes, in each case as of the redemption date of May 5, 2017, as well as commitment, placement and other transaction costs and professional fees.

CAPITALIZATION

The following table sets forth the consolidated capitalization of Holdings as of December 31, 2016 on an actual basis and as adjusted to give effect to (i) borrowings of £32.5 million in January 2017 under our 2045 Shareholder Loan Program, (ii) the redemption of £38.9 million in aggregate principal amount of our Existing Notes in February 2017 and (iii) the Transactions, and the respective uses of proceeds. The adjusted information below is illustrative only and does not purport to be indicative of our capitalization following the completion of the Transactions.

You should read this table in conjunction with the information in “Use of Proceeds,” “Presentation of Financial and Other Information,” “Selected Historical Financial Data,” “Management’s Discussion and Analysis of Our Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in these listing particulars.

	As of December 31, 2016		
	Actual Amounts	Adjustments (millions of £)	Adjusted Amounts
Cash and cash equivalents (net of bank overdrafts)⁽¹⁾	560.3	(16.9)	543.4
Financial liabilities⁽²⁾			
Existing Revolving Credit Facility ⁽³⁾	—	—	—
Revolving Credit Facility ⁽³⁾	—	—	—
Existing Notes ⁽⁴⁾	336.2	(336.2)	—
Notes offered hereby ⁽⁵⁾	—	305.5	305.5
Other Financial Indebtedness ⁽⁶⁾	0.3	—	0.3
Total cash-pay debt	336.5		305.8
Other PIK funding loans ⁽⁷⁾	519.5	—	519.5
Preference shares classified as liabilities ⁽⁸⁾	199.8	—	199.8
Other shareholder debt ⁽⁹⁾	34.5	32.5	67.0
Total non-cash-pay debt	753.8		786.3
Total debt including shareholder debt	1,090.3		1,086.6
Total equity deficit ⁽¹⁰⁾	(562.3)	—	(562.3)
Total capitalization	528.0		524.3

- (1) Represents our cash and cash equivalents net of bank overdrafts. Our bank overdraft as of December 31, 2016 amounted to £17.6 million. The adjustment to “Cash and cash equivalents (net of bank overdrafts)” represents the cash inflow of £32.5 million from borrowings under our 2045 Shareholder Loan Program in January 2017 less the cash outflow of £38.9 million from the payments made for the redemption of a portion of our Existing Notes in February 2017 and a further cash outflow of £10.5 million that we expect to make in connection with the Transactions. See “Use of Proceeds”. This amount does not include £4.5 million of cash associated with borrowings under our 2045 Shareholder Loan Program which we received in February 2017 and was utilized in connection with our acquisition of Global Money Remittance PTE Ltd, Singapore. See “Related Party Transactions.” Historical “Cash and cash equivalents (net of bank overdrafts)” includes £106.1 million in free cash as of December 31, 2016 which, adjusted in the same way as our “Cash and cash equivalents (net of bank overdrafts)” above, would result in free cash of £89.2 million. See “Summary Financial Data.” Estimated cash and cash equivalents (net of bank overdrafts) as of March 31, 2017 was between £925 million and £945 million. Estimated free cash as of March 31, 2017 was between £75 million and £85 million.
- (2) We have omitted trade and other payables, which as of December 31, 2016 amounted to £677.1 million, of which £225.9 million was in respect of travellers’ cheques liabilities and will not be obligations of the Restricted Group. See footnote 9 of “Summary Financial Data.”
- (3) As of December 31, 2016, we had no borrowings under the Existing Revolving Credit Facility, however, as of April 21, 2017, we had approximately £40 million of borrowings outstanding under the Existing Revolving Credit Facility which we expect will remain outstanding under the Revolving Credit Facility. As part of the Transactions, we will cancel the Existing Revolving Credit Facility in its entirety and enter into the Revolving Credit Facility with commitments of £90 million. The Revolving Credit Facility will terminate on the date falling 57 months after the Issue Date unless its term is extended.
- (4) Represents the outstanding aggregate principal amount of the Existing Notes net of £2.7 million of amortized debt issuance costs. The Existing Notes will be redeemed in full in connection with the Transactions. This amount excludes accrued and unpaid interest of approximately £4.1 million that will be due on the outstanding amount of Existing Notes and a redemption premium of £3.8 million in relation to the fixed rate tranche of the Existing Notes, in each case, as of the redemption date of May 5, 2017. The accrued but unpaid interest amounts are calculated from February 1, 2017 with respect to the fixed rate tranche of the Existing Notes and from May 1, 2017 with respect to the floating rate tranche of the Existing Notes, the most recent interest payment dates, respectively. The adjustment to the Existing Notes represents the redemption of £38.9 million in aggregate principal amount of our Existing Notes in February 2017.

- (5) "Notes offered hereby" represents €360.0 million aggregate principal amount of Notes, translated at an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 26, 2017, as published by Bloomberg Generic Composite rate, gross of estimated commissions, fees and other expenses of £16.0 million, which we expect will be deferred and amortized over the life of the Notes. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date.
- (6) "Other Financial Indebtedness" comprises amounts due under finance leases. It does not include bank overdrafts which, as of December 31, 2016, amounted to £17.6 million, or trade and other payables.
- (7) "Other PIK funding loans" represent the principal and accrued interest amount of the UTX Loans and the UTX Preference Certificates. Such non-current term loans are treated as shareholder debt. See footnote 10 of "*Summary Financial Data*" and "*Related Party Transactions*" for more information. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.
- (8) "Preference shares classified as liabilities" consists of £138.5 million related to the non-cash dividend payment from the 10.0% cumulative preference shares issued by Holdings and £61.3 million related to the nominal value of such preference shares. This liability was initially scheduled to mature in 2020 but we plan to extend its maturity to 2035 on or about the Issue Date and may not be prepaid prior to the repayment in full of the payment of the Notes. The preference shares classified as liabilities are issued by Holdings are not obligations of the Restricted Group.
- (9) "Other shareholder debt" includes the amounts outstanding under our 2045 Shareholder Loan Program and the book value of the Renova Loan, in each case, as of December 31, 2016. The adjustment to other shareholder debt represents an additional £32.5 million of aggregate borrowings under our 2045 Shareholder Loan Program in January and February 2017. This amount does not include an additional £4.5 million of borrowings under the 2045 Shareholder Loan Program in February 2017, which was used to fund the acquisition of Global Money Remittance PTE Ltd, Singapore. See "*Related Party Transactions*." On or about to the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that members of the Restricted Group are no longer borrowers or obligors under such loans.
- (10) The value of "total equity deficit," as adjusted to give effect to the Transactions, could change subject to any costs of refinancing which are not capitalized.

SELECTED FINANCIAL INFORMATION

The Issuer was incorporated under the laws of England and Wales on June 12, 2013, in connection with the issuance of the Existing Notes and is a wholly owned finance subsidiary of Holdings. Consequently, we present the consolidated financial information relating to Holdings in these listing particulars and no historical financial information relating to the Issuer is presented. The following tables set forth the selected financial data for Holdings as of and for each of the years ended December 31, 2014, 2015 and 2016, derived from our audited consolidated financial statements as of and for each of the years ended December 31, 2014, 2015 and 2016 included elsewhere in these listing particulars (unless otherwise indicated). We have prepared the consolidated financial information of Holdings in accordance with IFRS as adopted by the European Union.

Holdings will not provide a guarantee or any type of credit support for the Notes. The consolidated financial statements of Holdings include the results of operations and financial position of Holdings, TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, which are not attributable to the Company and its subsidiaries. As a result, the consolidated financial information of Holdings is not directly comparable to the historical financial information of the Company and its subsidiaries. The main differences between the consolidated financial position and results of operations of Holdings and the Company primarily relate to the Shareholder Instruments and preferred shares classified as liabilities. As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and the related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements (including the Shareholder Instruments, to the extent applicable) existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

The following tables should be read in conjunction with our consolidated financial statements and the accompanying notes of Holdings included elsewhere in these listing particulars. The tables below should also be read together with the section entitled “*Presentation of Financial and Other Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.” The results of operations for prior years or the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Income Statement Data:			
Revenue	693.3	655.7	699.1
Cost of sales	(424.1)	(408.2)	(450.0)
Gross profit	269.2	247.5	249.1
Net operating expense	(215.1)	(234.5)	(144.3)
Analyzed as:			
Underlying net operating expense	(189.5)	(180.7)	(208.9)
Net operating exceptional items and non-underlying adjustments	(25.6)	(53.8)	64.6
Net operating expense	(215.1)	(234.5)	(144.3)
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Analyzed as:			
Underlying EBITDA ⁽¹⁾	79.7	66.8	40.2
Net operating exceptional items and non-underlying adjustments	(25.6)	(53.8)	64.6
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Depreciation and amortization	(24.4)	(25.3)	(32.9)
Operating profit (loss)	29.7	(12.3)	71.9
Finance income	23.7	9.2	20.8
Finance costs ⁽²⁾	(187.8)	(114.5)	(113.4)
Share of profit in equity accounted investments	2.1	3.4	3.8
Loss before tax	(132.3)	(114.2)	(16.9)
Tax charge	(13.4)	(8.3)	(19.3)
Loss for the year from continuing operations	(145.7)	(122.5)	(36.2)
Discontinued operations			
Discontinued operations	0.6	1.6	0.8
Loss for the year	(145.1)	(120.9)	(35.4)

	As of December 31,		
	2014	2015	2016
	Restated ⁽¹²⁾	Restated ⁽⁷⁾⁽¹⁰⁾	
(millions of £)			
Selected Balance Sheet Data:			
Non current assets			
Intangible assets	413.4	396.8	383.1
Property, plant and equipment	42.1	42.9	43.2
Investments accounted for using the equity method ⁽³⁾	13.1	10.9	12.5
Investments ⁽⁴⁾	24.6	22.0	21.2
Financial assets ⁽⁵⁾	107.9	96.4	90.1
Other non-current assets ⁽⁶⁾	17.1	15.6	23.5
	618.2	584.6	573.6
Assets included in disposal group held for sale ⁽⁷⁾	33.8	1.0	—
Current assets			
Inventories	0.5	0.4	1.1
Trade and other receivables ⁽⁸⁾	89.9	96.2	100.8
Investments ⁽⁴⁾	2.2	2.9	3.9
Other current assets ⁽⁶⁾	19.2	22.2	25.5
Cash and cash equivalents ⁽⁹⁾	505.3	451.3	577.9
Restricted cash ⁽¹⁰⁾	0.3	—	—
	617.4	573.0	709.2
Current liabilities			
Trade and other payables ⁽¹¹⁾	(637.0)	(615.3)	(677.1)
Borrowings ⁽²⁾	(3.9)	(44.5)	(17.7)
Other financial liabilities ⁽¹²⁾	(45.8)	—	—
Other current liabilities ⁽¹³⁾	(20.0)	(28.8)	(39.1)
	(706.7)	(688.6)	(733.9)
Net current liabilities	(89.3)	(115.6)	(24.7)
Total assets	1,269.4	1,158.6	1,282.8
Non current liabilities			
Trade and other payables ⁽¹¹⁾	(0.3)	(0.1)	—
Borrowings ⁽²⁾	(1,521.1)	(985.5)	(1,090.2)
Other non-current liabilities ⁽¹³⁾	(26.7)	(24.2)	(21.1)
Liabilities in disposal group held for sale⁽⁷⁾	(17.6)	—	—
Net liabilities	(1,003.0)	(539.8)	(562.4)

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Selected Cash Flow Statement Data:			
Cash flows from operating activities	33.0	2.7	12.0
Taxation paid	(15.5)	(5.8)	(8.5)
Net cash generated from operating activities	17.5	(3.1)	3.5
Net cash (used in) generated from investing activities	(52.2)	(14.4)	100.1
Net cash used in financing activities	(34.4)	(74.3)	(12.8)
Exchange (losses) gains on cash and cash equivalents and bank overdrafts	(1.1)	(12.6)	62.1
Net (decrease) increase in cash and cash equivalents and bank overdrafts	(70.2)	(104.4)	152.9
Cash, cash equivalents and bank overdrafts at the beginning of the year	582.0	511.8	407.4
Cash, cash equivalents and bank overdrafts at the end of the period	511.8	407.4	560.3

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Selected Usable Cash Flow Data:			
Net usable cash inflow from operating activities ⁽¹⁴⁾	51.9	69.3	22.7
Taxation paid	(15.5)	(5.8)	(8.5)
Net usable cash (used in) provided by investing activities ⁽¹⁵⁾	(52.8)	(11.1)	84.8
Net usable cash used in financing activities ⁽¹⁶⁾	(34.4)	(44.8)	(42.7)
Net usable cash outflow from one-off items ⁽¹⁷⁾	(20.9)	(35.4)	(14.2)
Exchange (losses) gains on cash and cash equivalents and bank overdrafts	(2.1)	(6.4)	3.5
Net (decrease) increase in usable cash	(73.8)	(34.2)	45.6
Usable cash at the beginning of the period	140.1	66.3	32.1
Usable cash at the end of the period	<u>66.3</u>	<u>32.1</u>	<u>77.7</u>

- (1) Underlying EBITDA consists of operating profit (loss) before depreciation, amortization and net operating exceptional items and non-underlying adjustments.
- (2) "Borrowings" (current and non-current) include the Existing Notes, current bank loans and overdrafts, non-current term loans and amounts related to preference shares classified as liabilities under IFRS. Non-current borrowings include (i) outstanding amounts under the unsecured subordinated PIK and loan notes due 2021 issued by TP Financing 1 Limited on August 2, 2005 (the "UTX Loan 1"), (ii) amounts outstanding under the institutional subordinated preference certificates due 2035 issued by TP Financing 1 on August 2, 2005 (the "UTX Preference Certificates"), (iii) amounts outstanding under the unsecured subordinated loan notes due 2021 issued by TP Financing 2 Limited (the "UTX Loan 2"), (iv) outstanding amounts under the unsecured subordinated loan notes due 2021 issued by Travelex Holdings Limited on January 29, 2015 (the "UTX Loan 3") and unsecured subordinated loan notes due 2021 issued by Travelex Holdings Limited on January 29, 2015 (the "UTX Loan 4" and, together with UTX Loan 1, UTX Loan 2 and UTX Loan 3, the "UTX Loans"), (v) preference shares classified as liabilities consisting of £138.5 million related to the non-cash dividend payment from the 10.0% cumulative preference shares issued by Holdings and £61.3 million related to the nominal value of such preference shares ("preference shares classified as liabilities"), (vi) amounts outstanding under the unsecured subordinated loan notes due 2045 issued by Travelex Holdings Limited on December 4, 2015 (the "Renova Loan") and (vii) amounts outstanding under our 2045 Shareholder Loan Program (together with the UTX Loans, the UTX Preference Certificates and the Renova Loan, the "Shareholder Instruments"). The Shareholder Instruments are held by our shareholders and treated as shareholder debt. For further details regarding the Shareholder Instruments and certain other amendments to our shareholder debt structure, see "Related Party Transactions." As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. Excluding the impact of the Shareholder Instruments and preferred shares classified as liabilities (which on or about the Issue Date will not be attributable to the Restricted Group), our finance costs were £30.9 million, £33.5 million and £44.6 million for the years ended December 31, 2016, 2015 and 2014, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans. Following a review of the debt profile of the Group, we plan to extend the maturities of the UTX Loans and the preference shares classified as liabilities to 2035 on or about the Issue Date. The balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries that we have determined do not meet the criteria for netting. This has resulted in a gross up to balances for cash and cash equivalents and bank overdraft as of December 31, 2015 of £13.6 million.
- (3) "Investments accounted for using the equity method" comprises our investments in joint ventures which are not consolidated. They are recorded at cost and accounted for under the equity method, which reflects our share of the net assets of the joint ventures. Any goodwill or fair value adjustments attributable to our share in the joint venture are included in the carrying value of the investment. This includes our joint ventures in the United Arab Emirates until July 31, 2016 (as of August 1, 2016, we have consolidated this entity as a subsidiary with a non-controlling interest), South Africa (as of January 12, 2017, we acquired the remaining 51% of this entity), Qatar and Malaysia, and excludes our non-wholly owned subsidiaries in Bahrain, Oman, Panama, Thailand, Turkey and Brazil (prior to our acquisition of the remaining 51% of Grupo Confidente in February 2015) which are fully consolidated.
- (4) "Investments" (current and non-current) comprises current travellers' cheques float deposits and current and non-current money on structured deposits, all of which are related to our travellers' cheques business that does not form part of the Restricted Group.
- (5) "Financial assets" (non-current) relate to reimbursements by AmTrust under the reimbursement agreement and insurance policy we entered into in May 2013 which covers the risk related to the encashment of properly presented travellers' cheques awaiting redemption, as well as the insurance premium, both of which are recognized as financial assets.
- (6) "Other non-current assets" include trade and other receivables and deferred tax assets. "Other current assets" include available for sale investments, tax receivables, current financial assets and derivative financial assets.
- (7) Refers to the carrying values of assets and liabilities related to the French Disposal and disposal of an office building in the Netherlands, as applicable. The contract for the disposal of the office building in the Netherlands was signed on December 31, 2015 and the transaction was completed in early 2016. The carrying values of payables and receivables are

considered to be an approximation of fair value primarily as all amounts are held for less than three months. The French Disposal has not been treated as a discontinued operation as it did not represent a major line of business or geographical area of operations, given it contributed less than 10% of our EBITDA.

- (8) "Trade and other receivables" includes certain trade receivables, certain amounts due from travellers' cheques agents and prepayments and accrued revenue derived from amounts.
- (9) "Cash and cash equivalents" includes:
- cash held in tills, vaults and in transit;
 - cash from customer settlements received in advance;
 - monies received from prepaid card customers whose use is restricted to the settlement of associated liabilities; and
 - cash and term deposits with original maturities of less than three months which are ringfenced with its use restricted to the travellers' cheques business.

The remaining balance is deposited in bank accounts throughout the Group. See "*Presentation of Financial and Other Information.*"

The balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries that we have determined do not meet the criteria for netting. This has resulted in a gross up to balances for cash and cash equivalents and bank overdrafts as of December 31, 2015 of £13.6 million.

- (10) "Restricted cash" as of December 31, 2014 comprises amounts held in escrow relating to the sale of our former prepaid card program management business to MasterCard.
- (11) "Trade and other payables" is mainly comprised of travellers' cheques awaiting redemption and balances on prepaid cards issued but not encashed. These balances are presented in accordance with their contractual maturity dates, except for travellers' cheques which do not have a contracted maturity date. See "*Management's Discussion and Analysis of our Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Internal Factors—Restructuring of our travellers' cheques business*" for more information.
- (12) "Other financial liabilities" as of December 31, 2014 relates to the redemption liability for the acquisition of the remaining 51% interest in Grupo Confidencía, which took place in February 2015.
- (13) "Other current liabilities" includes tax payables, provisions and derivative financial liabilities. "Other non-current liabilities" include post-employment benefit liabilities, provisions and deferred tax liabilities. Other non-current liabilities as of December 31, 2014 has been derived from the unaudited restated comparative period of December 31, 2014 included in the consolidated financial statements of Holdings as of and for the year ended December 31, 2015, which reflects the pension scheme in the Netherlands as a defined benefit scheme. See "*Presentation of Financial and Other Information.*"
- (14) "Net usable cash inflow from operating activities" consists of cash flow from operating activities excluding movements in items that are excluded from usable cash, excluding the cash impact of exceptional items and including dividends received from equity accounted joint ventures net of cash paid on investment in equity accounted joint ventures. Items excluded from usable cash are cash held in tills, vaults and in transit, banknotes prepayments, cash or deposits held for the travellers' cheques business, customer cash including prepaid card float deposits and a proportion of cash in business that management estimates is required for regulatory and working capital requirements. This measure is used by management in assessing the underlying ability of the business to generate cash that is immediately usable by the Group. As the Group's accessibility to this cash in business has increased as a result of centralized liquidity management process, management now considers free cash as a more relevant measure. The following table presents the reconciliation of cash flow from operating activities to net usable cash inflow from operating activities:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Cash flow from operating activities	33.0	2.7	12.0
Dividends received from equity accounted joint ventures net of cash paid on investments in equity accounted joint ventures	(2.5)	5.2	1.8
Movement in cash held in tills, vaults and in transit	(19.9)	(7.4)	35.4
Movement in banknotes prepayments	(8.1)	8.6	3.6
Movement in cash and deposits held for the travellers' cheques business	10.8	3.4	(6.3)
Movement in prepaid card float deposits	20.3	11.4	(31.9)
Movement in cash in business	(2.6)	10.0	(6.1)
Add back cash exceptional items	20.9	35.4	14.2
Usable cash inflow from operating activities	51.9	69.3	22.7

- (15) "Net usable cash (used in) provided by investing activities" consists of cash flow used in investing activities adjusted for the cash impact of exceptional items and non-underlying adjustments, including cash acquired in acquisitions and used in the purchase of assets, and excluding dividends received from equity accounted joint ventures. Net cash paid on the acquisition of the non-controlling stake in Grupo Confidencía in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.
- (16) "Net usable cash used in financing activities" consists of cash flow used in financing activities excluding movements in items that are excluded from usable cash. Net cash paid on the acquisition of the non-controlling stake in Grupo Confidencía in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.

(17) "Net usable cash outflow from one-off items" includes the following overall cash impacts:

For the year ended December 31,			
	2014	2015	2016
	(millions of £)		
Global reorganization costs ^(a)	(4.8)	(1.8)	(4.6)
Systems Development and Shared Services Migration costs ^(b)	(1.4)	(0.4)	—
Costs relating to corporate projects ^(c)	(12.8)	(24.1)	(9.1)
Other exceptional items ^(d)	(1.9)	(9.1)	(0.5)
Total one-off items	(20.9)	(35.4)	(14.2)

- (a) Global reorganization costs mainly comprise of redundancy costs (from 2012 to 2014) associated with the reorganization of our business along product and distribution channel lines, rather than on the historical geographic basis, Retex (a global initiative to optimize store rostering) in 2015 and the support function efficiency initiative and Brazil store rationalization in 2016.
- (b) The systems development and shared services migration initiative costs are associated with our cost saving initiatives, which took place from 2012 to 2014 and comprise costs that do not meet the Group's criteria for capitalization.
- (c) Relates to costs associated with the sale of the Group by Apax to our current shareholders.
- (d) Comprise (i) in 2014, legal and professional fees associated with the acquisition of a 75% stake in Arti Döviz Ticaret A.S. (now Travelex Döviz), costs associated with a financing project that we decided not to execute and certain costs associated with the acquisition of the remaining 51% in Grupo Confidence, (ii) in 2015, costs associated with corporate projects including costs associated with a financing project that we decided not to execute, the reorganization of Travelex Netherlands and legal and professional fees related to merger and acquisition activities, and (iii) in 2016, costs associated with corporate projects including legal and professional fees related to merger and acquisition activities and the reorganization of Travelex Netherlands.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition and results of operations of Holdings in the periods set forth below. Accordingly, all references to "we," "us" or "our" in respect of the consolidated financial information in this discussion are to Holdings and its subsidiaries. See "Presentation of Financial and Other Information."

We have prepared the consolidated financial statements of Holdings as of and for each of the years ended December 31, 2014, 2015 and 2016 in accordance with IFRS as adopted by the European Union.

Holdings will not provide a guarantee or any type of credit support for the Notes. The consolidated financial statements of Holdings include the results of operations and financial position of Holdings, TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, which are not attributable to the Company and its subsidiaries. As a result, the consolidated financial information of Holdings is not directly comparable to the historical financial information of the Company and its subsidiaries. The main differences between the consolidated financial position and results of operations of Holdings and the Company primarily relate to the Shareholder Instruments and preferred shares classified as liabilities. As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and the related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

We present in these listing particulars certain unaudited and unreviewed financial information which we designate as Core Group Revenue and Core Group EBITDA. These metrics consolidate fully the results of each of our joint ventures and the French Business (net of management fee received from UAE Exchange for operating the French Business) and excludes revenue attributable to our travellers' cheques business and revenue within Central and Shared Costs, which is revenue netted against related costs for core group reporting and reclassified as revenue for statutory reporting. We use Core Group Revenue and Core Group EBITDA to internally assess our performance and we provide them herein to provide greater clarity of the underlying business performance of our operations. Core Group Revenue and Core Group EBITDA are not measurements of operating performance under IFRS, and should not be considered a substitute for revenue, gross profit or operating profit or other income or cash flow statement data, or as measures of profitability or liquidity. See "Summary Financial Data."

You should read this discussion in conjunction with our consolidated financial statements of Holdings included elsewhere in these listing particulars as well as the "Selected Financial Information." The following presentation and analysis contains forward looking statements that involve risks and uncertainties. For the reasons explained under "Forward Looking Statements" and "Risk Factors" and for the reasons explained elsewhere in these listing particulars, our future results may differ materially from those expected or implied in these forward looking statements.

Overview

We are a market leading independent foreign exchange business based on retail revenue and retail EBITDA. Over the past 40 years we have built a market leading retail network of specialist foreign exchange stores, and have developed Travelex as a trusted and widely recognized brand in foreign exchange. Our mission is to help our customers spend and send money around the world.

Our business operates across 30 countries and covers the entire value chain of the retail foreign exchange industry. In our Retail business, as of December 31, 2016, we operated stores in 12 of the world's top 20 international airports by international passenger numbers and in major transport hubs, premium shopping malls, high street locations, supermarkets and city centers. We have developed a growing network of over 1,100 ATMs at both on-airport and off-airport locations around the world, and we have built a growing online and mobile foreign exchange platform, having achieved 1.4 million mobile and online transactions in 2016. During the course of 2016, we invested £7.8 million on upgrading and reorganizing our IT platforms and systems, which will underpin our online business growth.

Our Retail activities also include the processing of VAT refunds for our retail customers, the sending of remittances and other international payments. In Wholesale and Outsourcing, we focus on the preparation, processing and delivery of foreign currency orders for major UK banks and, increasingly, international commercial banks, as well as for travel agencies, hotels and casinos; and the sourcing and distribution of large quantities of foreign exchange banknotes for customers, including central banks and international financial institutions. We believe that our presence across the entire value chain supports our ability to identify and secure business opportunities and provide bespoke product and service solutions to our customers.

We have long-standing relationships with many of our partner customers, including: (i) supermarket chains in the United Kingdom, including Tesco, Sainsbury's, and Asda; (ii) large commercial banks, including Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, National Australia Bank, Kiwi Bank, Westpac and HSBC; and (iii) travel agencies, hotels and casinos, including Thomas Cook and Gala Casinos.

We have a strong culture of compliance with anti-money laundering laws and regulations, international sanctions, consumer protection regimes and the regulatory and licensing requirements of each jurisdiction in which we operate. Our compliance and risk operations are based on the three lines of defense model, where the business units are responsible for managing their business risk (the first line), the compliance and risk function are responsible for risk policy and oversight of the business operations (the second line) and the internal audit function (the third line) adopts a risk based audit plan encompassing all corporate activities. We maintain a dedicated compliance and risk function comprising 168 experienced professionals.

We believe that the retail foreign exchange market is attractive because it is a large and growing market. The growth is driven by the trend of increased international travel across the world and also by globalization, which in turn drives more international travel and increased foreign currency spend and international payments. We believe that both outbound and at-destination market segments represent an attractive growth opportunity for our business and global brand.

Our strategy is to grow our business by capitalizing on the strength of our brand and further developing our distribution network. We aim to continue building deep customer relationships and provide exceptional customer service, deliver innovative products, services and channels, increase the footprint in the markets in which we are present, and maintain the efficiency of our operating cost base. We also seek to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust our customers, counterparties and regulators place in our global brand.

In the year ended December 31, 2016, our business generated Core Group Revenue of £777.5 million and Core Group EBITDA of £52.0 million. See "*Summary Financial Data*."

The tables below show the split of our Core Group Revenue and Core Group EBITDA (which includes 100% of the revenue and EBITDA, respectively, of our non-consolidated joint ventures), by segment for the year ended December 31, 2016. For a description of our business segments, please see "*Use of Terms*."

Core Group Revenue by Segment		Core Group EBITDA by Segment	
	(millions of £)		(millions of £)
Retail ⁽¹⁾	581.0	Retail ⁽¹⁾	68.3
Wholesale & Outsourcing	106.3	Wholesale & Outsourcing ...	38.7
<i>of which, Wholesale</i>	33.1	<i>of which, Wholesale</i> ...	8.6
<i>of which, Outsourcing</i>	73.2	<i>of which, Outsourcing</i> ..	30.1
Brazil	51.6	Brazil	3.8
Payments & Technology	6.4	Payments & Technology	(6.6)
Insurance	32.2	Insurance	5.5
Total	777.5	Central & Shared Costs ...	(57.7)
		Total	52.0

(1) Excluding revenue from the French Business, the Retail segment would have generated revenue of £537.2 million and EBITDA of £65.0 million for the year ended December 31, 2016.

Key Factors Affecting Our Results of Operations

External Factors

General Economic Conditions

We are significantly impacted by general economic conditions, particularly those which underpin foreign exchange sales across the world. Gross Domestic Product in the countries in which we operate has a particular relevance for much of our business as it is related to the level of international trade and demand for foreign currency. In addition, economic indicators which impact consumer confidence and spending patterns, such as employment, disposable income, inflation, consumer credit availability and interest rates can affect all our business segments. Weak consumer confidence can negatively impact people's willingness to travel, thereby reducing demand for our exchange, currency or travel products and services. For example, our business in Brazil is being impacted by the weakened Brazilian real, which impacts our trading volumes due to lower demand for U.S. dollar in retail channels and the wholesale banknotes business, as well as by the impact of foreign exchange translation from Brazilian real back into pounds sterling, and inflationary pressures on our cost base, in particular as a result of higher staff and logistics costs. Furthermore, low consumer confidence may decrease footfall in some of the stores of our supermarket, bank and casino partners, which in turn may impact our revenue from such activities. Currency controls set in place by governments can impact our business, such as in Nigeria, where currency controls have resulted in lower wholesale banknote orders from us.

Notwithstanding the recent challenging global macroeconomic environment, our revenue generation remained resilient, increasing from £693.3 million for the year ended December 31, 2014 to £699.1 million for the year ended December 31, 2016.

Internationalization

Demand for many of our products and services, especially with respect to our Retail business, is driven by international travel. While international travel has tended to increase over the past decade, international travel has experienced and can experience disruptions as a result of natural disasters, contagious disease outbreaks, international hostilities, the threat of terrorism and other incidents.

During the period between 2013 and 2016, international travel as measured by key metrics such as the number of trips and passenger numbers was affected by a number of significant disasters and events which impacted our results of operations. For example, terrorist attacks in 2015 and 2016 in France, Belgium, Germany and Turkey have contributed to depressed levels of tourism growth in Europe.

We believe that the impact of particular incidents affecting international travel is partially offset by the diversification of our international store network. While natural disasters or other incidents in a specific region of the world inevitably have a material impact on our results of operations in that region, the disruption has historically been mitigated by the results of operations in other parts of the world not affected by such disasters.

Demand for foreign exchange is also driven by the trend towards increased global connectivity. As more people live abroad and are engaged in foreign transactions, there is a greater demand for international payments and remittances. If a trend toward reverse migration by people living abroad, and of a decline in international trade and business, begins to develop as a result of the growing phenomenon of nationalist and populist movements worldwide, we may experience a decline in demand for international payments and remittances, and for our products and services in general. See *"Risk Factors—Risks Related to Our Industry and Our Business—Continuing uncertainties and challenging conditions in the global economy and in the Eurozone and legal, political and economic uncertainty surrounding the expected exit of the United Kingdom from the European Union may be a source of instability in international markets, create significant currency fluctuations, and adversely impact current trading and supply arrangements, which could have a material adverse effect on our business, results of operations and financial condition."*

Digital Transformation

Our results of operations are affected by our ability to adapt to new product demands and to the needs of our customers, particularly with respect to increased digitalization of the foreign exchange market. We have made and continue to make strategic investments in our online and mobile offerings to offer our customers the product and services they require. See *"—Developments in Technology and Product Innovation."*

Competitive Landscape

Our business is subject to competition from financial institutions and independent operators, which offer customers a comparable range of products and services. Actions taken by competitors in order to increase market share and bid aggressively to win airport concessions have historically impacted our business to varying degrees. For example, our renewed LHR contract, which took effect in 2014, offers less favorable terms than our previous LHR contract. Bidding discipline is an important part of our strategy and we seek to refrain from renewing airport contracts on unattractive economic terms. For example, we did not renew our contracts to operate at London Gatwick Airport (as of March 2013), Prague International Airport (as of February 2016) and Sydney Airport (as of October 2016) when competitors offered more favorable terms than we did, which we viewed as uneconomic.

Our business is also subject to competition from products and services offered by third-party companies that compete with our products and services. Examples include debit and credit cards offered by banks, which consumers have increasingly used to pay for goods and services both domestically and internationally. Other competing products increasingly making an impact derive from new technologies which have spawned new ways for consumers to make payments, including through e-wallets and near field communication systems.

In recent years, we have enhanced our product range to compete with the new products and services available to customers to make foreign exchange payments. We seek to compete with debit and credit card providers by offering multi-currency prepaid cards. In addition, we compete with new digital providers by offering foreign currency, prepaid cards and electronic payment services through our online and mobile offerings.

Currency Fluctuations

Our business operates globally and our principal currencies of operation are the pounds sterling, the U.S. dollar, the Australian dollar, the euro and the Brazilian real. We are therefore subject to currency exchange risk in all its forms including transaction risk, translation risk and economic risk. In our retail network, our key exposure arises from holding physical currencies in tills and vaults. In our Wholesale and Outsourcing business, our key exposure arises from transactions involving consignments of wholesale banknotes for central banks and international financial institutions, which are typically denominated in U.S. dollars. In Brazil, in addition to the exposures described above our Retail and Wholesale and Outsourcing businesses also have exposure arising from the fact that Brazil is predominantly an outbound market and thus fluctuations in the exchange rate of the Brazilian real against the U.S. dollar in particular have a direct impact on our business.

We are exposed to transaction risk because fluctuations in foreign exchange rates impact the value in pounds sterling of cash flows arising from our sales and purchases of foreign currency, the operation of our Retail business and the servicing of international customers in our Wholesale and Outsourcing business. We are exposed to translation risk because our reporting currency is the pounds sterling and hence fluctuations in foreign exchange rates impact the consolidation into pounds sterling of foreign currency denominated assets, liabilities and earnings. We are exposed to economic risk because we expect fluctuations in foreign exchange rates (such as the weakness of the pounds sterling following the United Kingdom's vote to leave the European Union) to impact the overall cash flow generated by our business and ultimately our likely ability to service our debt.

We carry out a certain amount of hedging through purchases in the spot foreign exchange market and through entry into foreign exchange forward contracts in order to mitigate our exposure to foreign exchange risks. In our retail network, we hedge the foreign currency held in our tills and vaults on a daily, weekly or monthly basis. We also update our exchange rates on a daily and intra-daily basis in response to foreign exchange market conditions. In our Wholesale and Outsourcing business we hedge transactions upon booking that transaction. We have a policy of not hedging foreign exchange translation risk in respect of foreign subsidiary companies. We also have a policy of not hedging foreign exchange economic risk. We do not enter into speculative foreign exchange positions. See also *“Quantitative and Qualitative Disclosure about Market Risk—Foreign Currency Risk.”*

Seasonality

Our business is subject to seasonality because a significant part of our business serves the leisure segment of the travel industry, which is particularly active during the summer season in the Northern

hemisphere. While our margins are usually not affected by seasonality, our operating revenue is generally lower in the first quarter. Other seasonal factors such as migrant worker remittances, which are higher in the summer and autumn, also affect our quarterly results of operations.

Internal Factors

International Growth

As of December 31, 2016, we operated stores in 27 countries. We have actively pursued the development and expansion of some of our businesses through organic development or in partnership with a local participant.

Acquisitions and disposals

One of the principal factors affecting our financial results and their comparability across periods is the acquisition and disposal of businesses. We make acquisitions where we see the opportunity to complement our organic growth. We assess acquisitions with strict criteria, including market position, growth profile dynamics and suitability for sector and geographic diversification of the Group. Over the last three years, in addition to smaller acquisitions we made the following acquisitions and disposals:

- In April 2013, we acquired 49% of Grupo Confidence, a retail foreign exchange business in Brazil. Following this acquisition, we gained accounting control of Grupo Confidence and have therefore fully consolidated the results of Grupo Confidence from this date onwards;
- In February 2015 we acquired the remaining 51% of Grupo Confidence. As of December 31, 2016, Grupo Confidence operated 122 stores located across Brazil in premium shopping malls and in a number of international airports. It also operates a foreign exchange bank which offers foreign exchange payments and is active in the import and export of foreign currency banknotes on a wholesale basis;
- In May 2014, we acquired 75% of Arti Döviz Ticaret A.S. (now Travelex Döviz), a leading foreign exchange business in Turkey, for £24.6 million. As of December 31, 2016, Travelex Döviz operated 15 stores and offers foreign exchange services in four leading international airports: Istanbul Atatürk, Ankara Esenboğa, İzmir Adnan Menderes and Gazipaşa-Alanya. As of the date of the acquisition the results of Travelex Döviz have been consolidated in our results;
- In January 2015, in connection with the sale of Holdings to UTX Holdings Limited and in order to comply with certain regulatory requirements, we sold the French Business to UAE Exchange UK Limited for £19.3 million (equivalent). Banque Travelex S.A. and Travelex Paris SAS continue to operate under the Travelex name and are fully integrated into the Travelex management structure and processes. We provide management and other services to Banque Travelex S.A. and Travelex Paris SAS for an annual fee of no more than €3.0 million;
- In April 2016, we disposed of Travelex Outsourcing Pty Ltd (which provided DCC solutions to acquirers, merchants and business partners through “Currency Select”) to Global Blue SA. The gross proceeds of the sale were AUD67.5 million (approximately £36.1 million at the time of disposition), which was primarily used for working capital and capital expenditure requirements;
- In September, 2016, the Group incorporated Travelex Thailand Limited, a joint venture with AIRA Capital Public Company Limited, a local foreign exchange service provider. The Group contributed 62% of the paid up share capital for cash. Travelex Thailand Limited meets the definition of a subsidiary and has been consolidated from the acquisition date;
- In November 2016, we disposed of Travelex Insurance Services, Inc., our travel insurance brokerage in the United States, to Cover-More Group Limited. The gross proceeds of the sale were \$109.6 million (approximately £86.7 million at the time of disposition), which we used to repay debt and to increase cash on balance sheet;
- In January 2017, we purchased the remaining 51% of our joint venture in South Africa that we did not previously own for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing); and
- In February 2017, the Group completed the acquisition of 100% of Global Money Remittance PTE Ltd, Singapore for SGD 7.8 million (approximately £4.5 million at the time of acquisition).

Organic Growth

We entered China in 2004 and developed our business organically. In 2013, we were awarded a national license to offer retail foreign exchange products and services nationwide across China and in 2015 we were granted a SAFE license by the regulator in China to conduct import and export of banknotes and provide wholesale banknotes in China. Panama, Qatar, Malaysia and Thailand are recent examples where our business has entered a new country by entering into a joint venture with a local partner. In all cases our local partner enables us to comply with local custom and regulation and provides the benefit of local contacts, while we bring management, know-how, systems and the power of our global brand.

In our Retail business, we will continue to support our sales force and focus on increasing our access to a broader customer base through our stores network, as well as through our online and mobile sales. We increased the number of our stores from 1,440 (excluding Sainsbury's stores) as of December 31, 2014, to 1,509 as of December 31, 2016, an increase of 4.8% during that period. We have selectively opened new stores both in jurisdictions in which we already operate and in new jurisdictions, both on a stand-alone basis or by entering into joint ventures with local partners. Since 2013, we opened new stores in Brazil, Malaysia, Singapore and Turkey, and renewed a number of airport concessions including LHR. We are now the sole provider of foreign currency ATMs across all five terminals in LHR.

In our Wholesale and Outsourcing business, we have expanded our Wholesale and Outsourcing offering through entering new contracts with new customers and increasing the scope of services we provide to existing customers.

Developments in Technology and Product Innovation

We have made and continue to make strategic investments in our online and mobile offerings to position us to increase our penetration rates among customers who seek to arrange their foreign exchange before they start their travels, which we refer to as the outbound market segment. We currently have an online and mobile platform in 23 countries. Sales through our online and mobile channel have grown at a substantial pace. Our "full service" websites offer our customers foreign currency and prepaid cards for collection at stores and for home delivery. Full service websites are available in the United Kingdom, the United States, Brazil, Canada, Australia, Germany, Japan, New Zealand and France. We also operate "reservation only" websites offering our customers foreign currency and prepaid cards for collection at stores. Reservation only websites are currently available in Belgium, the Netherlands, Switzerland, Italy, China, Hong Kong, South Africa, Bahrain, Oman, Malaysia, Qatar and the United Arab Emirates. Information only websites are available in India and the Czech Republic. We also operate our online platform on a white label basis for Wholesale and Outsourcing's customers including Tesco and Asda.

Our Payments and Technology segment includes the costs of the digital team, which is investing in a series of initiatives around certain product areas including international payments, e-cards and online currency exchange. This investment will be through a combination of developing our in-house capabilities as well as strategic seed investments and technology acquisitions in the retail and financial technology sectors.

We are a global provider of foreign exchange and DCC ATMs with active ATMs in 15 countries, allowing us to capture foreign exchange and DCC revenue on ATM withdrawal, as people become more comfortable with using cards abroad (via DCC ATMs). This allows us to take advantage of the trends of both an increase in self-serve (via foreign exchange ATMs at points of departure) and usage of cards abroad (via DCC ATMs) giving us more exposure to the large at-destination foreign exchange market.

Furthermore, on March 27, 2017, we launched Travelex Wire in the United Kingdom, a new bank-to-bank online consumer payments service.

In 2017, we plan to enter the next phase of development, where the digital team will focus on digitalizing processes and maximizing data across the business to increase value from existing customers. This commenced in August 2016 with the launch in the United Kingdom of e-receipts, which is aimed to capture key customer data at the point of transaction to improve customer

experience and allow deeper understanding of customer behavior. As of April 19, 2017, approximately 500,000 email addresses have been collected of which approximately 98,000 customers have been added to the Group's marketing network.

Renewal of Airport and ATM Concessions and Successful Bidding in New Locations

Our business depends on our ability to renew our airport concessions, as well as on the successful bidding for new target locations, which include airports, premium shopping malls, high street locations, supermarkets and city centers. The majority of our agreements for space in on-airport locations, where we operate approximately 43% of our retail stores, typically include the right to operate a foreign exchange service for a fixed length of time, with contracts typically having a term of three to seven years. Airport tenders are typically for a limited number of stores at an airport, on a sole or dual operator basis. Leases typically include a variable rental component based on revenue and a minimum annual guarantee component. For the year ended December 31, 2016, revenue from airport concessions comprised approximately 54% of our Core Group Revenue, with our 5 largest airport leases accounting for approximately 24% of our Core Group Revenue. Furthermore, our stores at LHR accounted for 13% of our Core Group Revenue in 2016.

We have been successful in renewing a large majority of our airport concessions historically, including our recent renewals of the Manchester Airport, Liverpool Airport and Bologna Airport, each in 2016. However, contract renewals typically involve re-pricing on competitive terms. We also have a successful track record of winning tender bids for new locations, including a bid in 2016 for Singapore Changi Airport.

Cost Saving Initiatives

In 2012, we commenced the reorganization of our business, with the aim of improving our cost structure and shifting the management of our business from a geographic or per-country basis, to a product oriented centralized management, in order to increase the efficiency of our business channels and increase the speed of our decision making process. The initial reorganization was substantially completed during 2014 and was effected through two main initiatives: (i) our global reorganization initiative, which focused on the reorganization of our business along product and distribution channel lines, rather than on the historical geographic basis; and (ii) our systems development and shared services migration initiative, relating to the upgrading and globalization of our IT platforms, thereby improving operational effectiveness and centralized and offshored back office functions. In 2016, we commenced a support function efficiency initiative which will further reduce costs through increased offshoring of our finance, risk and compliance and IT functions, as well as removing layers of management within our IT, finance, compliance, human resources and legal function and other support functions. In 2017, we announced the relocation of approximately 70 finance roles from the United Kingdom to our shared services center in Mumbai.

Expected new reporting structure under new Chief Commercial Officer

The Group has historically reported five trading segments, Retail, Wholesale and Outsourcing, Brazil, Payments and Technology, and Insurance. The Group is in the process of transitioning to a new Global Trading organizational structure under the leadership of Stephen O'Donovan, our new CCO. Sales of foreign exchange products, services and outsourcing solutions will be managed through eight geographic regions, with each having a Commercial Director responsible for the overall performance of that region and for the implementation of the Group's strategic plan. Support services and central functions will continue to be managed globally for the Group as a whole. All significant operating decisions will continue to be made by the Executive Committee which comprises the CEO, CFO, CCO and the heads of other global functions. The impact of this reorganization on our external financial reporting will be that Core Group Revenue and Core Group EBITDA will be reported for the Group as a whole, supplemented by additional analysis as appropriate. The timing for implementing this change in external financial reporting, including any appropriate restatements in respect of existing financial statements with respect to segmental disclosure, has not yet been determined but is expected to be implemented by the end of 2017.

Reorganization

To streamline our corporate structure, we plan to begin implementing a reorganization aimed at simplifying our corporate structure in the second half of 2017. Pursuant to the reorganization plan we

intend to take certain actions, which may include merging, combining or otherwise amalgamating entities both within and outside the Restricted Group, as well as liquidating, winding up, dissolving or otherwise removing entities from within and outside the Restricted Group.

Specifically, we currently intend to liquidate (i) TP Financing 0 Limited, TP Financing 1 Limited and TP Financing 2 Limited, each of which is a redundant holding company which sits outside the Restricted Group and (ii) TP Financing 4 Limited and Travelex Group Limited, each of which is a redundant holding company within the Restricted Group.

In addition, on or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans. Following such amendments, UTX Holdings Limited will be the lender and Holdings will be the borrower under the Shareholder Instruments. See “*Summary—Summary Structure*” and “*Presentation of Financial and Other Information*.”

As of and for each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the members of the Restricted Group as obligors, on one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

Restructuring of our Travellers’ Cheques Business

We acquired our travellers’ cheques business as a by-product of the 2001 acquisition of TCFS. The travellers’ cheques business ceased issuing new travellers’ cheques in 2008. Since then, it has limited itself to managing the encashment of travellers’ cheques that remain outstanding.

We refer to travellers’ cheques that remain outstanding as “Travellers’ Cheques Awaiting Redemption” (“TCAR”). TCAR are largely branded either MasterCard or VISA, although there are some older travellers’ cheques which are unbranded. Historically, Barclays Bank agreed to provide MasterCard and VISA with a guarantee on behalf of Travelex regarding the encashment of travellers’ cheques. In consideration of such guarantee, Barclays Bank benefited from a security package provided by Travelex including a £50.0 million letter of credit and a share pledge over the shares of one of our financing companies.

On May 31, 2013, we agreed to the terms of an insurance policy whereby any shortfall resulting from excess encashment of travellers’ cheques will be covered by AmTrust, an insurance company which is rated A by A.M. Best Company, Inc., a leading insurance company rating agency. The AmTrust transaction consisted of the inception of an insurance solution and the successful removal of the security package in favor of Barclays Bank.

There is a possibility that we might dispose of the business and legal entities of our travellers’ cheques business. Such a disposal would complete our exit from the travellers’ cheques business, however, the risks linked to the travellers’ cheques business were substantially reduced by entering into the transaction with AmTrust in 2013.

We funded the AmTrust transaction, which closed on May 31, 2013, with an initial payment of £37.5 million to AmTrust via our travellers’ cheques subsidiaries, along with subsequent deferred payments totaling £12.5 million.

As of December 31, 2016, the face value of TCAR amounted to £383.8 million. Actuarial estimates suggest however that an amount of approximately £103.8 million was expected to be validly presented for encashment. This estimate was based on a 50% confidence level. We believe that actuarial predictions of the level of encashment based on the 50% confidence level are substantially accurate.

Change in the Relative Mix of our Transactions by Business Channels

Changes in the relative volume of transactions in each of our businesses can have an impact on our results of operations. Given their nature, each of our businesses has a different cost structure inherent in its operations. For example, the cost base in our Retail business consists primarily of payroll costs

and rental and lease costs, which are significantly lower in our Wholesale and Outsourcing business. In addition, retail rental terms vary considerably across markets. See “—*Cost of Sales.*” While these differing cost structures are generally reflected in the prices we charge, a shift in the volume of transactions among our business channels in any financial period could have an impact on our revenue and our results of operations more generally. For a description of anticipated changes to our future financial reporting structure, see “—*Expected new reporting structure under new Chief Commercial Officer.*”

IFRS Key Line Items

The following describes those line items presented in our consolidated income statement that we consider key in understanding our results of operations:

Revenue

The key components of revenue include:

- foreign currency revenue is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to market value, together with commissions on the sale and purchase of currencies (margin and commission revenue is recognized as earned when the transaction is made);
- revenue earned through ATM transactions comprises commission-based fees on customers making ATM transactions and interchange fees and is recognized as earned when the transaction is made;
- revenue relating to outsourced travel money services for banknotes and wholesale banknote fulfilment consists of margin, commission and fees charged on the fulfilment of currency orders, net of rebates. Revenue is recognized when the transaction is fulfilled;
- revenue from the sale of insurance policies represents the commission earned on the sale of the policy and is recognized at the time of sale of the insurance policy; and
- revenue from travellers’ cheques consists of revenue from investment activities, which is derived from the interest earned on the investment of funds generated from the issue of travellers’ cheques for the period from their original issue to the date of their encashment. This is recognized in the period to which it relates.

Cost of Sales

Our cost of sales comprises direct selling costs including direct salaries, store rental costs and incentive commissions and are recognized as incurred. The key components of cost of sales by business segment are described below:

- costs of our Retail business, including concession fees paid to airport operators and landlords and labor costs. The majority of our concessionary agreements require the payment of a specified percentage of revenue (and sometimes of commission revenue) per location, subject to a minimum guarantee. Over and above a fixed minimum guaranteed payment common to most leases and concession agreements, rental payments are generally calculated as a percentage of our turnover at the relevant retail outlet or, to a lesser extent, based on the volume of passengers passing through the airport where the retail outlet is located;
- staff-related costs derived mainly from commission or incentive payments to our sales force based on revenue generated from customer sales; and
- commissions or rebates paid to our Wholesale and Outsourcing customers, as well as labor costs and distribution costs. Commissions or rebates are generally calculated as a percentage of revenue. We employ a large number of temporary staff to cope with the seasonal nature of our Outsourcing business and the utilization of such staff means that a large part of our processing costs varies with revenue.

Gross Profit

Gross profit is revenue less cost of sales. We also present gross margin in these listing particulars, which is gross profit divided by our total revenue for a particular period.

Underlying Net Operating Expense

Underlying net operating expenses primarily relate to selling, general and administration costs for the business and regional and central overheads. These costs include staff costs for administrative and back office duties, IT support and maintenance, equipment leasing, legal and professional costs, marketing costs, security and insurance costs, establishment and other operating costs. We also record provisions and provision releases relating to onerous legacy airport contracts as net operating expense.

Net operating Exceptional Items and Non-Underlying Adjustments

Net operating exceptional items and non-underlying adjustments are those significant items which are separately disclosed by virtue of their size or incidence to enable a clearer understanding of our financial performance. Net operating exceptional items and non-underlying adjustments in the periods under review mainly comprise of redundancy costs due to restructuring activities, corporate transaction costs, impairment charges, onerous legacy airport contract provisions, loss on consolidation of equity accounted joint ventures and gains on disposal of businesses.

Finance Income and Finance Cost

Finance income consists of interest receivable on loans, currency and interest rate swaps. Finance costs consists of interest costs and expenses related to our bank loans and overdrafts, term loans, senior secured notes, interest payable and interest rate swaps, as well as finance costs on preference shares classified as liabilities. It also includes other items like expected return and interest cost on pension scheme assets and liabilities.

Finance income and costs include significant non-cash items including interest on shareholder loans, preference shares classified as liabilities, and PIK notes and the revaluation of the redemption liability that arose from the acquisition of 49% of Grupo Confidenc a. This liability represented our obligation to purchase the remaining 51% of Grupo Confidenc a and was therefore extinguished in February 2015 when the remaining 51% of Grupo Confidenc a was acquired. The shareholder loans were restructured in January 2015 as a result of our acquisition by UTX Holdings Limited with £209.6 million being waived, £315.5 million settled through the issuance of ordinary shares and the remaining balance being novated up our group structure in favor of UTX Holdings Limited. As of December 31, 2016, £519.5 million of shareholder loans were held in favor of UTX Holdings Limited and/or its affiliates, which we refer to collectively as the UTX Loans in these listing particulars. For each of the years ended December 31, 2016, 2015 and 2014, the liabilities with respect to the Shareholder Instruments, preferred shares classified as liabilities and other shareholder loans were £753.8 million, £639.6 million and £1,177.0 million and related interest expense was £82.5 million, £81.0 million and £143.2 million, respectively. On or about the Issue Date, we intend to amend all loan agreements existing between the member of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

Exceptional and Non-Underlying Finance Income and Costs

Exceptional and non-underlying finance income and cost consists of significant finance income and cost that is separately disclosed by virtue of its size or incidence to enable a clearer understanding of our financial performance. The interest on the term debt is calculated using the "Effective Interest" methodology. When applying this methodology, any change in the assumptions used to calculate the estimated future cash flows (e.g. change in expected maturity or interest rate) will generate a catch-up credit or charge to arrive at the revised liability at the relevant balance sheet date. This adjustment is treated as an exceptional credit/charge and is entirely non-cash. Exceptional and non-underlying finance costs also includes, when material, changes in the valuation of the redemption liability that was recorded on the acquisition of 49% of Grupo Confidenc a. This liability represented our obligation to purchase the remaining 51% of Grupo Confidenc a and was therefore extinguished in February 2015, when the remaining 51% was acquired. The Group also recognize as an exceptional credit or charge foreign exchange gains or losses which result from retranslation of structural intercompany loans that finance overseas subsidiaries.

Share of Profit in Equity Accounted Investments

Share of profit in equity accounted investments consists of all gains and losses that we realize on associates and joint ventures that we account for under the equity method and in which we hold a non-controlling stake.

Country ⁽¹⁾	% owned	Partner
Travelex Emirates LLC (UAE) ⁽²⁾	49	The late Sheikh Shaya Bin Ahmed Al Hamed
Travelex Africa Foreign Exchange (Pty) Limited (South Africa) ⁽³⁾	49	Thebe Tourism Group Proprietary Limited
Travelex Qatar QSC (Qatar)	49	Al Bara Trading OPC
Travelex Malaysia SDN BHD (Malaysia)	70	Sri Inderajaya Holdings SDN BHD
Newark Currency Services LLC (USA)	45	CLS Management Services, Inc.
RDU Currency and Business Services, LLC (USA)	49	CLS Management Services, Inc.
Fort Lauderdale Business & Currency Services, LLC (USA)	45	SGS Services, Inc.
Pittsburgh Currency Services, LLC (USA)	49	Staff Airports Services, Inc.

(1) Travelex Thailand Limited, Travelex Bahrain W.L.L (Bahrain), Travelex and Co. LLC (Oman), Travelex Döviz (Turkey), and Travelex Panama SA (Panama) are 62%, 75%, 70%, 75% and 60% owned, respectively, and are considered to be our subsidiaries under IFRS. They are therefore fully consolidated with 38%, 25%, 30%, 25% and 40% non-controlling interests, respectively. Additionally, prior to December 31, 2013, TCS was only 80% owned by us.

(2) Travelex Emirates LLC, our original UAE joint venture with the late Sheikh Shaya Bin Ahmed Al Hamed, has been restructured. The UAE business has been transferred into another entity, Travelex Emirates Exchange LLC, for the purpose of applying for (and receiving) a broader license. As of August 1, 2016, we held 40% of the shares of Travelex Emirates Exchange LLC and assumed accounting control over the entity as we have the ability to appoint the majority of board members and are entitled to 55% of the distributable reserves. Therefore, Travelex Emirates Exchange LLC is consolidated as a subsidiary with a non-controlling interest as of August 1, 2016.

(3) On January 12, 2017, we purchased the remaining 51% of our joint venture in South Africa, Travelex Africa Foreign Exchange (Pty) Limited for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing).

Results of Operations

The following table presents, for the periods indicated, our operating results:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Income Statement Data:			
Revenue	693.3	655.7	699.1
Cost of sales	(424.1)	(408.2)	(450.0)
Gross profit	269.2	247.5	249.1
Net operating expense	(215.1)	(234.5)	(144.3)
Analyzed as:			
Underlying net operating expense	(189.5)	(180.7)	(208.9)
Net operating exceptional items and non-underlying adjustments	(25.6)	(53.8)	64.6
Net operating expense	(215.1)	(234.5)	(144.3)
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Analyzed as:			
Underlying EBITDA	79.7	66.8	40.2
Net exceptional items and non-underlying adjustments	(25.6)	(53.8)	64.6
Operating profit before depreciation, amortization and tax	54.1	13.0	104.8
Depreciation and amortization	(24.4)	(25.3)	(32.9)
Operating profit (loss)	29.7	(12.3)	71.9
Finance income	23.7	9.2	20.8
Finance costs⁽¹⁾	(187.8)	(114.5)	(113.4)
Share of profit in equity accounted investments	2.1	3.4	3.8
Loss before tax	(132.3)	(114.2)	(16.9)
Tax charge	(13.4)	(8.3)	(19.3)
Loss for the year from continuing operations	(145.7)	(122.5)	(36.2)
Discontinued operations			
Discontinued operations	0.6	1.6	0.8
Loss for the year	(145.1)	(120.9)	(35.4)

(1) Excluding the impact of the Shareholder Instruments and preferred shares classified as liabilities (which on or about the Issue Date will not be attributable to the Restricted Group) our finance costs were £30.9 million, £33.5 million and £44.6 million, for the years ended December 31, 2016, 2015 and 2014, respectively.

Comparison of the year ended December 31, 2016, with the year ended December 31, 2015

Revenue

Our revenue increased by £43.4 million for the year ended December 31, 2016, or 6.6%, to £699.1 million from £655.7 million for the year ended December 31, 2015, due to growth in our retail business. Growth in our retail business was primarily due to strong performances by our MEIA (including Turkey) and Japan businesses, and UK VAT refunds. Retail growth was also assisted by the addition of new stores and ATMs at LHR following Travelex becoming the airport's sole provider of foreign currency ATM services in 2015. Retail revenue growth was partly offset by a decline in our Wholesale and Outsourcing revenue due to currency controls in Nigeria which reduced banknote orders.

Our number of stores increased by 1.2% to 1,509 as of December 31, 2016, compared to 1,491 as of December 31, 2015 due to new store openings, including 13 in Singapore's Changi Airport. Our number of ATMs also decreased by 23.2%, to 1,121 as of December 31, 2016, from 1,460 as of December 31, 2015, due to disposals in remote locations which do not support our core business.

Like-for-like Retail revenue growth for the year ended December 31, 2016 was 2%. See "Summary Financial Data" and "Presentation of Financial and Other Information" for a description of like-for-like Retail revenue growth.

Cost of Sales

Our cost of sales increased by £41.8 million for the year ended December 31, 2016, or 10.2%, to £450.0 million from £408.2 million for the year ended December 31, 2015, primarily due to the increase in rent and staff costs in the United Kingdom driven by LHR, where the Group is now the sole provider of foreign currency ATM services, and the negative impact of the weakened pounds sterling, partially offset by a decline in costs in our Wholesale and Outsourcing business due to lower trading volumes.

Gross Profit

Our gross profit increased by £1.6 million for the year ended December 31, 2016, or 0.6%, to £249.1 million from £247.5 million for the year ended December 31, 2015.

Underlying Net Operating Expense

Our underlying net operating expense increased by £28.2 million for the year ended December 31, 2016, or 15.6%, to £208.9 million from £180.7 million for the year ended December 31, 2015, primarily due to a foreign exchange translation loss of approximately £17.0 million and investment in a foreign exchange wallet product ("Supercard"), and the project related consultancy fees associated with the investment.

Net operating Exceptional Items and Non-Underlying Adjustments

Exceptional items and non-underlying adjustments of £64.6 million for the year ended December 31, 2016, included a gain of £28.3 million on the sale of Currency Select, a fair value gain of £19.8 million on the acquisition of Travelex Emirates Exchange LLC and an exceptional gain of £63.2 million from the TIS Disposal. These gains were offset by (i) an increase in our onerous costs of £4.7 million, (ii) impairment of intangible assets and property, plant and equipment of £31.1 million, (iii) global reorganization costs and corporate projects of £5.6 million, (iv) legal and professional fees incurred in relation to the sale of the Group to UTX Holdings Limited of £2.0 million and (v) other impairments of £3.3 million.

Exceptional items and non-underlying adjustments of £53.8 million for the year ended December 31, 2015, included £34.1 million of legal and professional fees and other costs associated with the sale of the Group to UTX Holdings Limited, an increase in our onerous contract provision of £16.4 million and global reorganization costs of £12.1 million partially offset by a net gain of £4.8 million from the French Disposal and £4.0 million upon the reclassification of the Netherlands pension scheme from defined benefit to defined contribution.

Finance Income and Finance Costs

Our finance income increased by £11.6 million for the year ended December 31, 2016, to £20.8 million from £9.2 million for the year ended December 31, 2015, primarily due to the net exchange gain on certain Travellers' Cheques related balances and intercompany loans as a result of the weakening of the pounds sterling against other currencies compared to 2015.

Our finance costs decreased by £1.1 million for the year ended December 31, 2016, or 1.0%, to £113.4 million from £114.5 million for the year ended December 31, 2015, primarily due to the reclassification of the Netherlands pension scheme from defined benefit to defined contribution, which resulted in the non-recurrence in 2016 of net interests costs on pension scheme liabilities that had been incurred in 2015.

Excluding the impact of the Shareholder Instruments and preferred shares classified as liabilities (which on or about the Issue Date will not be attributable to the Restricted Group) our finance costs were £30.9 million and £33.5 million, for the years ended December 31, 2016 and 2015, respectively.

Share of Profit in Equity Accounted Investments

Our share of profit in equity accounted investments increased by £0.4 million for the year ended December 31, 2016, or 11.8%, to £3.8 million from £3.4 million for the year ended December 31, 2015, primarily due to strong performance in our Qatar business. On August 1, 2016, our investment in the UAE equity accounted joint venture was converted to a subsidiary.

Tax

Our tax charge increased by £11.0 million for the year ended December 31, 2016, to £19.3 million from £8.3 million for the year ended December 31, 2015, primarily due to the gain on the sale of Currency Select and from the TIS Disposal.

Comparison of the year ended December 31, 2015 with the year ended December 31, 2014

Revenue

Our revenue decreased by £37.6 million for the year ended December 31, 2015, or 5.4%, to £655.7 million from £693.3 million for the year ended December 31, 2014, primarily due to the French Disposal and lower revenue in Brazil driven by the weak Brazilian real, partially offset by growth in Retail underpinned by strong performances across all channels in Europe, the Middle East and in Supermarkets and UK retail, which benefitted from the impact of new stores opened at LHR.

Our number of stores decreased by 7.1% to 1,491 as of December 31, 2015, compared to 1,605 as of December 31, 2014. A majority of the decrease in the number of our stores relates to the change in our business model for services provided to Sainsbury's, which we changed to a wholesale supply arrangement from the previous arrangement where we operated their retail foreign exchange units. Our number of ATMs increased by 6.0% to 1,460 as of December 31, 2015, from 1,377 as of December 31, 2014.

Like-for-like Retail revenue growth for the year ended December 31, 2015 was 5%. See "*Summary Financial Data*" and "*Presentation of Financial and Other Information*" for a description of like-for-like Retail revenue growth.

Cost of Sales

Our cost of sales decreased by £15.9 million for the year ended December 31, 2015, or 3.7%, to £408.2 million from £424.1 million for the year ended December 31, 2014, primarily due to the impact of the French Disposal (a reduction of £29.3 million) and lower salary costs following reorganizations which were partially offset by increased rental costs associated with an increase in the number of stores, including at LHR.

Gross Profit

Our gross profit decreased by £21.7 million for the year ended December 31, 2015, or 8.1%, to £247.5 million from £269.2 million for the year ended December 31, 2014 primarily due to the French Disposal, weaker performance in Brazil, and the increased rental costs associated with our renewed contract at LHR. Excluding the French Disposal, our gross profit would have decreased by £8.4 million.

Underlying Net Operating Expense

Our underlying net operating expense decreased by £8.8 million for the year ended December 31, 2015, or 4.6%, to £180.7 million from £189.5 million for the year ended December 31, 2014, primarily due to the French Disposal (a decrease of £10.3 million), which was partly offset by an increase in indirect staff costs related to the development of our digital projects.

Net Operating Exceptional Items and Non-Underlying Adjustments

Exceptional items and non-underlying adjustments of £53.8 million for the year ended December 31, 2015, include costs of £4.6 million relating to the global reorganization initiative and systems development and shared services migration initiative, costs of £34.1 million relating to legal and professional fees and other costs associated with the sale of Holdings to UTX Holdings Limited, costs of £16.4 million relating to increases in onerous contract provisions and costs of £7.5 million relating to other corporate transactions and projects, offset by net gain of £4.8 million from the French Disposal and a gain of £4.0 million on the reclassification of the pension scheme.

Exceptional items and non-underlying adjustments of £25.6 million for the year ended December 31, 2014, include costs of £6.8 million relating to the global reorganization initiative and systems

development and shared services migration initiative and costs of £18.5 million relating to legal and professional fees and other costs associated with corporate transactions and projects including our acquisition by UTX Holdings Limited and £0.3 million relating to onerous contract provisions.

Finance Income and Finance Costs

Our finance income decreased by £14.5 million for the year ended December 31, 2015, or 61.2%, to £9.2 million from £23.7 million for the year ended December 31, 2014, primarily due to the lower net exchange gain on the retranslation of certain Travellers' Cheques related balances as well as the 2014 gain on the extension of the estimated life of the shareholder loans in relation to our acquisition by UTX Holdings Limited.

Our finance costs decreased by £73.3 million for the year ended December 31, 2015, or 39.0%, to £114.5 million from £187.8 million for the year ended December 31, 2014, primarily due to the reduction in principal amount of the shareholder loans that were restructured as part of the sale of Holdings to UTX Holdings Limited.

Excluding the impact of the Shareholder Instruments and preferred shares classified as liabilities (which are not attributable to the Restricted Group) our finance costs were £33.5 million and £44.6 million, for the years ended December 31, 2015 and 2014, respectively.

Share of Profit in Equity Accounted Investments

Our share of profit in equity accounted investments increased by £1.3 million for the year ended December 31, 2015, or 61.9%, to £3.4 million from £2.1 million for the year ended December 31, 2014, primarily due to improved performance in Malaysia, Qatar and the UAE.

Tax

Our tax charge decreased by £5.1 million for the year ended December 31, 2015, or 38.1%, to £8.3 million from £13.4 million for the year ended December 31, 2014, primarily due to a reduction in non-deductible finance costs.

Our Business Segments

Our reported segments include Retail, Wholesale and Outsourcing, Brazil, Payments and Technology, Insurance, and Central and Shared Costs.

Our Retail segment accounts for the majority of our revenue and includes revenue generated from our worldwide network of retail stores and ATMs (excluding Brazil) as well as from our online and mobile platform. Retail revenue is generated by spreads and commissions charged in the sale and purchase of foreign currency, merchant interchange fees, interest on outstanding cash float and margins and fees arising from the use of prepaid cards, the commissions on cash withdrawal from ATMs and fees charged for sending international remittances. Costs charged against segmental revenue are primarily rental/lease costs and staff costs and are used to calculate segmental profitability before Central and Shared Costs.

Our Wholesale and Outsourcing segment accounts for revenue generated by the wholesale and outsourcing business units, which although managed together, generate revenue in different ways. Revenue from the wholesale business unit arises from margins charged on the volume of wholesale banknotes sourced and distributed to our customers, which include mainly central banks, financial institutions, travel agencies and casinos. The segment also supplies the banknote requirements of our own retail stores. Revenue from the outsourcing business arises primarily from fixed management fees on banknotes supply and profit sharing arrangements in respect of foreign currency services our customers outsource to us. These customers include financial institutions as well as high street banks, hotels, casinos and certain supermarket chains. Costs charged against segmental revenue are primarily distribution and logistics, staff costs and insurance.

Our Brazil segment accounts for revenue generated by our retail and wholesale operations in Brazil.

Our Payments and Technology segment accounts for revenue generated by Currency Select, which was sold on April 1, 2016, and our payments operations including Travelex International Payments and, with respect to periods prior to its disposition, Currency Select. This segment also includes the costs of the digital team, which is investing in a series of initiatives around certain product areas including international payments and e-cards and online currency exchange. This investment will be through a combination of developing in-house capabilities as well as strategic seed investments and technology acquisitions in the retail and financial technology sectors. Revenue from Travelex International Payments arose from charges and fees levied on international payments made by consumers which are processed online between the bank accounts of the sender and the recipient. Revenue from Currency Select arose from margins charged for the provision of DCC solutions for ATMs, point-of-sale terminals and online platforms for customers including merchants, business partners and acquiring banks. Costs charged against Currency Select were primarily scheme fees payable to MasterCard and Visa, staff costs and customer rebates.

Our Insurance segment accounts for revenue generated by ancillary businesses including TIS, which was sold on November 16, 2016. The insurance business offers a wide range of travel insurance plans through travel agencies, tour operators, airports and online. Revenue from the insurance business arises from commissions charged on policies sold. Until January 1, 2016 the Insurance segment also included our issuing business. The issuing business issues MasterCard branded prepaid cards in various currencies in seven countries. In January 2016, the issuing business was transferred from the Insurance segment to the Retail segment.

See “—Internal Factors—Expected new reporting structure under new Chief Commercial Officer” for a description of anticipated changes to our future financial reporting structure.

Performance of the segments is measured by Core Group Revenue and Core Group EBITDA, as included in our internal management reports. Core Group Revenue and Core Group EBITDA are used to measure performance because we believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Core Group Revenue and Core Group EBITDA comprises 100% of the results of each of our joint ventures as well as the performance of the French Business, which following its sale to UTX Holdings Limited in connection with the sale of the Group, we continue to manage for an annual fee.

Core Group Revenue represents revenues adjusted to include: (i) 100% of the revenue of each of our non-consolidated joint ventures and (ii) the revenue of the French Business for the periods from January 29, 2015 (which was the date of the French Disposal) to December 31, 2015, and from January 1, 2016 to December 31, 2016, and excludes (i) revenue attributable to our travellers’ cheques business, which does not form a part of the Restricted Group and (ii) revenue within Central and Shared Costs. The following tables present the reconciliation between our statutory revenue and Core Group Revenue and operating profit (loss) and Core Group EBITDA:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Revenue	693.3	655.7	699.1
Joint venture revenue ^(a)	33.9	42.2	42.3
Travellers’ Cheques revenue ^(b)	(2.1)	(2.7)	(2.7)
Revenue within Central and Shared Costs ^(c)	(3.6)	(2.1)	(1.8)
French Disposal ^(d)	—	40.9	40.6
Core Group Revenue	721.5	734.0	777.5

(a) “Joint venture adjustment” comprises 100% of the revenue of each of our joint ventures, including UAE (of which, as of August 2016, we owned a controlling stake), South Africa (of which, as of January 2017, we owned 100%), Qatar and Malaysia, in each of which we own (or, with respect to UAE and South Africa, for the applicable periods owned) a 49%, 49%, 49% and 70% interest, respectively.

(b) “Travellers’ Cheques business” comprises the revenue of our travellers’ cheques business, which does not form part of the Restricted Group.

(c) Revenue within Central and Shared Costs includes rental income from subletting of property.

(d) “French Business” includes the revenue of the French Business, which was sold to UAE Exchange UK Limited on January 29, 2015, but is still included as revenue for management reporting purposes (less the management fee we received in that same period from UAE Exchange for operating the French Business).

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Operating profit (loss)	29.7	(12.3)	71.9
Depreciation and amortization	24.4	25.3	32.9
Operating profit before depreciation, amortization and tax (EBITDA)	54.1	13.0	104.8
Net operating exceptional items and non-underlying adjustments ^(a)	25.6	53.8	(64.6)
Operating profit before depreciation, amortization and net operating exceptional items and non underlying adjustments (Underlying EBITDA)	79.7	66.8	40.2
Joint venture EBITDA ^(b)	5.2	9.1	8.8
Adjustment for French Disposal ^(c)	—	3.1	1.0
Share based payments ^(d)	3.1	0.8	—
Travellers' cheques EBITDA ^(e)	(1.7)	3.4	2.0
Other adjustments ^(f)	(0.4)	—	—
Core Group EBITDA	85.9	83.2	52.0

- (a) "Net operating exceptional items and non-underlying adjustments" are those significant operational items that are separately disclosed by virtue of their size or incidence to enable a clearer understanding of our financial performance. The operating exceptional items and non-underlying adjustments for the years ended December 31, 2014, 2015 and 2016 are discussed under "—Results of Operations."
- (b) "Joint venture EBITDA" comprises 100% of the EBITDA of our joint ventures that are equity accounted, including the share of non-consolidated joint ventures that are not attributable to the Group and minority interests in consolidated joint ventures that are not attributable to the Group. The share of net profit in equity accounted investments is included in the income statement below the operating profit line.
- (c) The "French Business" (i) for the purposes of the calculation of Core Group EBITDA, represents the EBITDA of the French Business for the period from January 29, 2015 (which was the date of the French Disposal) to December 31, 2016, net of the management fee we received in that same period from UAE Exchange for operating the French Business and (ii) for the purposes of the calculation of Adjusted EBITDA, represents the management fees we received for the period from January 29, 2015 to December 31, 2016 from UAE Exchange for operating the French Business, net of the EBITDA of the French Business for that same period.
- (d) "Share based payments" comprises the charge to the income statement for our share based payment incentive scheme.
- (e) "Travellers' cheques EBITDA" comprises the EBITDA of our travellers' cheques business, which does not form part of the Restricted Group.
- (f) "Other adjustments" include items that, individually, or in aggregate, are of a nature or size to require exclusion to enhance our understanding of the underlying business performance.

The tables below present, for the periods indicated, segmental Core Group Revenue and segmental Core Group EBITDA, respectively.

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Core Group Revenue			
Retail ⁽¹⁾	496.5	522.8	581.0
Wholesale & Outsourcing	108.5	116.0	106.3
of which, Wholesale	39.0	43.6	33.1
of which, Outsourcing	69.5	72.4	73.2
Payments & Technology ⁽²⁾	22.1	22.2	6.4
Insurance	34.2	32.7	32.2
Brazil	60.2	40.3	51.6
Core Group Revenue	721.5	734.0	777.5

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Core Group EBITDA			
Retail ⁽¹⁾	64.0	73.4	68.3
Wholesale & Outsourcing	48.9	52.1	38.7
of which, Wholesale	17.4	19.1	8.6
of which, Outsourcing	31.5	33.0	30.1
Payments & Technology	2.5	(3.4)	(6.6)
Insurance	7.7	7.6	5.5
Brazil	14.3	5.2	3.8
Total segment EBITDA	137.4	134.9	109.7
Central & Shared Costs ⁽²⁾	(51.5)	(51.7)	(57.7)
Total Core Group EBITDA	85.9	83.2	52.0

(1) The French Business generated revenue of £45.8 million and £43.8 million and EBITDA of £5.7 million and £3.3 million for the years ended December 31, 2015 and 2016, respectively (including revenue of £3.2 million and EBITDA of £0.2 million for the month of January 2015, which preceded the French Disposal). Excluding revenue from the French Business since the date of the French Disposal, the Retail segment would have generated revenue of £480.2 million and £537.2 million and EBITDA of £68.1 million and £65.0 million for the years ended December 31, 2015 and 2016, respectively.

(2) Central and Shared Costs include management bonus accruals of £10.7 million, £7.2 million, and £0.7 million for the years ended December 31, 2014, 2015 and 2016, respectively.

The results of each segment for the periods under review are described below.

Retail

Revenue for the Retail segment increased by £58.2 million, or 11.1%, from £522.8 million for the year ended December 31, 2015 to £581.0 million for the year ended December 31, 2016. This increase in retail revenue was primarily due to LHR where Travelex has been operating as the sole foreign exchange provider since July 2015 and the full-period effect of stores opened in MEIA in 2015 (including in Turkey) and Japan. Within LHR, the VAT refunds business was particularly strong with revenue growth of 25% for the year ended December 31, 2016 compared to the year ended December 31, 2015, partly due to the depreciation of the pounds sterling against several foreign currencies which led to an increase in demand for pounds sterling-denominated goods. Like-for-like Retail revenue growth of 2% was primarily due to our strong revenue growth in MEIA of 22% and in Japan of 6%. Our online and ATM revenues also increased by 21% and 11%, respectively. This increase in like-for like Retail revenue was partially offset by a decline in like-for-like Revenue in France and Belgium, where demand declined due to terrorism incidents. Like-for-like Retail revenue growth for the year ended December 31, 2016 was 2%. See “*Summary Financial Data*” and “*Presentation of Financial and Other Information*” for a description of like-for-like Retail revenue growth.

Retail Core Group EBITDA decreased by £5.1 million, or 6.9%, from £73.4 million for the year ended December 31, 2015 to £68.3 million for the year ended December 31, 2016, primarily due to a decrease in our EBITDA margin from 14.0% for the year ended December 31, 2015 to 11.8% for the year ended December 31, 2016 as a result of the Paris and Brussels terrorism incidents, which contributed to a decrease of £3.1 million in our Retail Core Group EBITDA, and our exit from Prague International Airport, which contributed to a decrease of £4.6 million in our Retail Core Group EBITDA. The weak performance in Europe was partially offset by the increase in revenue described above with our remaining Retail business experiencing an increase of £2.6 million in our Retail Core Group EBITDA.

Revenue for the Retail segment increased by £26.3 million, or 5.3%, from £496.5 million for the year ended December 31, 2014 to £522.8 million for the year ended December 31, 2015 primarily due to Travelex Döviz, which was acquired in May 2014, and LHR, where new stores and ATMs were added after Travelex became the sole provider of foreign currency ATM services in July 2015, partially offset by the reclassification of our Sainsbury’s partnership which, since March 31, 2015, is being reported in our Wholesale and Outsourcing segment as opposed to in our Retail segment.

Retail Core Group EBITDA increased by £9.4 million, or 14.7%, from £64.0 million for the year ended December 31, 2014 to £73.4 million for the year ended December 31, 2015, primarily due to improved

margins in the UK and Japan, strong profitability in Turkey and continued focus on reducing the cost base, partially offset by new rental terms at LHR and the Sainsbury's contract reclassification to Wholesale and Outsourcing.

Wholesale and Outsourcing

Revenue for the Wholesale and Outsourcing segment decreased by £9.7 million, or 8.4%, from £116.0 million for the year ended December 31, 2015 to £106.3 million for the year ended December 31, 2016, primarily due to lower sales volumes of banknotes as a result of currency controls in Nigeria and heightened competition in Malaysia and North America, and was partially offset by the impact of the weakened pounds sterling and strong performance in New Zealand and Japan.

Wholesale and Outsourcing Core Group EBITDA decreased by £13.4 million, or 25.7%, from £52.1 million for the year ended December 31, 2015 to £38.7 million for the year ended December 31, 2016, primarily due to lower sales volumes of banknotes as a result of currency controls in Nigeria, which contributed to a decrease of £7.6 million in our Wholesale and Outsourcing Core Group EBITDA.

Revenue for the Wholesale and Outsourcing segment increased by £7.5 million, or 6.9%, from £108.5 million for the year ended December 31, 2014 to £116.0 million for the year ended December 31, 2015, primarily due to our strong performance in Malaysia, the strong demand for euros in the UK and the classification of the Sainsbury's contract to Wholesale and Outsourcing.

Wholesale and Outsourcing Core Group EBITDA increased by £3.2 million for the year ended December 31, 2015, or 6.5%, to £52.1 million from £48.9 million for the year ended December 31, 2014 primarily due to the revenue growth described above.

Brazil

Revenue for Brazil increased by £11.3 million, or 28.0%, for the year ended December 31, 2016 to £51.6 million from £40.3 million for the year ended December 31, 2015, primarily due to depreciation of the pounds sterling against the Brazilian real (which depreciated 31% compared to 2015) and underlying revenue growth generated from strong payments performance and the capture of new small and medium business customers, offset slightly by the continued impact of the deterioration of macroeconomic conditions affecting the tourism market (and outbound sales).

Brazil Core Group EBITDA decreased by £1.4 million, or 26.9%, for the year ended December 31, 2016 to £3.8 million from £5.2 million for the year ended December 31, 2015, primarily due to higher commissions from business mix changes and lower sales volumes in retail, which were partially offset by cost base optimization.

Revenue for Brazil decreased by £19.9 million, or 33.1%, for the year ended December 31, 2015 to £40.3 million from £60.2 million for the year ended December 31, 2014, primarily due to lower outbound sales volume mainly as a result of the depreciation of the Brazilian real against the U.S. dollar and the deterioration of macroeconomic conditions, as well as inflationary pressure on cost base.

Brazil Core Group EBITDA decreased by £9.1 million, or 63.6%, for the year ended December 31, 2015 to £5.2 million from £14.3 million for the year ended December 31, 2014, primarily as a result of weakness of the Brazilian real against the U.S. dollar and deterioration of macroeconomic conditions as well as inflationary pressure on the cost base.

Payments and Technology

Revenue for the Payments and Technology segment decreased by £15.8 million, or 71.2%, from £22.2 million for the year ended December 31, 2015 to £6.4 million for the year ended December 31, 2016, primarily due to the £16.3 million decrease resulting from the sale of the Currency Select business on April 1, 2016.

Payments and Technology Core Group EBITDA decreased by £3.2 million, from a loss of £3.4 million for the year ended December 31, 2015 to a loss of £6.6 million for the year ended December 31, 2016, primarily due to the sale of the Currency Select business, which contributed to a decrease of £2.3 million in our Payments and Technology Core Group EBITDA, and continued costs associated with the investment in development of our digital product portfolio, which increased from £6.0 million in 2015 to £6.9 million in 2016.

Revenue for the Payments and Technology segment increased by £0.1 million, or 0.5%, from £22.1 million for the year ended December 31, 2014 to £22.2 million for the year ended December 31, 2015.

Payments and Technology Core Group EBITDA decreased by £5.9 million for the year ended December 31, 2015, to a loss of £3.4 million from a gain of £2.5 million for the year ended December 31, 2014, primarily due to our £6.0 million investment to build in-house digital capabilities as part of the Group's strategy.

Insurance

Revenue for the Insurance segment decreased by £0.5 million, or 1.5%, from £32.7 million for the year ended December 31, 2015 to £32.2 million for the year ended December 31, 2016, primarily due to the TIS Disposal. Underlying results were impacted by the loss of the certain key customers in October 2015 and in early 2016 although these losses were partly offset by the acquisition of a key customer in the fourth quarter of 2015 and also the strength of the U.S. dollar compared to pounds sterling.

Insurance Core Group EBITDA decreased by £2.1 million, or 27.6%, from £7.6 million for the year ended December 31, 2015 to £5.5 million for the year ended December 31, 2016, primarily due the TIS Disposal. Underlying results were impacted by the factors outlined above.

Revenue for the Insurance segment decreased by £1.5 million, or 4.4%, from £34.2 million for the year ended December 31, 2014 to £32.7 million for the year ended December 31, 2015, primarily as a result of renegotiation of terms with the TIS underwriter at the end of 2014.

Insurance Core Group EBITDA decreased by £0.1 million, or 1.3%, from £7.7 million for the year ended December 31, 2014 to £7.6 million for the year ended December 31, 2015, primarily as a result of lower operating costs offsetting the impact of the change in underwriter terms.

Central and Shared Costs

Central and Shared Costs include finance, legal, compliance, human resources, business development property, marketing and other functional costs as well as bonus costs for the Group. We have continued our systems development and shared services migration initiative, which include the centralization of much of our IT delivery capability, along with certain aspects of our finance, human resources and compliance and risk functions, to a single shared services center in Mumbai, India, which was opened in February 2013. The centralization and off-shoring of these functions, particularly IT delivery and finance, continues to reduce our costs. However, this reduction on total Central and Shared Costs was offset to some extent by the transition of these functions from the underlying business segments in 2014 and 2015.

Central and Shared Costs increased by £6.0 million, or 11.6%, to £57.7 million for the year ended December 31, 2016, from £51.7 million for the year ended December 31, 2015, primarily due to consulting fees, higher staff costs due to recruitment for vacant roles and an increased level of spend on IT support and maintenance.

Central and Shared Costs increased by £0.2 million, or 0.4%, to £51.7 million for the year ended December 31, 2015, from £51.5 million for the year ended December 31, 2014, primarily due to an increase in shared costs resulting from centralization and offshoring of back office functions, partially offset by a decrease in the Group bonus provision.

Liquidity and Capital Resources

Following the consummation of the Transactions, our principal sources of liquidity will be our existing cash and cash equivalents, cash generated from operations and borrowings under our Revolving Credit Facility. Our principal uses of cash after the consummation of the Transactions will be to fund capital expenditures, provide working capital, meet debt service requirements and finance our strategic plans, including possible acquisitions.

We believe that, based on our current level of operations as reflected in our results of operations for the year ended December 31, 2016, these sources of liquidity will be sufficient to fund our operations, capital expenditure and debt service for at least the next twelve months.

In addition, we were able to release approximately £40 million of cash through a number of initiatives, the most material being (i) an agreement with Barclays Bank plc, whereby they have entered into a vault cash supply agreement with Travelex Banknotes Limited dated February 3, 2016 where we sold (and leased-back) our cash in certain of our vaults for one-time proceeds of approximately £15.0 million and (ii) the release of a bank guarantee under our Existing Revolving Credit Facility in respect of our Hong Kong operations in the amount of approximately £12.0 million which was replaced with a surety bond in September 2016.

In relation to our acquisition by UTX Holdings Limited, BRS Ventures & Holdings Limited (the parent of UTX Holdings Limited) entered into a \$750 million credit facility agreement that was replaced with a \$490 million credit facility agreement on March 25, 2016 (as amended and/or as amended and restated from time to time), which places restrictions on the Group, including the obligation (subject to significant exceptions and qualifications) to dividend or otherwise upstream all surplus cash to UTX Holdings Limited. See “Principal Shareholders—BRS Facility Agreement.”

Usable Cash

Usable cash is our estimate of the amount of net cash available for immediate use and excludes cash held in tills, vaults and in transit, banknotes prepayments, any cash or deposits held for the travellers’ cheques business, customer cash including prepaid cards float deposits and a proportion of cash in business. This cash in business is cash held within the core group but not currently managed by the central treasury function. Historically, approximately two-thirds of this cash has not been readily accessible to us as it was required for working capital requirements of our business. Cash balance movements in cash in business are largely reflected as equal and opposite cash balance movements in cash in tills, vaults and in transit. This is due to the purchase and sale of cash stock (i.e. cash in tills and vaults) being funded by cash in business. As the Group’s accessibility to this cash pool is currently significantly higher than the two-thirds ratio as a result of centralized liquidity management processes, management now considers free cash as a more relevant measure. The following table presents our calculation of usable cash:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Cash and cash equivalents	505.3	451.3	577.9
Cash classified as held for sale ^(a)	9.7	—	—
Ring-fenced cash and term deposits ^(b)	(39.9)	(38.2)	(44.5)
Short-term bank borrowings ^(c)	(3.2)	(14.0)	(17.6)
Prepaid card floats ^(d)	(146.6)	(140.2)	(197.2)
Banknotes prepayments ^(e)	(20.9)	(12.3)	(8.7)
Unrestricted cash	304.4	246.6	309.9
Cash in tills, vaults and in transit ^(f)	(198.6)	(188.2)	(188.8)
Management estimate of regulatory cash ^(g)	(15.0)	(15.0)	(15.0)
Free cash	90.8	43.4	106.1
Cash in business ^(h)	(24.5)	(11.3)	(28.4)
Usable cash	66.3	32.1	77.7

(a) “Cash classified as held for sale” comprises the cash held in the French Business, which has been classified as held for sale for the applicable period.

(b) “Ringfenced cash and term deposits” relate to the travellers’ cheques business. They consist of cash in travellers’ cheques bank accounts, float deposits and term deposits with maturity dates within three months of the balance sheet date. As float deposits are reinvested on maturity, often for up to 6 months, the proportion of the balance fluctuates at each balance sheet date.

(c) “Short-term bank borrowings” consist of bank overdrafts generally within notional cash pools which are recorded within current payables.

(d) “Prepaid card floats” consists of prepaid card cash floats held on deposit whose use is restricted to the settlement of related liabilities. This balance increases/decreases consistently with the related liability.

(e) “Banknotes prepayments” represents cash paid in advance by wholesale customers where we have not yet purchased the foreign currency to fulfill the order.

(f) “Cash in tills, vaults and in transit” represents foreign and local currency stocks held in our retail network and stocks of foreign and local currency held in our vaults. These amounts are necessary for the conduct of our business.

- (g) "Management estimate of regulatory cash" represents an estimate of cash required to be held locally for regulatory purposes.
- (h) "Cash in business" consists of cash held in bank accounts of our business operations around the world, and includes cash to service local working capital requirements and surplus funds. As of December 31, 2016, we estimate that we can access at least one third of this cash and we therefore have adjusted our cash in business balance to include only the notional two-thirds that has historically not been readily accessible to us as it was required for working capital requirements of our business. As the Group's accessibility to this cash pool is currently significantly higher than the two-thirds ratio as a result of centralized liquidity management processes, management now considers free cash as a more relevant measure.

Usable cash as of December 31, 2016 was £77.7 million, compared to £32.1 million as of December 31, 2015. This increase was primarily a result of (i) the proceeds received from the sale of Currency Select business and the TIS Disposal in 2016, which generated £109.8 million in cash flow, (ii) a £29.1 million cash inflow from a subordinated loan from our shareholders and (iii) a £22.7 million cash inflow from operations, partially offset by £28.0 million of interest paid on the Existing Notes, £28.8 million of capital expenditure, repayment of £29.9 million outstanding under the Existing Revolving Credit Facility as of December 31, 2015, and the repurchase of £11.1 million of Existing Notes via open market purchases in December 2016.

Usable cash as of December 31, 2015 was £32.1 million, compared to £66.3 million as of December 31, 2014. This decrease is primarily as a result of £35.4 million of cash costs primarily related to our acquisition by UTX Holdings Limited, the acquisition of the remaining 51% of Grupo Confidencía for £47.4 million, the interest payment on our Existing Notes and our Existing Revolving Credit Facility and £25.2 million of continued capital investment, partially offset by the £17.7 million cash proceeds from the French Disposal and the drawdown of £29.9 million of the Existing Revolving Credit Facility.

The following table presents our calculation of usable cash flows:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Selected Usable Cash Flow Data:			
Net usable cash inflow from operating activities ⁽¹⁾	51.9	69.3	22.7
Taxation (paid)	(15.5)	(5.8)	(8.5)
Net usable cash (used in) provided by investing activities ⁽²⁾	(52.8)	(11.1)	84.8
Net usable cash used in financing activities ⁽³⁾	(34.4)	(44.8)	(42.7)
Net usable cash outflow from one-off items ⁽⁴⁾	(20.9)	(35.4)	(14.2)
Exchange gains (losses) on cash and cash equivalents and bank overdrafts	(2.1)	(6.4)	3.5
Net increase (decrease) in usable cash	(73.8)	(34.2)	45.6
Usable cash at the beginning of the period	140.1	66.3	32.1
Usable cash at the end of the period	66.3	32.1	77.7

- (1) "Usable cash inflow from operations" consists of cash flow from operating activities excluding movements in items that are excluded from usable cash, excluding the cash impact of exceptional items and including joint venture funding and dividends received from equity accounted joint ventures. Items excluded from usable cash are cash held in tills, vaults and in transit, banknotes prepayments, cash or deposits held for the travellers' cheques business, customer cash including prepaid card float deposits and a proportion of cash in business that management estimates is required for regulatory and

working capital requirements. This measure is used by management in assessing the underlying ability of the business to generate cash that is immediately usable by the Group. The following table presents the reconciliation of cash flow from operating activities to usable cash inflow from operating activities:

For the year ended December 31,			
	2014	2015	2016
	(millions of £)		
Cash flow from operating activities	33.0	2.7	12.0
Dividends received from equity accounted joint ventures net of cash paid on investments in equity accounted joint ventures	(2.5)	5.2	1.8
Movement in cash held in tills, vaults and in transit	(19.9)	(7.4)	35.4
Movement in banknotes prepayments	(8.1)	8.6	3.6
Movement in cash and deposits held for the travellers' cheques business	10.8	3.4	(6.3)
Movement in prepaid card float deposits	20.3	11.4	(31.9)
Movement in cash in business	(2.6)	10.0	(6.1)
Add back cash exceptional items	20.9	35.4	14.2
Usable cash inflow from operating activities	51.9	69.3	22.7

- (2) "Net usable cash (used in) provided by investing activities" consists of cash flow used in investing activities adjusted for the cash impact of exceptional items and non-underlying adjustments, including cash acquired in acquisitions and used in the purchase of assets, and excluding dividends received from equity accounted joint ventures. Net cash paid on the acquisition of the non-controlling stake in Grupo Confidencía in February 2015 was reclassified from investing activities to financing activities to reflect the nature of the transaction.
- (3) "Net usable cash used in financing activities" consists of cash flow used in financing activities adjusted for movements in items that are excluded from usable cash.
- (4) "Net usable cash outflow from one-off items" includes the following overall cash impacts:

For the year ended December 31,			
	2014	2015	2016
	(millions of £)		
Global reorganization costs ^(a)	(4.8)	(1.8)	(4.6)
Systems Development and Shared Services Migration costs ^(b)	(1.4)	(0.4)	—
Costs relating to corporate projects ^(c)	(12.8)	(24.1)	(9.1)
Other exceptional items ^(d)	(1.9)	(9.1)	(0.5)
Total one-off items	(20.9)	(35.4)	(14.2)

- (a) Global reorganization costs mainly comprise of redundancy costs associated with the reorganization of our business along product and distribution channel lines, rather than on the historical geographic basis from 2012 to 2014, Retex (a global initiative to optimize store rostering) in 2015 and our support function efficiency initiative and Brazil store rationalization in 2016.
- (b) The systems development and shared services migration initiative costs are associated with our cost saving initiatives, which took place from 2012 to 2014 and comprise costs that do not meet the Group's criteria for capitalization.
- (c) Relates to costs associated with the sale of the Group by Apax to our current shareholders.
- (d) Comprise (i) in 2014, legal and professional fees associated with the acquisition of a 75% stake in Arti Döviz Ticaret A.S. (now Travelex Döviz), the reorganization of GWK and certain costs associated with the acquisition of the remaining 51% in Grupo Confidencía, (ii) in 2015, costs associated with corporate projects including the aborted refinancing, the reorganization in Travelex Netherlands and legal and professional fee related to merger and acquisition activities, (iii) in 2016, costs associated with corporate projects including legal and professional fee related to merger and acquisition activities and the reorganization in Travelex Netherlands.

Cash Flows

Cash includes current asset investments and short-term deposits maturing within three months of the balance sheet date, which fall within the definition of cash and cash equivalents prescribed by IFRS, "Cash flow statements," but excludes current asset investments and short-term deposits maturing after three months. Accordingly, the format of the cash flow statement below, which has been drawn up solely in order to comply with that standard, does not provide the most meaningful information about the operating cash flows of the Group. This is because the cash flow statement does not consider movements in cash in tills, vaults and transit as working capital movements, nor does it separately analyze balances specifically committed to fulfilling customer transactions. Furthermore, the cash flows

generated from operations include the movement in the travellers' cheques awaiting redemption liability but exclude the full movement in the structured deposits and other travellers' cheques deposits with banks which are assets held exclusively to meet the redemptions of travellers' cheques.

Cash Flows Generated from Operations

The following table reconciles our operating profit to net cash flows generated from operations:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Operating profit (loss)	29.7	(12.3)	71.9
Depreciation and amortization	24.4	25.3	32.9
Impairment charges	2.4	—	31.1
Loss on disposal of property plant and equipment	0.3	—	1.1
Revaluation of financial assets held at fair value	(1.3)	4.3	5.7
Provisions (including exchange differences on provisions)	2.2	27.4	8.4
Reclassification of the Netherlands pension scheme	—	(4.0)	—
Profit on disposal of businesses	—	(4.8)	(111.3)
Share based remuneration charge	3.1	0.8	—
Decrease (increase) in inventories	—	0.1	(0.7)
Decrease (increase) in trade and other receivables	6.5	(19.3)	5.8
(Decrease) increase in trade and other payables	11.4 ⁽¹⁾	17.3	(33.9)
Increase in derivatives	—	0.8	1.4
Utilisation of provisions	(7.0)	(13.4)	(19.7)
Increase (decrease) in cash passports awaiting redemption	(32.0)	(12.5)	21.4
Decrease in travellers' cheques awaiting redemption	(19.1)	(21.2)	(24.2)
(Increase) decrease in structured deposits	1.4	2.2	—
(Increase) decrease in float deposits	2.4	—	—
(Increase) decrease in financial assets	11.1 ⁽²⁾	8.3	8.5
Foreign exchange translation differences	(2.5)	3.7	13.6
Cash generated from operations	33.0	2.7	12.0

(1) Reflects £6.5 million as per our 2014 audited financial statements, as increased by £4.9 million to reflect the net impact of the restatement of pension liabilities in 2015.

(2) Reflects £9.9 million as per our 2014 audited financial statements, as increased by £1.2 million to reflect the revaluation of Travellers' Cheques financial assets in 2015.

Cash flow generated from operations increased by £9.3 million to £12.0 million for the year ended December 31, 2016, compared to £2.7 million for the year ended December 31, 2015, primarily due to foreign exchange translation differences. The decrease in trade and other payables resulting from the withdrawal of a credit line by Bank of America, N.A. was offset by an increase in cash passports awaiting redemption due to trading and timing of redemptions, and a decrease in trade and other receivables largely resulting from timing of settlement.

Cash flow generated from operations decreased by £30.3 million, to £2.7 million for the year ended December 31, 2015, compared to £33.0 million for the year ended December 31, 2014, primarily as a result of a decrease of £42.0 million in operating profit from the year ended December 31, 2014 to the year ended December 31, 2015, partially offset by an increase in cash passports awaiting redemption.

Cash Flows from Investing Activities

The following table shows our net cash flows from investing activities:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Interest received	0.6	0.6	0.5
Purchase of property, plant, equipment, software and development expenditure	(33.5)	(25.2)	(28.8)
Proceeds from sale of property, plant, equipment and software	—	0.2	1.0
Dividends received from equity accounted joint ventures	0.9	4.8	1.8
Disposal (purchase) of available for sale investments	4.7	(5.9)	(1.6)
Proceeds from sale of business, net of costs	—	9.6	109.8
Acquisition of businesses net of cash acquired	(21.5)	(1.6)	17.4
Cash received from disposed operations	—	3.1	—
Cash paid on investment in equity accounted joint ventures (including costs)	(3.4)	—	—
Cash flows from investing activities	(52.2)	(14.4)	100.1

Cash flow from investing activities increased by £114.5 million, to an inflow of £100.1 million for the year ended December 31, 2016, compared to an outflow £14.4 million for the year ended December 31, 2015, primarily due to net proceeds from the sale of the Currency Select business (£32.4 million) and the TIS Disposal (£77.4 million), and cash acquired through the acquisition of a controlling stake in Travelex Emirates Exchange LLC (£16.3 million) and incorporation of Travelex Thailand Limited (£1.1 million).

Cash outflow from investing activities increased by £37.8 million, to £14.4 million for the year ended December 31, 2015, compared to £52.2 million for the year ended December 31, 2014, primarily due to the acquisition of the Arti Döviz Ticaret A.S. in May 2014.

Cash Used in Financing Activities

The following table shows our net cash flows from financing activities:

	For the year ended December 31,		
	2014	2015	2016
	(millions of £)		
Interest paid	(26.0)	(27.4)	(28.0)
Loan from equity accounted joint venture	—	0.4	—
Proceeds from (repayment of) shareholder loans	(4.5)	2.3	29.1
Repurchase of bonds	—	—	(11.1)
Net cash paid on the acquisition of non-controlling interest	—	(47.4)	—
Dividends paid to non-controlling interests	(2.7)	(1.7)	(2.5)
Proceeds from (net of repayment of) third-party debt instruments	—	—	—
Net purchase of own shares for employee share schemes	(0.4)	—	—
Capital element of finance lease payments	(0.8)	(0.5)	(0.3)
Cash used in financing activities	(34.4)	(74.3)	(12.8)

Cash outflow from financing activities increased by £61.5 million to a £12.8 million outflow for the year ended December 31, 2016 from a £74.3 million outflow for the year ended December 31, 2015, primarily due to £29.1 million of cash received from shareholder borrowings in 2016 offset by the repurchase of £11.1 million of our outstanding Existing Notes via open market purchases in December 2016. The year-on-year movement is also driven by a one off payment in the year ended December 31, 2015 of £47.4 million to acquire the remaining 51% interest in Grupo Confidenc.

Cash outflow from financing activities decreased by £39.9 million, to £74.3 million for the year ended December 31, 2015, compared to £34.4 million for the year ended December 31, 2014, primarily due

to the acquisition of the remaining 51% of Grupo Confidence in February 2015, and due to cash inflows relating to the repayment of shareholder loans.

Working Capital

The complexity of our operations means that there are a large number of specific transactions that potentially distort our underlying cash flows. The principal items are:

Change in Till and Vault Stock

Till stocks include stocks of foreign and local currency held in our retail network and stocks of foreign and local currency held in our vaults. Foreign currency purchased to fulfil wholesale banknote orders, typically paid for by customers in advance, is held in our vaults prior to shipment overseas. This causes material movements in working capital on a daily basis. Additionally our till stocks and working capital are subject to seasonal variances due to our retail business' trading volumes being higher around holidays and festive periods.

Change in Trade Debtors and Trade Creditors

Typical trade terms for both debtors and creditors are less than one week and in many cases between one and three days. The movements are dependent on the time of the year, the date the period end falls on and product mix and can vary substantially from one period to the next. Changes in debtors are generally driven by the short-term timing of wholesale banknote orders which reverse within one to three days after each period end and creditor balances reflecting the seasonality of our Wholesale and Outsourcing business. Movements in trade payables are generally driven by the timing of month end in relation to the seasonal movement in orders, timing of prepaid wholesale banknote orders as well as international payments orders which settle within one to three days after period end.

Capital Expenditure

A large part of our capital expenditures represents discretionary investment in expansions, and developments of our start-up business (ATMs and Money Transfer) that we are therefore able to defer, if necessary, to provide greater financial flexibility through the economic cycle. Our capital expenditures for the year ended December 31, 2016 was £31.5 million. Excluding capital expenditures in relation to the French Business, our capital expenditures would have been £30.7 million for the year ended December 31, 2016. Our capital expenditure on the development of digital products associated with our digital team was £6.0 million in the year ended December 31, 2016 and £3.8 million in the year ended December 31, 2015.

For the year ended December 31, 2017, we expect our capital expenditure to be approximately £43 million, consisting primarily of capital expenditure on investment in our digital projects and new sites, maintenance of existing network of sites, investment in the group's compliance platform and IT maintenance-related capital expenditure.

Off-Balance Sheet Arrangements

We were able to release approximately £40 million of cash through a number of initiatives, the most material being (i) an agreement with Barclays Bank plc, whereby they have entered into a vault cash supply agreement with Travelex Banknotes Limited dated February 3, 2016 where we sold (and leased-back) our cash in certain of our vaults for one-time proceeds of approximately £15.0 million and (ii) the release of a bank guarantee under our Existing Revolving Credit Facility in respect of our Hong Kong operations in the amount of approximately £12.0 million which was replaced with a surety bond in September 2016.

We generally do not use off-balance sheet arrangements, other than interest rate and currency hedges, operating leases and certain ATM and vault cash supply arrangements. See "*Quantitative and Qualitative Disclosure about Market Risk*."

See also note 29 to the consolidated financial statement as of and for the year ended December 31, 2016, included in these listing particulars for a description of our contingent liabilities as of December 31, 2016.

See also “*Business—Compliance Issues at Travelex Netherlands and Banco Confidence.*” with regard to potential future contingent liabilities as a result of existing litigation at our subsidiary Travelex Netherlands.

Contractual Obligations

The following tables summarize certain categories of our contractual obligations owed to third parties by period as of December 31, 2016, on an as adjusted basis after giving effect to the Transactions.

	Payments Due By Period ⁽¹⁾			
	Total	Less than 1 Year	1 – 5 Years	After 5 Years
		(millions of £) (unaudited)		
Notes offered hereby ⁽²⁾	305.5	—	—	305.5
Bank overdrafts ⁽³⁾	17.6	17.6	—	—
Revolving Credit Facility ⁽⁴⁾	—	—	—	—
Finance lease commitments ⁽⁵⁾	0.2	0.1	0.1	—
Total	323.3	17.7	0.1	305.5

- (1) On January 12, 2017, we purchased the remaining 51% share capital of Travelex Africa that we did not previously own, for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing).
- (2) Represents €360.0 million aggregate principal amount of Notes, translated at an exchange rate of €1.00 = £0.84868, which represents the rate of exchange as of April 26, 2017, as published by Bloomberg Generic Composite rate. You should not view such translation as a representation that such pounds sterling amount actually represents the euro amount, or could be or could have been converted from euro into pounds sterling at the rate indicated or at any other rate, on the Issue Date or any other date.
- (3) Bank overdrafts consist of on-demand borrowings that form part of notional cash pooling arrangements used to manage our liquidity requirements.
- (4) As of December 31, 2016, we had no borrowings under the Existing Revolving Credit Facility, however, as of April 21, 2017, we had approximately £40 million of borrowings outstanding under the Existing Revolving Credit Facility which we expect will remain outstanding under the Revolving Credit Facility. As part of the Transactions, we will enter into the Revolving Credit Facility with commitments of £90 million. Loans extended under the Revolving Credit Facility will terminate on the date falling 57 months after the Issue Date (unless subsequently extended in accordance with the terms of the Revolving Credit Facility).
- (5) Finance lease commitments consist of the principal outstanding on borrowings used to finance ATMs.

Our future minimum operating lease commitments consist of the fixed amount lease payments for our offices and retail stores at on-airport and off-airport locations. Payments under these non-cancellable operating leases as of December 31, 2016 were as follows:

	Payments Due By Period			
	Total	Less than 1 Year	1 – 5 Years	After 5 Years
		(millions of £)		
Non-cancellable operating lease commitments	377.6	148.4	212.9	16.3

Capital Resources

We are highly leveraged and have significant debt service obligations. As of December 31, 2016, after giving effect to the partial redemption of the Existing Notes in February 2017, the borrowings of £32.5 million in January 2017 under our 2045 Shareholder Loan Program and the Transactions, we would have had £305.8 million of total cash-pay debt. In addition, as of December 31, 2016, we had £21.7 million of bank guarantees that were outstanding. See “*Capitalization.*” We also would have £90 million available under our Revolving Credit Facility.

As of December 31, 2016, we also had £68.3 million of outstanding but undrawn borrowings under our ancillary credit facilities, including letters of credit, other trade facilities and foreign exchange and interest rate swaps. In addition, as of December 31, 2016, we had £753.8 million in shareholder debt outstanding.

The Indenture governing the Notes offered hereby and the Revolving Credit Facility will contain, covenants significantly restricting our ability to, among other things:

- incur or guarantee additional indebtedness and issue certain preferred stock;

- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer, the Company or its restricted subsidiaries or prepay or redeem its subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or any of its restricted subsidiaries;
- sell, lease or transfer certain assets, including capital stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities, or sell all or substantially all of its assets; and
- impair the Collateral securing the Notes.

Each of the covenants is subject to a number of important exceptions and qualifications. These covenants could limit our ability to finance our future operations and capital needs. The Revolving Credit Facility also will contain a covenant requiring us not to exceed a maximum leverage ratio, tested on a quarterly basis by reference to a rolling twelve month period as described further under “*Description of Other Indebtedness—Revolving Credit Facility Agreement.*”

Our principal sources of liquidity are our existing cash and cash equivalents and our cash generated from operations. Our ability to generate cash depends on our future operating performance, which in turn depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control, as well as the other factors discussed in “*Risk Factors.*”

In relation to our acquisition by UTX Holdings Limited, BRS Ventures & Holdings Limited (the parent of UTX Holdings Limited) entered into the BRS Facility Agreement, which places restrictions on the Group, including the limitation (subject to significant exception and qualifications) on the incurrence of any non-permitted financial debt, as well as the obligation to dividend or otherwise upstream all surplus cash to UTX Holdings Limited. See “*Principal Shareholders—BRS Facility Agreement.*”

Although we believe that based on our current level of operations, our sources of liquidity will be sufficient to fund our operations, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of net revenue or an increase in costs from our operations, which could be due to downturns in our performance or the industry as a whole;
- adverse working capital developments, such as changes to supplier credit terms;
- adverse regulatory capital requirements;
- exposure to increased interest rates in relation to our borrowings which bear interest at a variable rate, including our Revolving Credit Facility; and
- higher capital expenditure.

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditure;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt, including the Notes and the Revolving Credit Facility, limit our ability to pursue any of these alternatives, as may the terms of any future debt.

We anticipate that our high leverage will continue for the foreseeable future. Our high level of debt may have important negative consequences for you. For more information, see the section entitled “*Risk Factors—Risks Related to Our Financial Profile*.” See also “*Description of Other Indebtedness*” and “*Description of the Notes*.”

Quantitative and Qualitative Disclosure about Market Risk

In the normal course of business, our financial position is routinely subjected to interest rate and foreign exchange rate risks.

Market Risks

We have established trading operations in many countries throughout the world and some of our most significant financial exposures relate to raising finance, investing collateral funds and non-collateral surplus cash with reputable financial institutions, and movements in interest rates and foreign currency exchange rates. As part of the management of these exposures, we have established clear parameters, including levels of authority and the type and use of financial instruments. We have an established central risk committee supported by regional risk committees. These committees are responsible for managing all aspects of risk within the business including, but not limited to, financial exposures.

Interest Rate Risks

We borrow and invest in required currencies at both fixed and floating rates of interest and use, where appropriate, interest rate swaps to manage the interest rate exposures with the objectives of minimizing our net interest costs and maximizing our interest income within approved parameters.

Foreign Currency Risks

Our objectives are to ensure that our trading revenue from our operations are not eroded by movements in foreign exchange rates and the impact of foreign exchange differences are kept to a minimum wherever possible. To this end we adopt a policy to proactively identify foreign exchange risks in relation to transactional and translational exposures, taking appropriate steps to neutralize these exposures. All foreign exchange hedging activities are strictly controlled and regularly monitored by our treasury division.

We have significant overseas subsidiaries, which operate in North America, Continental Europe, and Asia Pacific and conduct business in many foreign currencies, while our consolidated results are reported in pounds sterling. As a result, we are subject to foreign exchange risk arising from exchange rate movements, which affect our transactional revenue and costs, and the translation of the results and underlying net assets of our subsidiaries, most notably in relation to the U.S. dollar, euro, Australian dollar, Japanese yen, Brazilian real and Turkish lira.

Our business segments are required to hedge their foreign currency transaction exposures with their regional dealing treasury center, which maximizes opportunities for internal netting of currency positions before hedging transactions are executed in the foreign exchange markets. Additionally, we manage foreign exchange exposure of the translation of our currency assets and liabilities within our business segments balance sheets.

Accounting profits are hedged with cash settled derivatives when received as a dividend. Otherwise, we do not hedge accounting profits with cash settled derivatives.

The majority of our balance sheet currency exposure is managed by matching currency assets with currency borrowings and currency swap transactions, where it is deemed appropriate, most notably in relation to the U.S. dollar. Our primary balance sheet translation exposure is against the U.S. dollar, euro and Australian dollar, followed by the Japanese yen, Brazilian real and Turkish lira.

All the gains and losses on the hedging instruments are expected to be matched by losses and gains on the hedged transactions or positions.

Critical Accounting Policies

Our consolidated financial statements and the accompanying notes to the consolidated financial statements included elsewhere in these listing particulars contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial information in conformity with IFRS requires our management to make estimates and assumption that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions. For a description of our accounting policies including “significant management estimates and judgments in applying accounting policies,” see Note 1 to our consolidated financial statements as of and for each of the years ended December 31, 2014, 2015 and 2016 included elsewhere in these listing particulars.

Changes in Accounting Policies

For information regarding recent and pending changes to our accounting policies, see Note 1 to our consolidated financial statements as of and for each of the years ended December 31, 2014, 2015 and 2016 included elsewhere in these listing particulars.

Changes in Accounting Treatment of Pension Scheme in the Netherlands Over the Financial Periods Presented in These Listing Particulars

The accounting treatment of the pension scheme in the Netherlands has been presented in these listing particulars as a defined contribution scheme as of December 31, 2015 and December 31, 2016 but as a defined benefit scheme as of December 31, 2014. The change in accounting treatment relates to the timing of certain contractual changes that were made to remove actuarial and investment risk that meet the requirements of defined contribution accounting under IFRS that we believed to have been effective as of December 31, 2014 but were subsequently, in March 2015, found to require further agreement with the affected employees. The employee agreements to the contractual changes initiated in 2013 were received in December 2015. The impact was not considered sufficiently material to restate previously filed audited financial statements as of December 31, 2014; however, the comparative period as of December 31, 2014 included in the audited consolidated financial statements for Holdings as of and for the year ended December 31, 2015 was restated and is presented on a restated basis in these listing particulars accordingly. The balance sheet line item presented in these listing particulars that is impacted by this change in accounting treatment is “other non-current liabilities.” Our income statement is not affected by this change. See footnote 12 of “*Summary Financial Data*” for more information.

BUSINESS

Overview

We are a market leading independent foreign exchange business based on retail revenue and retail EBITDA. Over the past 40 years we have built a market leading retail network of specialist foreign exchange stores, and have developed Travelex as a trusted and widely recognized brand in foreign exchange. Our mission is to help our customers spend and send money around the world.

Our business operates across 30 countries and covers the entire value chain of the retail foreign exchange industry. In our Retail business, as of December 31, 2016, we operated stores in 12 of the world's top 20 international airports by international passenger numbers and in major transport hubs, premium shopping malls, high street locations, supermarkets and city centers. We have developed a growing network of over 1,100 ATMs at both on-airport and off-airport locations around the world, and we have built a growing online and mobile foreign exchange platform, having achieved 1.4 million mobile and online transactions in 2016. During the course of 2016, we invested £7.8 million on upgrading and reorganizing our IT platforms and systems, which will underpin our online business growth.

Our Retail activities also include the processing of VAT refunds for our retail customers, the sending of remittances and other international payments. In Wholesale and Outsourcing, we focus on the preparation, processing and delivery of foreign currency orders for major UK banks and, increasingly, international commercial banks, as well as for travel agencies, hotels and casinos; and the sourcing and distribution of large quantities of foreign exchange banknotes for customers, including central banks and international financial institutions. We believe that our presence across the entire value chain supports our ability to identify and secure business opportunities and provide bespoke product and service solutions to our customers.

We have long-standing relationships with many of our partner customers, including: (i) supermarket chains in the United Kingdom, including Tesco, Sainsbury's, and Asda; (ii) large commercial banks, including Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, National Australia Bank, Kiwi Bank, Westpac and HSBC; and (iii) travel agencies, hotels and casinos, including Thomas Cook and Gala Casinos.

We have a strong culture of compliance with anti-money laundering laws and regulations, international sanctions, consumer protection regimes and the regulatory and licensing requirements of each jurisdiction in which we operate. Our compliance and risk operations are based on the three lines of defense model, where the business units are responsible for managing their business risk (the first line), the compliance and risk function are responsible for risk policy and oversight of the business operations (the second line) and the internal audit function (the third line) adopts a risk based audit plan encompassing all corporate activities. We maintain a dedicated compliance and risk function comprising 168 experienced professionals.

We believe that the retail foreign exchange market is attractive because it is a large and growing market. The growth is driven by the trend of increased international travel across the world and also by globalization, which in turn drives more international travel and increased foreign currency spend and international payments. We believe that both outbound and at-destination market segments represent an attractive growth opportunity for our business and global brand.

Our strategy is to grow our business by capitalizing on the strength of our brand and further developing our distribution network. We aim to continue building deep customer relationships and provide exceptional customer service, deliver innovative products, services and channels, increase the footprint in the markets in which we are present, and maintain the efficiency of our operating cost base. We also seek to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust our customers, counterparties and regulators place in our global brand.

In the year ended December 31, 2016, our business generated Core Group Revenue of £777.5 million and Core Group EBITDA of £52.0 million. See "*Summary Financial Data*."

The tables below show the split of our Core Group Revenue and Core Group EBITDA (which includes 100% of the revenue and EBITDA, respectively, of our non-consolidated joint ventures), by segment for the year ended December 31, 2016. For a description of our business segments, please see “Use of Terms.”

Core Group Revenue by Segment		Core Group EBITDA by Segment	
	(millions of £)		(millions of £)
Retail ⁽¹⁾	581.0	Retail ⁽¹⁾	68.3
Wholesale & Outsourcing	106.3	Wholesale & Outsourcing	38.7
<i>of which, Wholesale</i>	33.1	<i>of which, Wholesale</i>	8.6
<i>of which, Outsourcing</i>	73.2	<i>of which, Outsourcing</i>	30.1
Brazil	51.6	Brazil	3.8
Payments & Technology	6.4	Payments & Technology	(6.6)
Insurance	32.2	Insurance	5.5
.		Central & Shared Costs	(57.7)
Total	777.5	Total	52.0

(1) Excluding revenue from the French Business, the Retail segment would have generated revenue of £537.2 million and EBITDA of £65.0 million for the year ended December 31, 2016.

Our Strengths

Trusted, globally recognized, leading independent brand

The trust and credibility which customers, partners, wholesalers and regulators place in our brand is our key strength. We believe that, amongst foreign exchange specialists, we have the highest prompted brand awareness. Based on a survey conducted by YouGov in December 2016, many of those surveyed consider Travelex a brand they would trust (26%) and one of the world’s leading providers of foreign currency (29%). Moreover, based on the same survey, Travelex brand recognition is over two times higher than the second most recognized foreign exchange brand that was tested, among persons surveyed who have traveled abroad by air in the last twelve months and not taking into account UAE Exchange. See “*Industry and Market Data.*”

Trust and credibility are especially important in this market and we believe that the Travelex brand creates additional opportunities with consumers, partners, landlords and regulators, including the following:

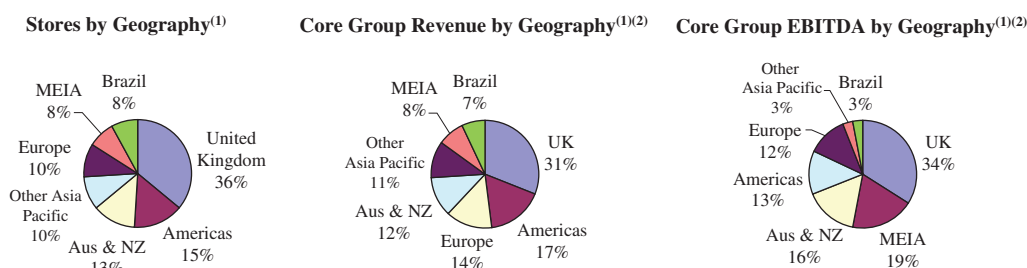
- *Consumer:* We believe that our brand yields superior hit rates in stores (compared to non-Travelex branded stores) and increases online traffic through our site and subsequent conversion rates. The strength of our brand ensures that Travelex is invited to tender for concessions and leases at major sites around the world.
- *Partners & Landlords:* We believe that our brand and reputation for consistent delivery and excellence in service act as competitive advantages in the market, giving partners and landlords the confidence that they require to invite Travelex to more tenders, to assess us more favorably in competitive bids, and give us more credence in discussions over potential outsourcing solutions and create credibility in the white label service offering to our partners. We have recently renewed several retail contracts in airports (including Melbourne Airport, Manchester Airport, Liverpool Airport and Bologna Airport) and extended the LHR contract to include all foreign exchange stores on an exclusive basis and we have also renewed our contracts to supply outsourcing solutions to the Royal Bank of Scotland and Tesco. These are examples of our strong brand and track record of service excellence, which in turn translate to continued business opportunities with our partners and landlords.
- *Regulatory:* We believe that our track record of compliance and globally recognized brand create a strong position with regulators. In particular, we have a track record of working alongside regulators in emerging markets (such as China, Malaysia and Turkey) to help define and improve their regulatory regimes. For example, in 2013, we were awarded a national license to offer retail foreign exchange products and services nationwide across China, and in July 2015 we were awarded approval to conduct the import and export of banknotes in China and provide wholesale banknotes across China.

- *Enhanced opportunities:* Given the importance of trust and credibility in purchasing financial products, we believe that our brand strength is a core strength in the launch of innovative products. We aim to maintain a pipeline of new products, such as the launch on March 27, 2017 of Travelex Wire, a proprietary international money transfer product, in the United Kingdom.

Globally diversified geographic footprint and scale

As of December 31, 2016, we had 2,299 Travelex-branded stores and ATMs spread across 27 countries. Our largest markets include the United Kingdom, Australia, Japan, the United States, the Netherlands, Brazil and Turkey. As of December 31, 2016, we operated 522 stores in 114 airports worldwide, which gives us access to over one billion international travelers annually. We won or renewed 9 airport contracts in 2016. We operate in the top five airports by annual international passenger numbers (Dubai International Airport, Hong Kong Airport, LHR, Singapore Changi Airport and Paris Charles de Gaulle Airport). As of December 31, 2016, we operated in 12 of the world's top 20 international airports by annual international passenger numbers. We are growing our presence in major international hub airports such as Dubai International Airport and Istanbul Atatürk Airport. As of December 31, 2016, we also operated stores in major transport hubs, premium shopping malls, high street locations, supermarkets and city centers across the world, which we refer to as “off-airport” locations. We have developed a growing network of over 1,100 ATMs at both on-airport and off-airport locations around the world, and we have built a growing online and mobile foreign exchange platform. We also process and deliver foreign currency orders for major UK banks and, increasingly, international commercial banks, as well as for travel agencies, hotels and casinos. In addition, we source and distribute large quantities of foreign currency banknotes for customers including central banks and international financial institutions. We are also active in remittances, international payments and VAT refunds.

We illustrate below the geographic footprint of our store network for the year ended December 31, 2016, based on the number of stores, as well as our Core Group Revenue and Core Group EBITDA by region for the year ended December 31, 2016, before Central and Shared Costs:



(1) “MEIA” comprises countries in the Middle East, India, Turkey and South Africa; “Other Asia Pacific” comprises Japan, China, Hong Kong, Singapore and Malaysia; “Americas” comprises the United States, Canada and Panama; and “Aus & NZ” comprises Australia and New Zealand.

(2) Core Group Revenue and Core Group EBITDA by geography do not include Central and Shared Costs.

The geographic footprint of our store network is diversified, having benefited from, for example, the acquisition of 75% of the issued share capital of Arti Döviz Ticaret A.S. (now Travelex Döviz) in 2014, which added nine stores across Turkey to our global store network (with six additional stores opened in Turkey since the date of acquisition), and the acquisition of Grupo Confidenc in 2013 which (at the time of the acquisition) added 119 stores throughout Brazil. We are present in key emerging markets, including Brazil, China, South Africa and the Middle East and, in the last five years we have entered other attractive growth markets, including Singapore and Thailand. We continue to work on market entry strategies for retail markets with foreign exchange and remittance growth potential, notably in the Middle East and APAC. In 2016, we continued to seek new opportunities in wholesale markets, winning contracts and developing operations in emerging markets such as Azerbaijan, Georgia and Armenia, and will continue to identify new opportunities in Latin America and APAC.

Our business has a globally diversified geographic footprint. We believe this represents a significant strength because it mitigates the impact of events such as natural disasters or economic recession,

which often have a local or regional impact. In particular, the impact of terrorist attacks on the Group's results in Europe was offset by strong growth in the Middle East. See "*Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations.*"

In January 2015, we disposed of our French Business to UAE Exchange but continue to provide management services and operate these stores. The Group no longer consolidates the results of the French Business, but instead earns a fee for the management of this entity and therefore all ATMs and stores are included within the Group's reported network. The revenue and EBITDA of the French Business are also reported in Core Group Revenue and Core Group EBITDA (which do not include the management fee received by the Group for the management of the French Business).

In addition to our store and ATM network, our scale advantage is also reflected in our network of hub vaults and satellite vaults, which allows us to provide depth across the foreign currency value chain, enabling us to source and distribute foreign currencies around the world more efficiently. We have four large central vaults ("hub vaults") in London and Hatfield (United Kingdom), the latter also acting as a dedicated UK disaster recovery site, Sydney (Australia) and Louisville (United States), which yield significant economies of scale. These are operated with increasing levels of automation, thereby further increasing operational efficiency and lowering our cost of currency. These hub vaults are connected to a broader network of 13 smaller vaults ("satellite vaults"). This global interconnected network provides us with the flexibility to source currency locally or from abroad and enables us to efficiently re-circulate currencies from lower margin wholesale locations to countries where they can be resold at higher retail margins. Our international network of vaults allows for a highly differentiated level of vertical integration whereby we source and distribute large quantities of foreign currency banknotes for customers, including central banks and international financial institutions, and process and deliver foreign exchange orders for major commercial banks as well as for travel agencies, hotels and casinos. This vertical integration and the breadth of our worldwide operations provide our Retail business with a low cost source of banknotes in both major and exotic currencies. We believe this is an important competitive advantage relative to smaller competitors, who are unable to source their currency as effectively. We have continued to invest in our world-leading foreign exchange processing capabilities, including our Taxisia system for automated sorting, bundling and packaging currency and other items. The Taxisia system is installed in our key United Kingdom vault, and we are considering opportunities to use it in our other vaults as well. This has significantly reduced the cost of processing currency through the London hub vault. We have also invested in ensuring a high level of IT and business process integration with our customers, which, coupled with our ability to offer a variety of foreign exchange products across multiple channels, helps to support customer retention.

Long-term, mutually beneficial partner relationships underpinning stability of revenues

We have successfully built long-term relationships with blue chip clients, reflecting the quality of our service and our capacity to retain profitable relationships. We operate retail foreign exchange stores and we process and deliver foreign currency orders for partner customers including: (i) supermarket chains in the United Kingdom, including Tesco, Sainsbury's, and Asda; (ii) large commercial banks, including Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, National Australia Bank, Kiwi Bank, Westpac and HSBC; and (iii) travel agencies, hotels and casinos, including Thomas Cook and Gala Casinos. Our fully integrated, complete end-to-end supply solution to our partners increases efficiency of service and minimizes disruption to our partners. This also means we are deeply integrated with them. We have developed long-term relationships with such partners to capitalize on their established distribution networks and brands based on the strength and depth of our offerings across multiple channels. For example, we have provided outsourced foreign exchange services to both the Royal Bank of Scotland and Barclays Bank for over 15 years. We believe that the nature and quality of our partner relationships are a significant competitive advantage for us and a testament to the level of trust such companies place in us, our compliance standards and in our continued and on-going excellence in service.

We also provide sourcing and distribution of foreign currency banknotes to our wholesale customers, including central banks and international financial institutions, such as the Central Bank of Nigeria, Barclays Bank, HSBC, Forex Bank AB, Ecobank Nigeria and Standard Bank. We also provide the Central Bank of Nigeria with an outsourced distribution solution for its weekly distribution of U.S. dollars to retail foreign exchange stores in Lagos. These long-term relationships are underpinned by trust in

the Travelex brand, our compliance standards and our ability to meet specific requirements on the size of banknote consignments and their delivery from vault to vault and onwards to retail locations. The deep, long-term relationships established with partners and wholesale customers and continued excellence in service support our competitive positioning.

The table below indicates our key partners and wholesale customers and the length of our relationship with each:

Key Outsourcing Partners	Duration
Barclays Bank	Over 15 years
The Royal Bank of Scotland	Over 15 years
Tesco	12 years
Kiwibank	11 years
HSBC	10 years
National Australia Bank	10 years
Sainsbury's	9 years
Asda	7 years
Lloyds Banking Group	7 years
Hays Travel	3 years
The Money Shop	3 years
Key Wholesale Customers	
Central Bank of Nigeria	Over 20 years
Standard Chartered Bank	Over 20 years
Forex Bank AB	Over 15 years
Rawbank	Over 10 years
Barclays Bank	Over 10 years
Ecobank Nigeria	10 years
Thomas Cook	9 years
Stanbic Bank	6 years
Standard Bank	6 years
Moneycorp	3 years

Continued investment in integrated digital platform

We are continuing to invest in growing our in-house digital capabilities, which will allow us to deliver the next generation of products, while also strengthening our existing offering. In addition, we have a proven track record of providing innovative solutions to our customers, such as our bank-to-bank online consumer payment service that we operate through Travelex International Payments, in partnership with OzForex, and ecommerce and point-of-sale terminals to acquirers, merchants and business customers. We have invested £22.7 million over the last three years (2016: £12.9 million, 2015: £9.8 million, 2014: £nil) in building our digital offering (including recent investments in Travelex Wire). Our digital capabilities are delivering strong growth in the online Retail channel, with online Retail revenue up 21%, and the number of online Retail transactions up 7%, in the year ended December 31, 2016, as compared to the year ended December 31, 2015. We are currently developing new mobile services, applications and digital card products, and building research and development capabilities. On March 27, 2017, we launched Travelex Wire in the United Kingdom, a new bank-to-bank online consumer payments service.

We expect that the integrated digital technology ecosystem which we have built will serve to strengthen existing products by increasing the agility and flexibility of existing solutions and reducing business risk and operational costs. This modular IT architecture can also be re-purposed to allow us to offer additional services to outsourcing partners. This technological integration with outsourcing partners is particularly beneficial for contract renewals, and has helped us to secure the renewal of contracts with Sainsbury's and the Royal Bank of Scotland. In addition, it is critical to capture new outsourcing clients and to offer pioneering digital cross-platform outsourcing solutions, such as our new outsourced currency solutions contract with Australian financial services provider Westpac. Our IT infrastructure supports and enhances our operations with respect to retail and wholesale transactions, online channels, risk management and compliance. We recently made significant upgrades to much of our IT

platforms and systems, spending £7.8 million in 2016 on developing the next-generation IT platform, and expanded our shared services center in Mumbai to support our global functions, which we believe is helping to deliver economies of scale and greater automation of our business.

Diversified and resilient business model set for growth

Secular growth in international travel, particularly in emerging markets, as well as globalization, have driven a corresponding increase in volumes in the retail foreign exchange market. As the number of international trips has increased over the last twenty years and is forecasted to continue to grow (source: The World Bank), such growth should have a positive impact on foreign currency spend and international payments.

Consumer options for foreign exchange continue to increase, from purchases at physical stores and ATMs to payments by credit card, debit and prepaid cards, to electronic purchases via the internet and mobile phones. Our ability to handle customer requests in each channel positions us well to benefit from corresponding growth. We believe that we are well positioned to capitalize on our investments in prepaid cards, and mobile and online platforms, given our track record across countries and markets and the impact of our trusted brand.

Despite the challenges we have faced, we have shown resilient growth in Core Group Revenue at 3.8% CAGR over the last three years, driven in large measure by our strategic geographic and product expansion and diversity. Our business has proven to be resilient to economic cycles and our growth over the last ten years has been driven by the trend of increased international travel across the world and by globalization. These trends drive increased need for products across the foreign exchange value chain across geographies. For example, in 2016, our retail division revenue growth remained strong, underpinned by the robust performance in UK VAT refunds, market share growth in the Middle East and solid growth in other key markets such as Japan, Australia and New Zealand, with each trading quarter in the financial year 2016 performing at least 10% above the comparable trading quarter in the financial year 2015. In addition, we became the sole provider of foreign currency ATM services in LHR, which has contributed to improved revenue in 2016. Our revenue has also benefitted from strong multi-channel performance, particularly in online and ATMs. A large portion of our revenue is also generated from sources not dependent on travel, such as our Wholesale and Outsourcing and Payments and Technology businesses. Finally, much of our revenue is generated from longer term contracts or supported by long-standing relationships, mitigating the effects of economic cycles or other adverse changes in our market.

In addition to resilient revenue growth, most of our segments have shown robust profitability levels through the years. Retail Core Group EBITDA has grown at 3.3% CAGR in the last three years in particular due to the revenue initiatives in the UK and Japan, strong profitability in Turkey and continued focus on our cost base. Outsourcing margins remain strong and prospects are strengthened by the new outsourced currency solutions contract with Westpac, which commenced in September 2016. With improving economic conditions and increasing oil prices, we have seen business in Nigeria pick up since the second half of 2016. We have received orders from the Central Bank of Nigeria in November 2016 (\$250 million), February 2017 (\$250 million) and April 2017 (\$500 million).

We also believe that the actions we took in 2016 position us well for growth in 2017. We see several attractive opportunities in the market that will contribute to our growth and continued resilient performance. Travelex Brazil provides a strong platform for expansion in Latin America, with remittance, cross-border digital payments and wholesale banknote sales being key focus points. In addition, we secured presence in key developing markets. For example, in July 2016, we commenced operations at Changi airport in Singapore, a top 10 international hub, and are planning to roll out new products such as ATMs, VAT refunds and remittance in the market. During 2016, we expanded the wholesale client base in emerging markets to include jurisdictions such as Azerbaijan, Georgia, Armenia and Dominican Republic. In 2017, we continue to explore new market entry opportunities. We have a proven track record of entry to fast growing markets, and plan to cultivate market entry opportunities in the Middle East and APAC markets with growing foreign exchange and remittance potential, such as Kuwait, Saudi Arabia, Indonesia and Philippines.

Strong culture of compliance and risk management underpinning deep regulatory relationships

Compliance and risk management are at the heart of our business. We seek to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust our customers, counterparties and regulators place in our global brand. We take the trust we have earned very seriously and we plan to continue to maintain our compliance capabilities. In 2017, we plan to upgrade our money laundering and sanctions monitoring systems and fraud monitoring systems, reinforcing our commitment to leading-edge compliance practices. We believe this represents a key competitive advantage in our Retail business when we tender for concessions and leases at on-airport and off-airport locations, as well as for our Wholesale and Outsourcing business. It also enhances the trust and credibility in negotiations with central banks, regulators and sovereign authorities when we seek to enter new countries, expand existing products and services or attract new partners and customers. In addition, we believe that our strength in compliance also represents a key competitive advantage for our Payments and Technology business when we negotiate with potential customers and technology providers. Although we seek to maintain the highest compliance standards, we may be subject to regulatory investigations or experience other compliance issues with regulators from time to time. In such cases, we seek to work collaboratively with regulators to resolve such issues in a timely and comprehensive manner.

Our experience and track record in a variety of regulatory environments across the world has resulted in us being asked by the regulatory authorities of key emerging nations looking to implement regulatory reform, such as China, Turkey and Malaysia, to help them understand the differing regulatory regimes in place, identify best practices and keep pace with the development of the tourist market, and advise them on handling a full range of currencies, prepaid cards and online foreign exchange sales.

Strong management team and supportive shareholders

Our experienced management team has a track record of delivering attractive growth and portfolio optimization. The executive team has many decades of experience and has grown the business across economic cycles.

In addition, we benefit from the consistent support of our shareholders, who have significant experience in the foreign exchange and payments and remittances sector. For example, in December 2016 and in January and February 2017, our shareholders provided £68.5 million in aggregate of subordinated shareholder loans to support our organic growth. See “*Related Party Transactions*.” With the backing of our shareholders, our management team is free to focus on the execution of strategic priorities.

Our Strategy

Our strategy is to grow our business by capitalizing on our brand. We aim to (i) continue building deep customer relationships and providing a seamless experience across channels, (ii) deliver innovative products, services and channels, (iii) increase our footprint in the markets in which we are present; and (iv) maintain the efficiency of our operating model.

There are four core strategic priorities:

Continue building deep customer relationships

Our vision for Travelex over the next five years is to rapidly grow a large base of consumer and corporate customers who use Travelex to send and spend money around the world. We believe that Travelex has a compelling value proposition with the best products, the greatest convenience and the best experience across all channels. We are in the process of developing a roadmap for monetizing customer data and leveraging our new digital products. As of December 31, 2016, we had approximately 800,000 customers in our customer database.

We aim to deliver a seamless customer experience and personalized service across all channels, based on a “single customer view” by investing in our customer database and communications tools. We aim to build deeper relationships with Outsourcing partners by offering white label currency solutions for their foreign exchange needs.

We believe that our deep customer knowledge will drive growth by delivering more relevant products and services, taking advantage of cross-selling opportunities and increasing customer retention. We aspire to build a ‘one stop shop’ for foreign exchange and travel-related needs that will support the sale of multiple Travelex and third-party products to customers.

Deliver innovative products, services and channels

We have a proven track record of bringing new and innovative products to market, such as the multi-currency prepaid cards in the United Kingdom, Australia, New Zealand, Japan and the United States and VAT refunds, which we offer at our major European hubs such as LHR, Paris Charles de Gaulle Airport, Amsterdam Schiphol Airport and Manchester Airport. We aim to continue developing a pipeline of new products for our customers and Outsourcing partners. Through increased investment, we continue to strengthen our digital capabilities to capitalize on growth opportunities and to ensure we continue to deliver the most innovative and leading currency services for our customers whilst adapting to the changing payments landscape.

In addition to our “Travelex Money App,” we are in the process of creating an owned international payments platform which can be offered by Travelex branded channels as well as by partners. Travelex has a track record of success in the payments market, having previously operated one of the largest non-bank providers of corporate cross-border payments.

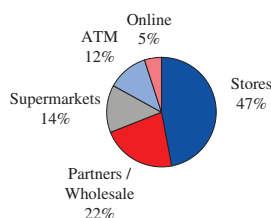
We are diversifying our product offering by increasing investments in remittances, a key engine of growth in the foreign exchange and international payments category. We are intending to expand beyond our long-established relationship with Western Union to roll out growth products, such as Xpress Money, which is a cash-to-bank and bank-to-bank consumer remittance product, across the Travelex retail network. These products will give us access to new geographic locations and customer segments.

We will consider strategic investment and technology acquisitions in the retail and financial technology sectors for the purposes of accelerating our product and service roadmaps.

Depth in key markets: increase our footprint in the markets in which we are present

We seek to further build upon our market share in our key markets by leveraging our full range of distribution channels and business models. Key markets include Australia, the Netherlands, the United Kingdom and the United States, and we are also present in other major travel markets such as China, Germany and France. In the United Kingdom, we have a significant number of airport locations which offer foreign exchange services and VAT refunds, and we offer outsourcing solutions to four major banks and three major supermarket chains. We also have a comprehensive online platform proposition, which can be individually tailored for each of our partners. The chart below illustrates our current split per business in the United Kingdom, our most mature market, which we aim to replicate in the other countries and regions in which we operate, calculated based on revenue for the year ended December 31, 2016:

United Kingdom Revenue by Channel⁽¹⁾



(1) Revenue in the United Kingdom for the year ended December 31, 2016 excludes revenue related to UK banknotes for the year ended December 31, 2016, as a majority of such revenue relates to delivery of banknotes outside the United Kingdom, and revenue related to Tesco and Sainsbury's stores.

Similarly, in the Netherlands, we have a strong airport presence with a strong share of outbound planned market foreign exchange through our downtown retail proposition and our outsourcing relationships with the major banks, together with a growing online business.

There are a number of opportunities for us to expand our distribution including: (i) expanding participation in airports (we are targeting a number of important airport contracts in 2017); (ii) expanding our on-airport ATM network; (iii) replicating the UK supermarkets model in other markets; (iv) extending online and mobile reach to drive penetration in the outbound planned market and access higher average transaction values ("ATVs") that are typical of this channel, and offering white label websites for outsourcing and retail partners; and (v) expanding our Wholesale and Outsourcing business by driving share in the outbound planned market through replication of the outsourcing model, by focusing on core markets in the United States or Australia, where we already have vaults and existing outsourcing customer relationships, as well as driving growth from European markets where we can leverage our infrastructure in the United Kingdom.

As of December 31, 2016, we operated, either under our own brand or through one of our partners' brands, 1,509 stores in 27 countries and over 1,100 ATMs in 15 countries. There is scope to expand our global footprint in selective other markets where we believe we can operate across the supply chain and they have an opportunity to be a significant contributor to EBITDA.

Historically, we have employed a number of expansion strategies to enter new markets, including by acquisition, organic development and joint venture arrangements. For example, our operations in Thailand, Panama, South Africa, Qatar, UAE, Oman, Bahrain, Turkey and Malaysia all started as joint ventures, and most of them continue as such. In December 2015, we acquired 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade assets of Renova S.A. Corretora de Cambio. The Renova business comprised a network of retail stores across Brazil with a remittance and business to business foreign exchange offering which is complementary to the Grupo Confidence offering in Brazil. On February 2, 2015, we acquired the remaining 51% interest in Grupo Confidence, the leading independent foreign exchange business in Brazil, having acquired 49% stake in April 2013. In May 2014, we acquired a 75% stake in Arti Döviz (now Travelex Döviz), a leading foreign exchange business in Turkey, for £24.6 million. In January 2017, we purchased the remaining 51% of our joint venture in South Africa that we did not previously own for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing). In each of these markets, we will continue to focus on consolidating our market share by expanding distribution and business models, and developing innovative payments propositions, in line with our strategy for existing markets.

Maintain the efficiency of our operating model

We continue to leverage our scale to optimize efficiencies in our business. We have implemented a global structure, with business units supported by functions on a global basis and we continue to evolve our operating model. We have a global supply chain, and we are currently testing automated vault technology aimed at reducing our vault costs and error rates. Support functions are leveraging our growing shared services center in Mumbai, which currently provides Finance, IT, Compliance and Human Resources services, and which employed 510 people as of December 31, 2016.

We intend to continue to increase operational efficiency by reviewing our organizational design looking for further process improvements and for process automation. We will also invest in upgrading and developing platforms for our Outsourcing and SME customers, as well as key systems to support new digital products, customer database, compliance, and further improve our data analytics capability.

We look for continuous improvement across the business to drive economies of scale. We have several globally organized programs within the business. For example, our Retail business runs a Global Channel and Sales Effectiveness ("GCSE") program, which leverages best practice sales techniques across our stores, and "Retex," a global initiative to optimize store rostering. Our contract strategy and commercial propositions are centrally managed to ensure we take advantage of our global knowledge and experience.

We continue to seek opportunities for further efficiency whilst also ensuring that our skills and capabilities are aligned with our strategic objectives. We believe that there are further opportunities for standardizing and automating routine transactional activities. For example, in 2016, we commenced a support function efficiency initiative which will further reduce costs through increased offshoring of our finance and risk functions. In 2017, we announced the relocation of approximately 70 finance roles from the United Kingdom to our shared services center in Mumbai.

Company History

The Company was founded by Lloyd Dorfman with a single travel money store in central London in 1976. In 1986, we were awarded the retail travel money contract for LHR Terminal 4 by the British Airport Authority (BAA). This marked a key milestone for both us and the industry as prior to this date BAA had only ever awarded retail travel money contracts to high street banks.

Between the late 1980s and the early 2000s we expanded internationally across Europe as well as into North America and APAC. We began the development of our business beyond retail travel money through the acquisition, in conjunction with the Royal Bank of Scotland, of the “pick and pack” operations of Barclays Bank in 1999. We thereby entered the foreign currency outsourcing market and started offering foreign currency services to partners including commercial banks, travel agents and supermarket chains.

In 2001, we acquired TCFS for a total consideration of £440 million. The transaction was transformational to the scale of our business, as it added Thomas Cook worldwide network of retail foreign exchange locations, a substantial outsourced travel money operation as well as a business-to-business payments division.

On February 25, 2005, Apax Funds and certain members of our management entered into a sale and purchase agreement to acquire a controlling stake in Travelex with Lloyd Dorfman remaining as a shareholder.

In April 2010, we carried out a strategic review of our business and decided to re-focus Travelex on its consumer-oriented foreign exchange business. This re-focus led, in the first instance, to the disposal of the prepaid card program management business to MasterCard for £284.4 million in 2011. In line with the strategy of focusing on consumer foreign exchange, we retained the retail end of our prepaid card business, so that we could continue to offer our customers prepaid cards through our retail and our online platform. This strategic review also led to the disposal of the Travelex global business payments division to Western Union for £596.3 million in November 2011. The proceeds from the two disposals were used to repay our outstanding bank debt at the time in full.

Our global retail network continued to expand as significant airport contracts were successfully renewed, including in particular Frankfurt Airport in 2010 and Hiroshima in 2012, Atlanta and Hong Kong in 2012, LHR and Zurich in 2014 and Abu Dhabi Airports in 2015 and 2016, as well as winning some significant new airports, including Beijing Airport, Paris Charles de Gaulle and Paris Orly Airports in 2010, Shanghai Hongqiao Airport in 2014 and Shanghai Pudong Airport in 2015, Johannesburg's O.R. Tambo Airport in 2011 (which was awarded to Travelex Africa), Dubai's A380 terminal in 2012, Kuala Lumpur in 2013, Detroit Wayne County, Boston Logan and Hamad International Airport (Doha) in 2014, LHR on an exclusive basis in 2015 and Manchester and Liverpool in 2016. Our growth strategy also commenced targeting systematically all the channels through which foreign exchange consumer services are distributed, including the rolling out of a significant network of ATMs dispensing foreign currency at airports, malls and in key tourist locations and our improved online and mobile offering platform. In October 2012, we also launched successfully a bank-to-bank consumer payments offering, in conjunction with our partner OzForex, in the United Kingdom which was subsequently launched in Australia and New Zealand in 2013 and the US and Canada in 2014.

In July 2013, we issued the Existing Notes and entered into the Existing Revolving Credit Facility.

In April 2013 we acquired 49% of Grupo Confidente and in February 2015 we acquired the remaining 51%. The acquisition was structured in two stages in order to provide Travelex with a progressive entry into this important and sizeable new market and to facilitate the granting of regulatory approvals for the transaction. In addition to the retail foreign exchange business, Grupo Confidente includes a corporate foreign exchange payments business, a wholesale banknotes business and cards-issuing and program management businesses.

Access to new emerging markets has also involved joint ventures with local partners as was the case in South Africa, Panama and Malaysia in 2011, Qatar in 2012, Turkey in 2014 and Thailand in 2016.

On January 29, 2015, the Apax Funds and Mr. Lloyd Dorfman, our founder and former chairman, sold their interests in the Group to UTX Holdings Limited, a company incorporated in Jersey and which is

ultimately controlled by Dr. B.R. Shetty. The new shareholders control a portfolio of companies, including UAE Exchange, a global remittance business based in Abu Dhabi. In connection with such sale, one of our subsidiaries, Travelex France Holdings Limited, sold its 100% stake in the French Business to UAE Exchange UK Limited, for a consideration of £19.3 million (equivalent). Lloyd Dorfman and The Lloyd Dorfman Children's Settlement retained a joint 5% stake in the Travelex Group.

While we believe that opportunities for both businesses to work more closely together and to benefit from each other will arise, we will continue to operate independently for the foreseeable future. We are currently in the process of evaluating strategic opportunities for growth in our global payments and remittance offering by leveraging UAE Exchange's technology platforms and best practices, and quicker expansion into the Middle East and India.

In April 2016, we disposed of Travelex Outsourcing Pty Ltd (which provided DCC solutions to acquirers, merchants and business partners through "Currency Select") to Global Blue SA. The gross proceeds of the sale were AUD 67.5 million (approximately £36.1 million at the time of disposition) which were primarily used for working capital and capital expenditure requirements. In November 2016, we disposed of Travelex Insurance Services, Inc., our travel insurance brokerage in the United States, to Cover-More Group Limited. The gross proceeds of the sale were \$109.6 million (approximately £86.7 million at the time of disposition), which we used to repay debt and to increase cash on balance sheet.

Our Business

Overview

Our business is active across the entire value chain of the retail foreign exchange industry and our retail operations span 26 countries (excluding Brazil which is reported as a separate segment) as of December 31, 2016. Our activities include the operation of retail foreign exchange stores, ATMs and online and mobile platforms for our retail customers; the preparation, processing and delivery of foreign currency orders for supermarket chains and financial institutions; and the sourcing and distribution of large quantities of foreign currency banknotes for wholesale customers including from central banks and international financial institutions. We believe that our presence across the entire value chain supports our ability to seek business opportunities and provide bespoke product and service solutions to our customers. As of December 31, 2016, we had operations in the following countries:

- | | |
|------------------------|------------------|
| • Australia | • Bahrain |
| • Belgium | • Brazil |
| • Canada | • China |
| • Czech Republic | • France |
| • Germany | • Hong Kong |
| • India | • Italy |
| • Japan | • Malaysia |
| • Netherlands | • New Zealand |
| • Nigeria | • Oman |
| • Panama | • Poland |
| • Qatar | • Singapore |
| • South Africa | • Switzerland |
| • Thailand | • Turkey |
| • United Arab Emirates | • United Kingdom |
| • United States | • Zambia |

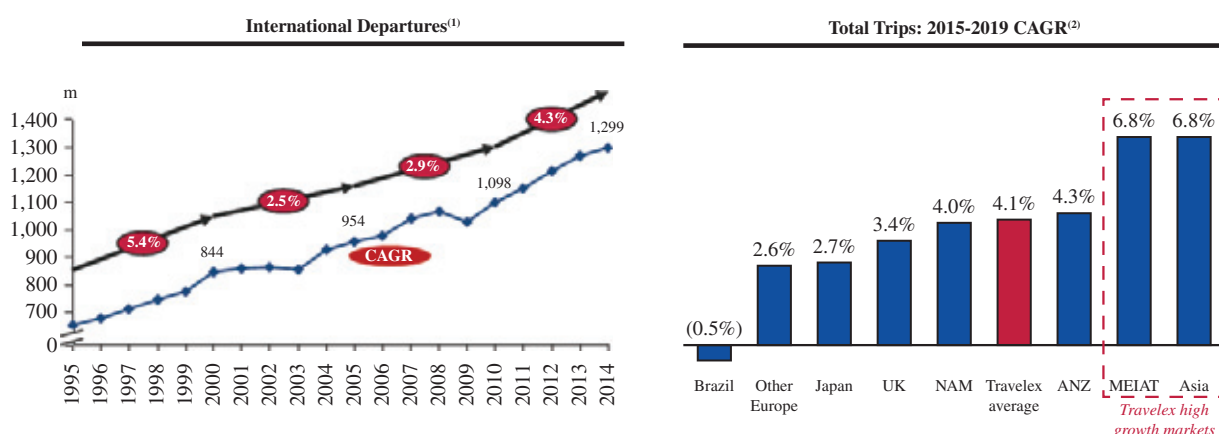
Our business is also active in ancillary activities focused on remittance and international payments, such as the Western Union Money TransferSM service, in which we act as an agent for Western Union.

Market dynamics

We estimate that a majority of both inbound and outbound spend is through cards, with the remainder split between pre-trip, at-airport, and at-destination acquisition of cash.

The value of currency acquired and mix of travel phases tends to vary by territory. Generally, consumers tend to use cash more frequently abroad than when at home. While an increase in card usage among consumers appears to have impacted at-destination cash purchases, we believe it has not considerably impacted the number of trips where cash is acquired outbound or at the airport, and that the growth in share of cards is offset by the growth in numbers and demographics of trips made abroad.

International travel is a key driver of demand for retail foreign exchange. The number of international trips carried out each year is therefore an important metric and one that is tracked in great detail by international organizations. Illustrated below is the historic evolution of the number of international trips (based on departures) in the 1995-2013 period, as well as the distribution of forecast growth by geography for the period 2015-2019. The statistics for international trips include both business and leisure travel.



(1) The World Bank.

(2) Euromonitor International (May 2016), based on geographies where Travelex is present.

International travel is a key driver of demand for retail foreign exchange. Expansion and diversification in the tourism sector constitutes a powerful favorable driver for the retail foreign exchange and international payments markets.

Demand for retail foreign exchange is also changing in its fundamental nature. Business and leisure travelers today can purchase foreign currency at physical stores but can also use ATMs or choose to make foreign payments by using credit, debit and prepaid cards as well as the internet or their mobile phones. Additionally, as more people live outside their country of origin and engaged in overseas transactions there is a greater demand for retail foreign exchange.

We believe that the market can be segmented by reference to when a customer chooses to purchase foreign currency, specifically: (i) pre-trip: at off-airport foreign exchange stores, online or at high street banks; (ii) at-airport: either at on-airport foreign exchange stores or ATMs located at the departure or arrival halls; and (iii) at-destination, at off-airport foreign exchange stores, high street banks, off-airport ATMs and through credit, debit and prepaid cards.

The at-airport market segment has historically been our core market. We believe it is an attractive market because it is very large in size and because it is set to continue to grow driven by the trends in international travel. We also believe however that the outbound and at-destination markets are potentially very attractive due to their size and the fact that we expect them to be driven not only by the growth in international trips but also by globalization and technology, as customers continue to choose to make more and more payments in foreign currency using not only cash but also cards, the internet and mobile phones.

We participate in two consumer payments markets: remittances and personal international payments ("PIP"), both of which are large and which have showed a robust growth in recent years. The remittance market is fragmented and dominated by independent providers offering cash-to-cash solutions. The market for personal international payments is dominated by banks. However, independent providers are growing in market share, and we are targeting growth in this segment through our cash-to-account and our account-to-account products.

Business Organization

The management structure of our business is currently organized along product and distribution channel lines: Retail, Wholesale and Outsourcing, Brazil, Payments and Technology and Insurance. For the year ended December 31, 2016, our Retail, Wholesale and Outsourcing, Brazil, Payments and Technology and Insurance businesses generated Core Group Revenue of £581.0 million (74.7%), £106.3 million (13.7%), £51.6 million (6.7%), £6.4 million (0.8%) and £32.2 million (4.1%), respectively. Additionally, we generated £51.6 million, £131.4 million, £240.8 million, £112.3 million, £64.7 million, and £176.7 million of our Core Group Revenue for the year ended December 31, 2016 from Brazil, the Americas (excluding Brazil), United Kingdom, Europe, MEIA and Asia Pacific businesses, respectively. Excluding the French Business, we would have generated £68.5 million of revenue and £9.5 million of EBITDA in Europe for the year ended December 31, 2016.

Retail

Our Retail business is the market leading independent retail foreign exchange business. As of December 31, 2016, we operated 1,387 stores in 26 countries (excluding Brazil which is reported as a separate segment). Our largest markets include the United Kingdom, Australia, Japan, the United States, and the Netherlands. As of December 31, 2016, we also operated over 1,100 ATMs (all of which offer DCC and approximately 30% of which allow customers to collect both local and foreign currency). The online and mobile platform in the United Kingdom accounted for 29% of our foreign currency sales in 2016. Since October 2012, our Retail business also includes a consumer payments proposition offering international bank-to-bank payment services online, on mobile devices and over the phone.

Our Retail business model generates revenue primarily from the spread and commissions charged in the sale and purchase of foreign currency at our stores and ATMs. Revenue is also generated from merchant interchange fees, interest on outstanding cash float, and margins and fees arising variously from the use of prepaid cards, the withdrawal of cash from ATMs and the making of international payments.

The two key elements of our retail cost base are (i) payroll costs and (ii) rental and lease costs. The structure of leases at our on-airport stores varies widely and will usually include a combination of fixed and guaranteed payments and variable payments typically linked to store sales. In effect, the business model of our airport business is similar to a concession in which we share profits with the on-airport landlord.

Our Retail business model does not require selling on credit because transactions are typically settled in cash or else by card or direct debit, usually converting to cash the same day or in any event in up to two days. We do not speculate on currency fluctuations and usually seek to hedge any material exposures that may arise. Surplus local or foreign currency is reused wherever possible.

Our Retail business offers customers the following products and services:

- *Foreign Currency Exchange:* customers can exchange cash in approximately 98 different currencies. We are able to offer attractive deals for our customers because of our ability to self-source currency at low cost from our wholesale business and because the size of our operations enables us to recycle currency within our global network;
- *Prepaid Cards:* customers can purchase prepaid currency cards, online and at our stores and partner locations in 12 countries across five continents. Excluding Brazil, where they bear both the MasterCard and the Visa logos, the prepaid cards we sell bear the MasterCard logo and can be used wherever MasterCard is accepted. Our prepaid cards are a flexible and convenient alternative to credit and debit cards, offering improved security benefits like a PIN number and not requiring a bank account. Following the disposal of our prepaid card program management business, we entered into a 10 year agreement with MasterCard to provide appropriate support for our prepaid cards. We also agreed to continue to be an issuer of MasterCard branded prepaid cards until April 2021. We also issue a China Union Pay prepaid Chinese Yuan card which we sell in Hong Kong and plan to launch in Japan;
- *VAT Refunds:* customers can claim VAT refunds at some of our stores in the United Kingdom because we act as an agent for a number of refund providers, including Global Blue and Premier.

We receive a fee for our services and earn foreign exchange income when customers elect to convert their refund into a non-domestic currency. We believe that the VAT refunds market is supported by strong underlying growth and that we are well positioned to expand into new markets;

- *Remittances:* customers can make cash-to-cash payments using our network of worldwide stores using the Western Union Money TransferSM service, in which we act as an agent for Western Union under an agreement renewed in 2011 and expiring in 2020. Customers can also make bank account-to-bank account payments in certain countries in the Middle East through the Travelex Money Transfer service;
- *Consumer Payments:* customers can make international payments using our network of worldwide stores using the Western Union Money TransferSM service, in which we act as an agent for Western Union. Customers typically use this service to pay for moving expenses, buying or renting property abroad, paying for international education and for other regular payments or one-off purchases. In addition, in the Middle East, we are rolling out XpressMoney, a differentiated remittance product which will complement our existing product offering; and
- *Other:* We offer a range of complementary products at certain locations, including travel insurance, SIM cards for mobile telephones, bill payments and railway tickets. We also maintain partnerships with major airlines to offer frequent flyer miles and loyalty points (for example, Qantas), which provide a key advantage to us as it is particularly appealing to business travelers. We also leverage our global airport presence to provide cash collection, processing and till float services from dedicated airport cash centers and/or our retail bureau network in respect of both foreign and domestic currencies to businesses including airport retailers, duty free operators and airlines. Major customers of this business line include Autogrill, World Duty Free and British Airways.

Our Retail business sells our products through our worldwide network of stores, our network of ATMs and our growing online and mobile platform.

We think of our worldwide network of stores as being divided between “on-airport” stores and “off-airport” stores. As of December 31, 2016, we operated 522 stores at 114 airports including the world’s top 5 international airports, and in 12 out of the world’s top 20 international airports by international passenger numbers. We estimate that approximately 50% of the world’s international travelers pass through the top 100 airports in which we operate every year.

The chart below illustrates our presence in the top 20 international airports.

Rank	Airport	International Passengers (in million)	Travelex presence
1.	Dubai (DXB)	82.4	[✓]
2.	London Heathrow (LHR)	70.8	[✓]
3.	Hong Kong (HKG)	70.0	[✓]
4.	Amsterdam Schiphol (AMS)	63.1	[✓]
5.	Paris Charles de Gaulle (CDG)	60.1	[✓]
6.	Singapore Changi (SIN)	57.8	[✓]
7.	Seoul Incheon (ICN)	56.5	[x]
8.	Frankfurt (FRA)	53.6	[✓]
9.	Bangkok (BKK)	45.2	[x]
10	Istanbul Atatürk (IST)	41.9	[✓]
11	Taipei (TPE)	41.5	[x]
12	London Gatwick (LGW)	38.9	[x]
13	Doha (DOH)	36.8	[✓]
14	Kuala Lumpur (KUL)	36.6	[✓]
15	Madrid (MAD)	35.8	[x]
16	Munich (MUC)	32.4	[x]
17	Barcelona (BCN)	32.0	[x]
18	New York John F. Kennedy (JFK)	31.5	[✓]
19	Tokyo Narita (NRT)	31.0	[✓]
20	Rome Fuimicino (FCO)	29.0	[x]

Source: Airports Council International (November 2016).

As of December 31, 2016, we operated 987 stores located in various transport hubs including, seaports and railway stations and in high tourist footfall locations including premium shopping malls, high street locations, supermarkets and city centers, and 522 stores in on-airport locations. We illustrate below the geographic distribution of our stores as of December 31, 2016.

	<u>Total</u>	<u>On-Airport</u>	<u>Off-Airport</u>
United Kingdom	533	103	430
North America (including Panama)	229	136	93
Australia and New Zealand	195	72	123
Europe	151	72	79
Other APAC ⁽¹⁾	156	85	71
MEIA ⁽²⁾	123	53	70
Brazil ⁽³⁾	122	1	121
Total	<u>1,509</u>	<u>522</u>	<u>987</u>

(1) Refers to the Asia Pacific and China region, excluding Australia and New Zealand.

(2) Refers to the countries in the Middle East, India, and Africa.

(3) Refers to Brazil and Panama.

The table below indicates some of our key airports and the length of our relationship with each:

<u>Key Partners</u>	<u>Duration</u>
London Heathrow	30 years
John F. Kennedy International Airport (New York)	27 years
Hong Kong International Airport	18 years

Notwithstanding the global nature of our network of stores, there remain a significant number of countries in which we do not have operations. We are constantly reviewing markets with attractive characteristics for entry. Saudi Arabia, Kuwait, Indonesia, the Philippines and the Dominican Republic are examples of markets which would be a good fit for a range of our products and offerings.

We also operate a network of ATMs at both on-airport and off-airport locations, including transport hubs and high tourist footfall locations. As of December 31, 2016, we also operated over 1,100 ATMs (all of which offer DCC and approximately 30% of which allow customers to collect both local and foreign currency). The online and mobile platform in the United Kingdom accounted for 29% of our foreign currency sales in 2016.

We are a global provider of foreign exchange and DCC ATMs with active ATMs in 15 countries, allowing us to capture foreign exchange and DCC revenue on ATM withdrawal, as people become more comfortable with using cards abroad (via DCC ATMs). This allows us to capitalize on the trend of an increase in self-serve (via foreign exchange ATMs at points of departure) giving us more exposure to the large at-destination foreign exchange market. Currency conversion rates for DCC ATMs are usually nearer to typical bank currency conversion rates, whereas ATMs providing foreign currency usually offer the same prices as our physical outlets. We also operate ATMs which issue domestic currency in the United States, Canada and Australia where charging for local currency withdrawals is customary.

Our ATM distribution channel is a key element of our strategy to increase our presence in the outbound and at-destination segments of the retail foreign exchange market. The ATMs we place at railway stations, malls, city centers and airport arrival halls play a key part in the strategy for capturing this additional business. We have therefore entered into, and expect to continue to enter into, partnership agreements that enable us to start operating large numbers of ATMs at the same time. Key examples of this include our agreement with Simon Malls in North America, where we operated approximately 300 ATMs until December 2016 when we sold those ATMs, and our agreement with Euronet Middle East WLL, which has allowed us to install multi-currency and DCC-capable ATMs in locations throughout the Middle East. We also are building a global ATM hub with Wincor Nixdorf AG with which we will provide processing capability and market-leading functionality and connectivity with payment schemes for our own ATMs. Together with Wincor Nixdorf, we will sell these services to third parties such as Independent ATM Deployers and regional banks.

Expansion of our online and mobile distribution channel is also a key element of our strategy to capture a greater share of the outbound and at-destination segments of the retail foreign exchange market. We have developed a proprietary online and mobile platform which links our consumer-facing website with our compliance and vault systems to enable efficient fulfillment of customer orders and had over 1.4 million mobile and online transactions in 2016. Our “full service” websites offer our customers foreign currency and prepaid cards for payment online and collection at stores (and in some cases for home delivery). Full service websites are available in the United Kingdom, the United States, Brazil, Canada, Australia, New Zealand, Germany, Japan and France. We also operate “reservation only” websites offering our customers the option to reserve foreign currency and prepaid cards online for collection at stores. Reservation only websites are currently available in Belgium, the Netherlands, Switzerland, Italy, China, Hong Kong, Malaysia, South Africa, Bahrain, Oman, Qatar and the United Arab Emirates. Information only websites are available in India and the Czech Republic.

We have also developed mobile applications including “Travelex Rate Tracker” which enables customers in the United States to monitor foreign exchange rates on a daily basis including graph functionality. We have also developed Travelex Wire, a proprietary new international money transfer product, which we launched on March 27, 2017 in the United Kingdom.

Due to the recent growth of our online and mobile distribution channel approximately 16% of the gross value of currency we sold in the United Kingdom in 2016 originated online. We believe we are now a market leading online retail foreign exchange provider and we believe that the trust that customers put in our brand when transacting online is a key differentiator that explains our success. Our gross value of currency sold through our online and mobile distribution channel in our six largest markets amounted to £519 million for the year ended December 31, 2016, an increase of approximately 11% over the same period in 2015. In 2016, 53% of Travelex.co.uk online cash transactions came from repeat customers. We believe this is indicative of a good quality and loyal customer base. Our online revenue was £14.4 million, £14.8 million and £17.9 million for the years ended December 31, 2014, 2015 and 2016, respectively.

Our retail customer profile typically differs significantly between on-airport and off-airport locations. Customers at our on-airport locations value convenience first and foremost and therefore tend to include a higher proportion of business travelers and other frequent travelers. Customers at our off-airport locations are more focused on value and hence include more leisure travelers who tend to be more focused on competitive rates and are often interested in our remittances and payments offers. Customers that use our online and mobile offerings also tend to include more leisure travelers who are generally willing to spend additional time on getting the best price for their foreign currency before they travel.

Our Retail business utilizes a Global Channel and Sales Effectiveness program (“GCSE”), which provides an operating model for the Retail business to identify best practices and leverage scale and experience in order to standardize processes globally and deliver a consistent service experience for walk-up customers from location to location. In addition, we utilize stock management software which provides real-time transparency on inventory levels and the ability to centrally control days of inventory based on seasonal trends and stock movements across the business, in order to recycle currencies between locations and reduce sourcing costs.

Our Retail business is subject to competition from companies which offer retail customers foreign exchange services as part of a broader product and service offer. Our independent competitors include other non-bank foreign exchange providers of similar products and services including foreign currency cash, prepaid cards and money transfers, which are also active at both on-and off-airport locations. Such competitors are typically stronger in specific geographic regions rather than on a global scale. Examples include International Currency Exchange (ICE), American Express, Travel Money OZ, Global Exchange and TTT Moneycorp. Other competitors include banks and other financial institutions offering similar products and services to their customers as part of an overall set of banking products including debit and credit cards. In addition, we face competition from CardTronics and Euronet with respect to our ATM business. We believe that retail foreign exchange products and services are non-core to the customer offerings of such banks and other financial institutions, which we believe is the main reason for the outsourcing of their foreign currency businesses to dedicated operators like Travelex. See “—*Wholesale and Outsourcing.*” In the United Kingdom, Marks and Spencer and the Post Office also compete with us through their nationwide retail network at off-airport locations. We believe these competitors are mostly focused on leisure travelers who purchase currency in advance.

Wholesale and Outsourcing

Wholesale

Our wholesale banknotes business provides sourcing and distribution of foreign currency banknotes to financial institutions, travel agents and central banks in approximately 57 countries. The typical order size is for an amount of banknotes between \$5 million and \$250 million. Our customers distribute the banknotes acquired from us onwards to their customers including other banks and money service businesses in their country of operation.

The key products of our wholesale banknotes business are the banknotes of approximately 96 currencies. Our main focus is on U.S. dollars, euros and pounds sterling. The provision of wholesale banknotes is a highly regulated business, with a strong focus on compliance and risk management.

We also provide bespoke logistic services because our wholesale customers typically have very specific requirements on how large consignments of banknotes should be stocked, handled and delivered from vault to vault and on to their own customers. To this end we use some of the world's leading cash in transit operators including Brink's, G4S and Loomis.

Our wholesale banknotes business model is order driven and based fundamentally on longstanding relationships and the trust that our wholesale customers place in us. We source U.S. dollars (as well as other currencies) primarily from Bank of America, N.A. and BRS Personal Investments, an entity controlled by our shareholder. See "*Material Agreements—BRS Personal Investments Banknote Supply Agreement*." In August 2016, we signed a new banknotes supply agreement for our UK vault operation with Bank of America, N.A. which runs until December 31, 2017. The new agreement with Bank of America, N.A. contains certain commitments around the financial, operational and functional separation of the UAE Exchange and our businesses, including an annual cap of £300 million on the volumes of banknotes to be traded between UAE Exchange and ourselves. We stock banknotes in our network of 17 vaults around the world. We generate revenue from charging a margin on the volume of banknotes delivered. Although this business produces relatively low margins, order volumes drive revenue.

Importantly, our wholesale banknotes business model also involves supplying our Retail and outsourcing business. This degree of vertical integration provides our Retail business with a low cost source of banknotes in both major and exotic currencies. We believe this is an important competitive advantage relative to smaller competitors, who are unable to source their currency as effectively.

The four largest customers by revenue in 2016 of our wholesale banknotes business were the Thomas Cook, Stanbic Bank, Rawbank and Standard Bank. Through the acquisition of Grupo Confidenc, we have also started to offer wholesale banknotes services in Brazil. Historically, we have targeted certain African nations due to relatively lower levels of competition and historical relationships in the region, as a legacy of the TCFS acquisition. We have also experienced relatively higher margins in these regions compared to those for domestic cash delivery. We have also begun to expand our wholesale banknotes business into new emerging markets in Eastern Europe and Central Asia. During 2016, we expanded the wholesale client base in emerging markets to include jurisdictions such as Azerbaijan, Georgia, Armenia and Dominican Republic. In 2017, we continue to explore new market entry opportunities. See "*Risk Factors—Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks*."

Our wholesale banknotes business key competitors are banks and financial institutions, in particular, Bank of America, N.A., Credit Suisse, Bank of Ireland, United Overseas Bank and American Express. Other independent competitors include CPoR Devises, which has a strong competitive niche in French-speaking Africa.

Outsourcing

Our outsourcing business provides outsourced foreign currency services to partners including primarily supermarket chains, high street banks, travel agencies, hotels and casinos. Our partners typically have recognizable distribution networks and customer brands like Tesco, Sainsbury's, Asda, Barclays Bank, the Royal Bank of Scotland, Lloyds Bank, HSBC, Westpac and Thomas Cook, reaching potential customers in the outbound segment of the retail foreign exchange market, in line with our strategy of

pursuing growth opportunities in this attractive market segment. We believe that these customers outsource to Travelex in order to increase profitability, reduce cost to revenue ratios and receive better services.

We classify our partners into three categories:

- “aggregators” including UK supermarket chains, whose large retail network aggregate demand and require us to provide the full range of retail foreign exchange services to their customers;
- “outsourcing partners” including retail banks who typically deem the provision of retail foreign exchange services as non-core to their customer offering; and
- “trade & corporate partners” including travel agencies, hotels and casinos, who require us to provide full retail cash solutions but without front sales staff.

Our outsourcing business models and the range of products and services we provide are tailored to fit the requirements of each specific partner. Commercial structures vary depending on the range of products and services provided, but typically involve a combination of fixed management fees and profit sharing arrangements. The relationship with our partners is typically governed by contracts of varying terms ranging from three to seven years and we have been generally successful in renewing contracts historically so that the relationships we enjoy with our partners are often longer than stipulated contract terms.

Our retail bank and trade and corporate partners typically require us to provide foreign currency sourcing and distribution services as well as the preparation, processing and delivery of orders. At our customer's request we can also integrate our systems into theirs, offer reconciliation services as well as the ability to process customer payments on behalf of that customer through our online and telephone channels. These partners control all operations at their physical sites including retail bank branches, travel agent and hotel sites. Our largest partners by revenue in 2016 included Barclays Bank, Lloyds Banking Group, the Royal Bank of Scotland, Thomas Cook and The Money Shop in the United Kingdom; National Australia Bank, Westpac and Kiwi Bank in Australia and New Zealand, respectively; Rabo Bank in the Netherlands; and US Bank, Citibank Retail, Desjardin, HSBC Bank Canada, M&T Bank, AAA and Continental Currency Exchange in North America. Travel agent, casino and hotel partners include Saga, Hilton Group, Intercontinental Hotels and Gala Casinos. We are currently in the process of renewing our contract with US Bank, which accounts for approximately 25% of our outsourcing business in the United States, and expect to have a new agreement in place in the first half of 2017.

Our UK supermarket partners require us to go further down the value chain towards retail customers. In addition to foreign currency sourcing and distribution and the processing of orders, they typically also require us to operate physical customer facing stores, websites and call centers under the brand of our partner. For these partners, we are responsible for day-to-day operations managing infrastructure, technology and regulatory compliance and in some cases also providing employees dressed in our partners' corporate uniforms. Our largest UK supermarket partners by revenue included some of the UK's largest supermarket chains i.e. Tesco, Sainsbury's and Asda. As of December 31, 2016, we had a total of 413 partner branded retail locations in the United Kingdom (excluding Sainsbury's). Our largest outsourcing partners in other jurisdictions include National Australia Bank in Australia and US Bank in the United States.

Our outsourcing business relies on our infrastructure to process and deliver orders to high service standards. Our main vault in the United Kingdom is located in Surrey, where we have invested substantially in the past to achieve a reliable, low cost and increasingly less manual infrastructure that we believe is a key source of our competitive advantage. We have improved our facility through Taxidia, a fully automated solution designed to have the capability to “pick and pack” banknote orders both for loose banknotes and for strapped bundles of banknotes. We commenced live orders through Taxidia in February 2015.

Our main competitor in the United Kingdom is First Rate Exchange Services, a joint venture between the UK Post Office and the Bank of Ireland. First Rate Exchange Services supplies the retail counters of the Post Office (a significant player in the UK outbound market), as well as certain private banks and ferries. Main competitors outside of the United Kingdom include Wells Fargo, Bank of America, N.A., American Express and CXI Exchange.

The table below indicates our key partners and wholesale customers and the length of our relationship with each:

Key Outsourcing Partners

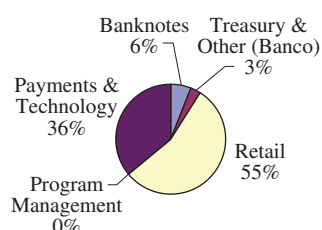
	Duration
Barclays Bank	Over 15 years
The Royal Bank of Scotland	Over 15 years
Tesco	12 years
Kiwibank	11 years
HSBC	10 years
National Australia Bank	10 years
Sainsbury's	9 years
Asda	7 years
Lloyds Banking Group	7 years
Hays Travel	3 years
The Money Shop	3 years

Key Wholesale Customers

Central Bank of Nigeria	Over 20 years
Standard Chartered Bank	Over 20 years
Forex Bank AB	Over 15 years
Rawbank	Over 10 years
Barclays Bank	Over 10 years
Ecobank Nigeria	10 years
Thomas Cook	9 years
Stanbic Bank	6 years
Standard Bank	6 years
Moneycorp	3 years

Brazil

Since we acquired 49% of Grupo Confidence in 2013, Brazil has been reported as a separate segment. The Brazil business includes: retail foreign currency exchange, international bank-to-bank payment services and wholesale banknotes services. Grupo Confidence has a nationwide footprint in Brazil. The below chart sets out the split of Grupo Confidence's revenue by product category for the year ended December 31, 2016.



In December 2015, BRS Ventures LLC, a company incorporated in the United States and owned by our ultimate controlling party, Dr. B.R. Shetty, acquired 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade assets of Renova S.A. Corretora de Cambio. The Renova business comprised a network of retail stores across Brazil with a remittance and business to business foreign exchange offering which is complementary to the Grupo Confidence offering in Brazil. On the same date as the acquisition, BRS Ventures LLC transferred Renova to the Group in exchange for the Renova Loan in the amount of \$23.5 million (with a book value of £2.1 million).

In 2016, we began re-engineering our Brazil business, primarily by reducing our store count by 30 stores in order to enhance the profitability of the segment.

Payments and Technology

Our Payments and Technology business comprises various ancillary activities that we consider to be interesting potential areas of growth, which are of a technologically innovative nature.

We are investing in building our in-house digital capabilities, which will allow us to deliver the next generation of products, while also strengthening existing propositions. We have a proven track record of providing innovative solutions to our customers, such as our ecommerce and point-of-sale terminals to acquirers, merchants and business customers. We are currently developing new mobile services and apps, digital card products and building research and development capabilities. Our “Travelex Money App” was launched in June 2015 through a campaign across public relations, email and social media advertising. The “Travelex Money App” aims to help UK customers quickly and efficiently plan and purchase their cash in advance of holiday requirements. On March 27, 2017, we launched Travelex Wire in the United Kingdom, a new bank-to-bank consumer payments service.

The integrated digital technology ecosystem which we have built will serve to strengthen existing products by increasing the agility and flexibility of existing solutions and reducing business risk and operational costs. This modular IT architecture can also be repurposed to allow us to offer additional services to outsourcing partners. This technological integration with outsourcing partners is particularly beneficial for contract renewals. Our IT and infrastructure support and enhance our operations, across retail and wholesale transactions, online channels, risk management and compliance. We recently made upgrades and reorganized much of our IT platforms and systems and expanded our shared services center in Mumbai to support global functions, which we believe is helping to support economies of scale and greater automation of our business.

Our main competitors in the prepaid card space include Fair FX and CaxtonFX.

Insurance

We also maintain a card issuing business, that allows us to monetize our license to issue prepaid cards, which was retained after the sale of our prepaid cards business to MasterCard. By retaining this business, we are able to operate as both distributor and issuer in certain jurisdictions.

Our Joint Ventures and Subsidiary Operations

Joint ventures constitute a core part of our business, and we operate in many countries by means of partnership with financial institutions or local investors. Joint ventures have historically been a strategic way for us to enter new markets. Many of our operations started as joint ventures (such as our U.S., Australian and Brazilian businesses) before becoming wholly owned businesses. Our UK outsourcing business commenced as a joint venture with the Royal Bank of Scotland, but the remaining 20% interest was bought out by the Group on December 31, 2013.

Our businesses in most emerging markets are generally subject to joint venture agreements with local partners. While in some of our joint ventures we are not the majority shareholder, we typically exercise operational control over these joint ventures. In addition, all of our joint ventures use the Travelex brand name (although some of our stores are still to be re-branded). Travelex Bahrain W.L.L (Bahrain), Travelex and Co. LLC (Oman), Travelex Panama S.A., Travelex Döviz (Turkey) and Travelex Thailand Limited are 75%, 70%, 60%, 75% and 62% owned, respectively, and are considered to be our subsidiaries under IFRS. They are therefore fully consolidated with 25%, 30%, 40%, 25% and 38% minority interests, respectively. By contrast, we only have minority interests (49% and 40%, respectively) of our joint ventures in Qatar and the UAE, but exercise management control and have economic interests greater than our equity interests (60% and 55%, respectively). In South Africa, we had a joint venture with the Thebe Tourism Group Proprietary Limited where we did not exercise control. However, on January 12, 2017, we completed the acquisition of the remaining 51% of our joint venture in South Africa. In Malaysia, while we have a 70% stake in Travelex Malaysia SDN BHD, we do not consolidate under IFRS as we do not exercise control.

Below is a table of our joint venture and non-wholly owned subsidiary operations including a list of our main partners as of December 31, 2016:

Country	% owned	Partner	Consolidated
Travelex Bahrain WLL (Bahrain)	75	Hassan Mohamed Jawad & Sons BSC	Yes
Travelex and Co LLC (Oman)	70	Ajit Khimji Group	Yes
Travelex Emirates Exchange LLC (UAE) ⁽¹⁾	40	The Late Sheikh Shaya Bin Ahmed Al Hamed	Yes (from August 2016)
Travelex Africa Foreign Exchange (Pty) Limited (South Africa) ⁽²⁾	49	Thebe Tourism Group Proprietary Limited	No
Travelex QSC (Qatar)	49	Al Bara Trading OPC	No
Travelex Malaysia SDN BHD (Malaysia)	70	Sri Inderajaya Holdings SDN BHD	No
Travelex Panama SA (Panama)	60	Breslau Capital Partners	Yes
Travelex Döviz Ticaret (Turkey)	75	Tepe İnşaat Sanayi A.Ş., Akfen Altyapı Danışmanlık A.Ş. and Sera Yapı Endüstrisi ve Ticaret A.Ş.	Yes (from May 2014)
Travelex Thailand Limited (Thailand) ⁽³⁾	62	AIRA Capital Public Company Limited	Yes
Newark Currency Services LLC (USA)	45	CLS Management Services, Inc.	No
RDU Currency and Business Services, LLC (USA)	49	CLS Management Services, Inc.	No
Fort Lauderdale Business & Currency Services, LLC (USA)	45	SGS Services, Inc.	No
Pittsburgh Currency Services, LLC (USA)	49	Staff Airports Services, Inc.	No

(1) On August 1, 2016, Travelex Emirates LLC was transferred to, and we acquired 55% of the economic and accounting control over, Travelex Emirates Exchange LLC, and we began to consolidate its results in our Group results.

(2) On January 12, 2017, we purchased the remaining 51% of our joint venture in South Africa, Travelex Africa Foreign Exchange (Pty) Limited for ZAR41.8 million (ZAR19.4 million was paid on closing and the remaining ZAR22.4 million will be paid six months after closing).

(3) We established a joint venture company in Thailand on September 16, 2016, in which we own 62% and our joint venture partner, AIRA Capital Public Company Limited, owns 38%. We have submitted an application to Bank of Thailand for our foreign exchange license and hope to be operational in the second half of 2017.

The U.S. government requires airports to have certain minimum levels of participation by disadvantaged business enterprises (“DBEs”), which are businesses owned by socially and economically disadvantaged individuals in accordance with U.S. state and federal requirements, in their concession activities in order to receive federal funding. As a result, where applicable, we either set up a joint venture entity with a DBE, with whom we share profits based on the respective ownership percentages, or we enter into contractual arrangements with DBEs to operate these stores. These contractual arrangements either require us to make minimum monthly payments to the DBE, with possible additional payments based on revenue levels, or stipulate that revenue is allocated based on agreed fixed percentages.

Travelex Emirates LLC, our original UAE joint venture with the late Sheikh Shaya Bin Ahmed Al Hamed, has been restructured. The UAE business has been transferred into another entity, Travelex Emirates Exchange LLC, for the purpose of applying for a broader license. We hold 40% of the shares of the combined entity, but we manage it and receive 55% of the economic and accounting control and, as a result, we consolidate its results in our Group results. Due to the death of the late Sheikh Shaya Bin Ahmed Al Hamed, allocation of his shareholding is being dealt with as part of his estate. Travelex expects this relationship to continue with other family members replacing him as shareholders.

Sales and Marketing

We have sales, marketing, product management, key account management and business development teams located in our key geographical areas. We develop products and marketing campaigns globally, leveraging scale and expertise and at the same time tailored to meet the needs of our customer base in each market.

A key component of our advertising and marketing efforts is our global brand. We use the full range of marketing activities to support and build our brand franchise, create awareness of our products and services and generate traffic to our stores and e-commerce sites. These include digital marketing and social media, offline media, point-of-sale materials and merchandising, promotional in-store campaigns, direct marketing programs, public relations and targeted sponsorships. As of December 31, 2016, we had approximately 800,000 customer records in our marketing database. We continually assess the effectiveness of our sales and marketing efforts. The Group announced the creation of one integrated Product and Marketing team under the leadership of Sean Cornwell to help achieve our customer-centric vision. See “*Management*.”

Litigation

We are involved in a number of legal proceedings and commercial disputes, many of which are for less than £50,000 and are in relation to employee disputes. Except for the matters described below, none of these claims are substantial in nature or may materially impact our business, financial condition or results of operations.

Two original shareholders (“Original Shareholders”) of Travelex Africa, a company which we now fully own, brought a claim for damages against us in November 2013. In December 2010, Travelex Africa originally agreed to enter into a sale and purchase agreement to acquire a large minority interest in Travelex Africa from the Original Shareholders (“Original Agreement”). In the period between exchange and completion (which was scheduled for the end of the first quarter of 2011), we became aware that Travelex Africa was in severe financial distress and that the Original Shareholders were, therefore, potentially in breach of various representations and warranties in the Original Agreement. We notified the Original Shareholders of our concerns, and provided the appropriate notice to cure. Prior to expiry of the notice, and before any further action by us to terminate the Original Agreement, the Original Shareholders agreed to sell their stake in Travelex Africa to Thebe Tourism Group (PTY) Limited (“TTG”) at a significantly discounted price to the price that we had agreed to pay. The Original Shareholders subsequently alleged that we had repudiated the Original Agreement, successfully applied to the Pretoria courts to attach our interest in Travelex Africa to confirm jurisdiction, and filed a summons and particulars of claim in respect of their case for significant damages (being the difference between the price at which they sold their shares to TTG and the price originally agreed by us to purchase their shares in December 2010). We applied to the High Court of South Africa requesting the release of our shares in Travelex Africa and the setting aside of the Original Shareholders’ claims but were unsuccessful. We appealed this decision to the Supreme Court, but were unsuccessful. We decided it was not in our interest to make a claim in the Constitutional Court to set aside the decision of the Supreme Court, and therefore moved to have the case heard via arbitration rather than in court, asking the court to stay proceedings and refer it to arbitration as provided in the Original Agreement. The Original Shareholders, however, simultaneously applied to the court to join this claim with another dispute involving the Original Shareholders, namely a claim brought by the Original Shareholders and a company called Evening Star (PTY) Limited against TTG and Travelex Africa, alleging, among other things, that TTG induced Travelex to repudiate the Original Agreement. Travelex Africa is also engaged in a claim by TTG and Travelex Africa against the Original Shareholders alleging breach of fiduciary and other duties by those Original Shareholders in their historical management of Travelex Africa. TTG has agreed to pay the legal fees in respect of these further actions. We are currently considering the possibility of amalgamating the two claims relating to the Original Agreement in one action, and the Original Shareholders have also reached out to us with a view to commencing settlement discussions.

Travelex Outsourcing Pty Limited (Australia) (“TXO”), which Travelex sold in April 2016 and which is now called Currency Select Pty Limited, uses a method of DCC technology which Mainline Corporate Holdings Ltd. (“Mainline”), a DCC competitor of TXO in Australia, has been attempting to obtain a patent over since 2001. Mainline attempted to appeal, in the Australian federal court, the decisions of the patent office rejecting Mainline’s various patent applications from 2001 onwards. TXO, in

conjunction with other industry participants, opposed Mainline's appeal. Various hearings have taken place in respect of this matter and various attempts have been made by Mainline to amend their patent. If, despite TXO's efforts, Mainline is successful in its further amendment applications and subsequently is successful at obtaining a patent through the patent office, Mainline may be able to sue TXO for patent infringement. TXO may then be responsible for accrued financial loss and be barred from using the DCC technology in the future. As part of the sale of TXO, Travelex Limited provided an indemnity to the buyer to cover any judgment against TXO from this case up to a maximum value of AUD\$12.5 million in aggregate. The time limit for claims under this indemnity is five years from April 1, 2016.

Travelex India Private Limited ("TIPL") is subject to challenges from the Indian Income Tax Department in relation to TIPL mark-up on the services provide by Travelex's Global Development Centre ("GDC"). TIPL applied a mark-up percentage of 15% and the Indian Income Tax Department is alleging this is should have been 30%. The proceedings have been ongoing since 2005-2006 and total amount of the claim in £0.5 million.

We have brought a civil action and the Crown Attorney has brought criminal proceedings in Canada against a former Travelex Canada Limited ("TCL") employee and her associates ("the defendants") in respect of certain unauthorized payments in an aggregate amount of approximately CAD\$4 million, which were made to accounts connected to the defendants. The civil claim requested damages for loss of Travelex's assets, punitive damages, an injunction to stop the disposal or transfer of any assets and an order to allow entry to premises for search purposes. The requested injunction and orders were granted in respect of the defendants. The matter is ongoing with the process of pleading close to finalization, to be followed by discovery, the possibility of further interim hearings and trial in 2018. Our insurance policy is likely to cover the loss of CAD\$5 million, or a significant part of it, however, assuming that the insurance policy pays out, we would be required to make an excess payment of £0.5 million. In regard to the criminal claim, the Crown is pursuing jail sentences and restitution. The criminal case is likely to come to trial in early 2018. Significant legal and accounting fees have also been incurred in connection with this matter, which we estimate exceeds £0.75 million, although we believe that a large majority of this amount will be indemnified by our insurers should they agree to pay out. See also *"Risk Factors—Risks Related to Our Industry and Our Business—The integrity, reliability and efficiency of our internal controls and procedures may not be successful."*

A former employee of Travelex Italia Limited who we dismissed for repeated disciplinary issues has challenged their dismissal and requested reemployment. They have also made a claim for €91,000. The next hearing is set for April 2017.

A former employee of Travelex Paris SAS who we dismissed for harassment of another employee has brought a claim against the company for €115,000. The next hearing is set for May 2017.

We may be subject to a potential dispute with Puente Enterprises Inc., our DBE joint venture partner (a contractual joint venture) at Dallas Fort Worth airport. An amount of approximately \$0.7 million regarding revenue made by the joint venture in trading is in dispute. Historically, Travelex has viewed this cash as an account receivable on its books, however, this has never been established. In addition, Puente Enterprises Inc. has disputed ownership over stock in the tills in the amount of approximately \$0.6 million. These disputes are pending resolution.

The Brazilian Internal Revenue Service ("Brazilian IRS") has served Banco Confidence de Câmbio S.A. ("Banco Confidence"), one of our Brazilian subsidiaries, with tax assessment notices aimed at the collection of approximately R\$292 million. Their claim relates to cross-border remittances carried out between February 2012 and March 2014 by foreign exchange brokers executing payments via the Banco Confidence payments system on behalf of the clients of such brokers. This matter is under investigation by the Federal Police and the Public Prosecutors Office in the context of the "Operação Lava Jato," the largest investigation of corruption in Brazil. Banco Confidence and its advisers believe that this claim is unlikely to be successful and that the alleged liability accrues to the foreign exchange brokers whose clients were making the payments and not to Banco Confidence, which acted only as the payment engine. Based on the facts and the advice received from counsel on this matter, we believe that the risk of Banco Confidence being held liable for these claims, on a final and non-appealable basis, is remote.

Under the sale and purchase agreement we entered into with the sellers of Banco Confidence (the “Banco SPA”), Travelex has an indemnity claim against the sellers of Banco Confidence. The indemnity for the amount of the assessment made by the Brazilian IRS under the Banco SPA is capped at 55% of the purchase price we paid for Banco Confidence, which was approximately R\$212 million (indexed to December 31, 2016), resulting in an indemnity cover of approximately R\$117 million based on current rates. The claims of the Brazilian IRS relate either to a period when the sellers owned 100% of Banco Confidence (the period prior to April 2013) or 51% of Banco Confidence (the period between April 2013 and February 2015), with the overall pre-acquisition share representing 78% of the total amounts assessed. Accordingly, we believe we will have the opportunity to pursue an indemnification claim in regard to a significant portion of any final penalty imposed by the Brazilian IRS authorities, if any. We have notified the sellers about this claim.

Compliance Issues at Travelex Netherlands and Banco Confidence

Certain of our subsidiaries which have been granted financial services licenses by local regulators are, from time to time, subject to audits and reviews performed by such local regulators. These reviews and audits often result in recommendations leading to improvements of the control environment.

In 2014, the DNB, the Dutch regulator, performed an audit of parts of Travelex Netherlands and concluded that Travelex Netherlands was in breach of certain provisions of the Dutch Money Laundering and Terrorist Financing (Prevention) Act (“Wwft”) and the Dutch Sanctions Act of 1977. Travelex Netherlands has since undertaken a significant remediation program and continues to cooperate with its regulators.

In June 2015, Travelex Netherlands was informed that the DNB had referred certain findings from their investigation to the Dutch National Public Prosecutor’s Office for Financial, Economic and Environmental Offences (the “DNPPO”), which had decided to conduct a criminal investigation of Travelex Netherlands relating to the Wwft. The investigation was conducted by investigating officers of the Fiscal Intelligence and Investigation Service of the Dutch Tax and Customs Administration (the “FIOD”), and the FIOD provided their report to us in January 2017 stating that, in its view, Travelex Netherlands had committed various breaches of Wwft rules. The report has been presented to the DNPPO for a decision on whether or not the investigation will be continued. We have written to the DNPPO making various representations setting out, among other things, the reasons we believe it is no longer appropriate to continue the investigation. However, we cannot provide any assurances as to the likely outcome of this matter. In respect of a breach of the Wwft, the Dutch courts have the authority to impose significant sanctions and other measures, including imposing a fines, imprisonment of individuals, full or partial closure of Travelex Netherlands and/or a confiscation order. In addition, the ongoing criminal investigation by the DNPPO may result in a material impact to our reputation, which in turn may affect the Group as a whole and which could impact our relationships with our customers, suppliers and regulators in other countries, and potentially could give rise to additional regulatory inquiries in the Netherlands or elsewhere.

BACEN, the local regulator of Travelex’s businesses in Brazil, commenced disciplinary proceedings at the end of 2015 against Banco Confidence alleging certain failures in its processes and procedures and related irregularities with respect to the monitoring of transactions in the period between July 2012 and June 2013. Travelex acquired 49% of the shares in Banco Confidence in April 2013, and made significant changes to its approach to regulatory compliance in the period following its acquisition. A significant proportion of the alleged irregularities predate Travelex’s investment in Banco Confidence. BACEN decided against Banco Confidence in August 2016, and imposed financial penalties amounting to approximately \$18 million on Grupo Confidence. Travelex has an indemnity from one of the key prior shareholders of Banco Confidence for 51% of any fine that may ultimately be imposed against Banco Confidence. We are advised by counsel that the scale of the fines imposed is considered excessive and disproportionate to fines and penalties ultimately applied in other similar cases. Travelex has appealed the decision, and intends to continue to vigorously defend this matter through the appeals process. A preliminary decision may be reached by July 2017, although we are unable to know that for certain at this time. As a result, we are unable to reliably estimate the extent of fines or other financial penalties in relation to this matter, and have not made any provisions in our financial statements for this matter.

See also “*Risk Factors—Risks Related to Our Industry and Our Business—Our business is subject to anti-money laundering, sanctions and anti-bribery regulation and related compliance costs and third-party risks.*”

Risk Management

Our risk management framework is designed to ensure that material business risks throughout the organization are identified and effectively managed. We operate a risk management model with three lines of defense and responsibility for risk management resides at all levels, from the board of directors and the Executive Committee down through the organization to each business manager. These responsibilities are distributed so that risk/return decisions are taken at the most appropriate level, as close as possible to the business, and remain subject to effective review and challenge. The responsibilities for effective review and challenges reside with senior managers, internal audit, the independent risk function, the individual business risk committees, the risk committee, the Group Audit and Risk Committee (the "GARC") of Holdings and ultimately the board of directors of Holdings. On February 26, 2015, we appointed Abdulrahman Sadiq Salim Basaddiq as a non-executive director in charge of our GARC. The GARC monitors the ongoing process of identifying, evaluating and managing significant risks to the Group. The GARC also reviews the scope and results of the internal and external audit and ensures the independence and objectivity of the external auditors, including the nature and amount of non-audit work that they undertake.

The Group risk committee is not a board committee and is made up of executives only. It meets quarterly and is chaired by the Group Compliance and Risk Director and comprises the Group executive committee, the head of internal audit and other key personnel by invitation. The committee reviews the strategic risks to the business and undertakes a rolling review of the key risks that the business faces in order to evaluate the overall effectiveness of internal control. The Group risk committee also determines the mitigation approach on Group material risks areas and monitors the remediation of company-wide level control issues. The Group risk committee receives periodic reports from the Group Compliance and Risk Director and other members of his team covering the effectiveness of the systems of internal control and all areas at regulatory risk.

A risk management action plan is in place to further enhance the Group's risk management capability.

Compliance and Regulatory Risk

Our compliance and risk operations are based on the three lines of defense model, where the business units are responsible for managing their business risk (the first line), the compliance and risk function are responsible for risk policy and oversight of the business operations (the second line) and the internal audit function (the third line) adopt a risk based audit plan encompassing all corporate activities. We maintain a dedicated compliance and risk function comprising approximately 168 experienced professionals. The function has full independence from the business units and reports to the compliance and risk director, who is a member of the Group Executive Committee. The compliance and risk team is responsible for ensuring ongoing compliance with AML laws and regulations, international sanctions, consumer protection regimes and the regulatory and licensing requirements of each jurisdiction in which the business operates and ensuring that the business effectively manages operational risk. We aim to set the 'gold standard' of compliance for its category and is supported by industry-leading IT applications, which include Prime for sanctions and Norkom for transaction monitoring. We are in the process of upgrading our financial crime system to improve automation, data analytics and customer experience. The vendor we have selected for this upgrade is NICE Actimize. Our compliance policy is crafted and led centrally by our compliance team and management, with clear policies in place ensuring robust due diligence is undertaken on potential customers before acceptance.

Failure to meet the requirements of our regulators could expose us to significant regulatory and reputational risk, and jeopardize our business. The role of our compliance team is to help manage, identify and mitigate regulatory and reputational risks relating to our businesses. We do this by seeking to accomplish the following steps:

- Deliver policies and procedures applicable to the specific products, countries and customers of each region in order to meet compliance requirements;
- Ensure our compliance function has adequate resources to enable the business and region to meet applicable regulatory responsibilities;
- Manage regulatory inspections, requirements and relationships;
- Measure and report on compliance through key performance indicators and monitor progress;

- Escalate significant regulatory and reputational risks;
- Communicate and co-ordinate with other risk and control functions, including group audit, legal and our auditors;
- Proactively manage and train our compliance team;
- Ensure the independence of each compliance officer is maintained;
- Ensure compliance officers have access to the information necessary to carry out their responsibilities;
- Manage the investigation of possible breaches that may have occurred and appoint outside experts for investigation, if applicable; and
- Regularly submit compliance reports to the board of directors or a committee of the board.

Maintaining Appropriate Regulatory Authorizations

Our compliance team actively reviews and tracks all regulatory authorizations held. Using internal and external (principally outside counsel) resources, we assess upcoming regulations and their potential impact upon our business. We maintain on-going dialogue with regulators in all of the markets where we operate and proactively support regulators in the development of regulatory standards and policies.

While AML continues to be our principle regulatory risk, regulators are increasingly looking to money service businesses to apply equivalent control environments to those seen in the banking sector. It is important that we are able to demonstrate to regulators that we have effective systems of internal controls in place to manage the broader risks of the business as well as effective AML controls. See “—*Compliance Issues at Travelex Netherlands and Banco Confidence.*”

Regulatory Inspections and Reporting

Regulatory inspections are an important third-party validation of our standards of compliance. We are subject to inspections by multiple regulators globally. On a regional analysis, the greatest concentration of such inspections is in the United States. However, we have seen a marked increase in the depth of regulatory reviews in Continental Europe and the Middle East.

Financial reporting requirements vary by country. For example every transaction in China is reported while in other countries in which we operate there is no reporting requirement at all. In the United States and South Africa our entities must report their financial position daily.

Risk Policies

With regulators becoming increasingly focused on systems and internal controls, the importance of having defined and documented regulatory policies has increased in recent years. Our compliance policies are reviewed on an annual basis and submitted to external parties including regulators and auditors for review and benchmarking. We are continually looking to standardize and consolidate policy and procedures where possible.

Accreditation / Know Your Customer (“KYC”)

The regulatory risk is higher in this area, as evidenced by significant fines for breaches levied by regulators. Significant compliance resources are dedicated to ensuring that appropriate accreditation and controls are properly applied. In our Retail and outsourcing businesses, this is primarily front-end driven as the information comes directly from the customer in the retail location. We process the KYC centrally for our wholesale business. As requirements vary by country, we appoint a point person to keep up to date with the relevant standards. Continuing monitoring and periodic risk based re-accreditation procedures are in place in the business. Corporate monitoring particularly in our Wholesale and Outsourcing business remains the main focus for our KYC procedures.

Monitoring for Money Laundering and Terrorist Financing

Each region maintains risk-based monitoring procedures to combat potential money laundering and terrorist financing, with dedicated compliance analysts providing expert analysis. Detailed metrics are

produced monthly and quarterly and reviewed at divisional and group level for trends, omissions and changes in risk profiles. Regulatory expectations are increasing in this area and a number of high profile breaches by major banks demonstrate both the appetite of the regulators to enforce and the difficulty that global organizations face in applying adequate controls in all jurisdictions. However, we believe that the likelihood of penalties on a scale that would have a material impact on us is low based upon our existing framework, application of resources and demonstrable good intent to comply. See “—*Compliance Issues at Travelex Netherlands and Banco Confidence.*”

Sanctions Monitoring

The analysis and risk assessment in relation to sanctions monitoring is similar to that for money laundering and terrorist financing. There is a clear trend of increased regulatory focus on sanctions monitoring, and a corresponding increase in the size of penalties for non-compliance. However, such fines are intended to be proportionate to the magnitude of breach and the size of the organization.

We maintain strong review capabilities with dedicated staff and detailed reporting by exception, and in monthly and quarterly reports to management. The volume of transactions undertaken means that there always remains some risk of executing business with a person or entity on a sanctions list. However, we believe that our control framework reduces the likelihood of breaches, particularly material repeated breaches.

Other Risks

Other risks that we manage are currency risk, physical risk, credit/settlement risk and operational risk. We are exposed to currency risk from our trading operations throughout the world, with assets and liabilities held in foreign currencies. To ensure that movements in currency exchange rates do not erode our trading revenue, we have a policy of identifying transactional and transnational currency exposures and taking appropriate steps to reduce them. To ensure that we do not maintain material non-trading open currency positions, all material assets and liabilities are, for the most part, hedged.

In transacting with customers, we create foreign currency exposures through our business operations. These are hedged subject to agreed intra-day and overnight exposure limits.

Physical risk arises from the possibility that we will incur losses through theft, misappropriation or damage to our physical and intangible assets. We employ a full-time physical risk department to set appropriate standards for each operation and to monitor the implementation of risk policies, to set limits on the value of banknotes allowed to be held in one location, and carry insurance to address any issues arising from this exposure.

Credit risk arises from the possibility that we will incur losses from customers’ failure to meet their obligations. All material credit exposures require approval by authorized individuals or credit committees, independent of business revenue generation. Credit exposures are monitored periodically against approved risk limits. We are primarily exposed to settlement risk from customers performing commercial foreign exchange transactions with us.

Operational risk is defined as the risk arising from within the organization from:

- legal or reputational risk from non-compliance with local regulations, international regulations, the Company’s ethical business standards and contractual obligations, including the incurrence of fines;
- process risk from inadequate or failed internal processes;
- systems risk from inadequately designed or maintained systems; and
- people risk from inappropriate staffing levels or inadequately skilled or managed people.

Operational risk exposures are identified, managed and controlled through the regional and group risk committees as appropriate. We devote significant time and attention to all regulatory compliance and employ specialist resources to lead and operate our AML program. See “—*Regulatory Framework.*”

Employees

As of December 31, 2016, we had 7,196 employees (including apprentices and interns but excluding 415 full time employees in our joint ventures not treated as subsidiaries under IFRS), calculated on a full-time equivalent basis, of which 4,369 were in our Retail business, 515 were in our Wholesale and Outsourcing businesses, 895 were in our Brazil business, 166 in our Payments and Technology Business, 118 in our Insurance business, and 1,133 were in our Central and Shared Costs. We had 2,692 employees in the United Kingdom, 895 in Brazil, 558 in Australia, 533 in the United States and 333 in the Netherlands.

We have a number of our employees represented by labor unions pursuant to collective bargaining agreements. We observe local practice and legislation in our labor relations matters and in negotiating collective bargaining agreements. We believe we generally have good relations with our employees and their representatives. From time to time, we experience disagreements with trade unions representing certain of our employees and/or other employee representative bodies in the ordinary course.

Furthermore, we consider that we comply with our health and safety at work standards in all material respects.

Our employees mainly participate in defined contribution pensions, but the employees of our Travelex business participate in defined benefit plans.

Properties and Leases

We operate our Retail business through a network of concession agreements, commercial agreements and property leases but consider all of these agreements to be commercial contracts rather than real property contracts. The following table provides an overview of real estate holdings and leases that are material to our operations:

<u>Site</u>	<u>Size</u> (approximate square feet)	<u>Ownership/Lease</u>	<u>Primary Use</u>	<u>Lease Terminates</u>
4th Floor (SE & SW), Kings Place, 90 York Way, London, UK	20,000	Lease	Office	2023
4th Floor Rotunda, Kings Place, 90 York Way, London, UK	7,000	Lease	Office	2033
Worldwide House Peterborough	170,000 ⁽¹⁾	Lease	Office and data center	2021
Surrey, UK	36,600	Lease	Vault	2019
Hatfield, UK	17,500	Lease	Vault	2029
Louisville, USA	13,500	Lease	Vault	2019
Mumbai, India ⁽²⁾	41,670	Lease	Service center	2021
20 Bond Street, Sydney, Australia	22,200 ⁽³⁾	Lease	Office	2022
The Alpha Tower, Amsterdam	9,026	Lease	Office and vault	2021

(1) We have sublet approximately 43,000 square feet of the Peterborough location.

(2) The Mumbai site consists of two offices in the same commercial complex.

(3) We have sublet approximately 11,000 square feet of the Sydney location.

Insurance

Through our insurance brokers, we arrange insurance to cover risks associated with our currency exchange business, including property damage, terrorism, business interruption, public and product liability, employer's liability and professional liability which includes directors' and officers' liability.

We also have an annual cash policy in place to insure our worldwide static cash and shipment, for any loss of, or damage to cash in transit or on premises. This policy is entered into with a syndicate of insurers, within the Lloyds London market. The minimum to be covered by us before making any claim is £500,000 in the annual aggregate for cash storage and £350,000 in the annual aggregate for cash in transit. Thereafter the minimum covered by us is £25,000 for each claim. The term of the insurance policy is two years, subject to mid-term material declarations.

Material Agreements

LHR Concession Agreements

Since 2013 we have had a five year concession agreement (which expires in April 2019) to be one of only two providers of foreign exchange services at LHR. This agreement has given us an expanded presence in all terminals including the new Terminal 2. In 2015, the other provider (TTT Moneycorp Ltd) served notice to terminate and Travelex was awarded a contract to replace them with effect from July 2015, marking the first time that LHR has awarded the provision of foreign exchange services to a single provider. The new agreement requires Travelex to pay a fixed rental and is terminable by either party upon six months' notice, except within the first or final twelve months of its term. Under the new terms, Travelex has de facto contractual exclusivity with regard to all "stand alone" ATMs (i.e. ATMs not attached to a particular store) and de facto exclusivity with regard to foreign exchange services as a whole.

Melbourne Airport

Since 2009 we have had a seven year concession agreement at Melbourne Airport to provide foreign exchange services. The termination date of the concession agreement was in June 2016, but we are currently holding over under the existing concession agreement while we finalize a new concession agreement with the airport authorities. Under the new concession agreement, it is proposed that we would operate as the sole provider at 13 locations within Terminal 2 of Melbourne Airport and the agreement will run for a term until August 12, 2021.

Istanbul Airport

We have a concession agreement in place at Atatürk International Airport (Istanbul) to provide foreign exchange services at ten stores in the airport. The concession agreement began in December 2014 and terminates on December 31, 2020.

LHR VAT Refunds Concession Agreement

We also have a non-exclusive concession agreement with LHR which allows us to act as agent for VAT refund suppliers that runs until January 31, 2020. We are able to generate revenue on the basis that we facilitate the rebate of VAT due to non-European Union resident customers who purchase goods in the EU and also by providing such customers with our retail foreign exchange services.

Abu Dhabi

We have a number of separate non-exclusive concession agreements in respect of our seven retail stores in Terminals 1 and 3 of Abu Dhabi Airport with the Abu Dhabi Airports Company ("ADAC") which have contract terms effective until between 2017 and 2019. ADAC can terminate these agreements at will on short notice (between 40 business days and 90 calendar days), which is fairly standard in Middle Eastern concession agreements. We rely heavily on the good management of relationships to retain operations at this site.

Barclays Bank Travel Money and Travel Line Contracts

We have two five-year agreements to be the exclusive supplier of retail foreign exchange cash services to Barclays Bank and its customers through January 31, 2018 in the United Kingdom; one agreement for telephone sales and the other for retail branches. The agreements contain standard outsourcing provisions, including service level and credit provisions.

Royal Bank of Scotland (“RBS”)

We have an agreement in place with RBS until March 31, 2020 to be the sole and exclusive supplier of retail foreign exchange cash services to RBS and its customers in the United Kingdom. This is a standard outsourcing arrangement which has been negotiated on market standard terms.

Lloyds Banking Group (“LBG”)

We have an agreement in place with LBG to be the sole and exclusive supplier of retail foreign exchange cash services to LBG and its customers in the United Kingdom. The contractual initial fixed term has expired and it now rolls on a 24-month notice period. This is a standard outsourcing arrangement which has been negotiated on market standard terms and it does not include any rights of benchmarking or step-in to the benefit of LBG.

Tesco Personal Finance PLC (“Tesco”)

We supply foreign banknotes on a wholesale basis to Tesco in the United Kingdom and operate the retail facility to sell banknotes, travellers’ cheques and prepaid cards through bureau at Tesco stores and through online and telephone channels. The contract is exclusive (except in respect of prepaid cards and certain other services) and continues for an initial fixed term until September 30, 2019, after which it rolls until terminated by either party on a 6-month notice period.

Sainsbury’s Bank (“Sainsbury’s”)

We supply foreign banknotes on a wholesale basis to Sainsbury’s in the United Kingdom and operates the retail facility to sell banknotes, travellers’ cheques and prepaid cards through bureau at Sainsbury’s stores and through online and telephone channels. The contract is exclusive for the sale of foreign currencies online, by telephone and from Sainsbury’s Bank’s Bureaux for a period of five years from September 12, 2014, and was operationally effective from March 2015. This agreement can be terminated by Sainsbury’s on six months’ notice at any time.

Bank of America, N.A. Banknote Supply Agreement

Travelex Currency Services Limited has an exclusive banknote supply agreement in place with Bank of America, N.A. in the United Kingdom. The agreement runs until December 31, 2017 and contains certain commitments from us around the financial, operational and functional separation of the UAE Exchange and Travelex businesses, including the requirement that no banknotes will be traded between UAE Exchange and ourselves. We intend to renegotiate this agreement in the course of 2017 on terms mutually acceptable to us and Bank of America, N.A.. A failure to secure a contract renewal on acceptable terms, could have a significant impact on our business. See “*Risk Factors—We may not be able to source banknotes and other currency on attractive financing terms or at all.*”

BRS Personal Investments Banknote Supply Agreement

Travelex Banknotes Limited has an agreement in place with BRS Personal Investments (a company controlled by our shareholder, Dr. B.R. Shetty) pursuant to which BRS Personal Investments supplies banknotes to Travelex Banknotes Limited on terms mutually agreed between the parties. Travelex Banknotes Limited has seven business days to repay amounts due to BRS Personal Investments in connection with each transaction. See “*Risk Factors—We may not be able to source banknotes and other currency on attractive financing terms or at all.*”

Intellectual Property and Information Technology

We have registered the Travelex name and logo in all jurisdictions in which we currently operate and in numerous other locations. We have also registered a variety of other trade names and service marks in jurisdictions where we have deemed it advisable to do so. We monitor our trademark usage, and expect to register our current trademarks in additional jurisdictions as we deem it appropriate and register new trade names and service marks as they are developed.

Our Information Technology function is responsible for the implementation of a business driven IT strategy. The IT division is led by a management team based in the United Kingdom and India.

Travelex has six key data centers each location comprising of both a production and disaster recovery facility in the United Kingdom, Australia, and North America. Each of the major business divisions has its own point of sale systems, including ecommerce solutions and interfaces with the financial general ledger packages. Historically, the IT division has been run largely on a regional basis, however the majority of services are now centralized with operational delivery primarily from the shared service center in Mumbai.

We have business continuity plans in place to deal with contingencies across our critical systems, and the plans are tested at least annually. Cyber security is a key focus of our Information Technology function and we have in place, and conform to, global security standards across our IT infrastructure. Furthermore the shared service center is ISO27001 certified (the International standard for Information Security) and we have achieved PCI accreditation. See *“Risk Factors—Risks Related to Our Industry and Our Business—There is a continuing risk that we may not comply with applicable data protection and privacy legislation or failure to comply with Payment Card Industry Data Security Standards.”*

Travellers’ Cheques Business

We acquired our travellers’ cheques business as a by-product of the 2001 acquisition of TCFS. The travellers’ cheques business ceased issuing new travellers’ cheques in 2008. Since then, it has limited itself to managing the encashment of travellers’ cheques that remain outstanding.

We refer to travellers’ cheques that remain outstanding as “Travellers’ Cheques Awaiting Redemption” (“TCAR”). TCAR are largely branded either MasterCard or VISA, although there are some older travellers’ cheques which are unbranded. Historically, Barclays Bank agreed to provide MasterCard and VISA with a guarantee on behalf of Travelex regarding the encashment of travellers’ cheques. In consideration of such guarantee, Barclays Bank benefited from a security package provided by Travelex including a £50.0 million letter of credit and a share pledge over the shares of one of our financing companies.

On May 31, 2013, we agreed to the terms of an insurance policy whereby any shortfall resulting from excess encashment of travellers’ cheques will be covered by AmTrust, an insurance company which is rated A by A.M. Best Company, Inc., a leading insurance company rating agency. The AmTrust transaction consisted of the inception of an insurance solution and the successful removal of the security package in favor of Barclays Bank.

We continue to consider opportunities to dispose of the business and legal entities comprising our travellers’ cheques business. Key disposal terms were agreed in 2013 but the transaction was not implemented. Such a disposal would complete our exit from the travellers’ cheques business, however, the risks linked to the travellers’ cheques business were substantially reduced by entering into the transaction with AmTrust in 2013.

We funded the AmTrust transaction, which closed on May 31, 2013, with an initial payment of £37.5 million to AmTrust via our travellers’ cheques subsidiaries, along with subsequent deferred payments totaling £12.5 million.

As of December 31, 2016, the face value of TCAR amounted to £383.8 million. Actuarial estimates suggest however that an amount of approximately £103.8 million was expected to be validly presented for encashment. This estimate was based on a 50% confidence level. We believe that actuarial predictions of the level of encashments based on the 50% confidence level are substantially accurate.

Regulatory Framework

Although in the past our businesses have not been subject to heavy regulatory or licensing requirements, increasingly we encounter regulation of varying degrees of magnitude in all aspects of our business depending on the regulatory climate of the jurisdictions in which we operate.

We work closely with our outside advisers to ensure ongoing compliance with regulatory developments. To this end, we update our compliance records on a regular basis by seeking advice from regulatory lawyers in each territory where we do business, where required. Local managing directors and general managers are encouraged to engage local counsel with respect to regulatory issues, although our General Counsel’s office oversees this process to ensure that all developments are being implemented.

The regulatory framework is divided into five distinctive pillars, which include:

- AML;
- Sanctions;
- Consumer protection;
- Licenses; and
- Corporate Governance.

We are subject to substantial regulatory supervision. We are regulated in 31 countries by approximately 90 regulators. The table below shows a general overview of the regulatory bodies involved in the most relevant markets in which we operate:

	<u>AML</u>	<u>Sanctions</u>	<u>Primary Regulatory Body</u>
United Kingdom	HMRC	HM Treasury	HMRC
United States	Financial Crimes Enforcement Network (FinCen)	Office of Foreign Assets Control (OFAC)	State departments of financial institutions
Australia	Australian Transaction Reports and Analysis Centre (AUSTRAC)	Department of Foreign Affairs & Trade	Australian Securities & Investment Commission (ASIC)
Japan	Ministry of Finance of Japan	Ministry of Finance of Japan	FSA/KLFB (for prepaid cards and remittances)
China	State Administration of Foreign Exchange ("SAFE")	SAFE	SAFE
Netherlands	Dutch Central Bank	Dutch Central Bank	Dutch Central Bank
Brazil	Central Bank of Brazil ("BACEN")	BACEN	BACEN
UAE	Central Bank of UAE	Central Bank of UAE	Central Bank of UAE
Turkey	Mali Suclari Arastirma Kurulu ("MASAK"), MASAK/Ministry of Economy/Internal Affairs	Undersecretariat of Treasury, Directorate General of Customs	

AML. We have developed a comprehensive AML policy and compliance framework. Our global policy is to apply the more stringent standards required by either local legislation or our policy. Our policy is based on the JMLSG (Joint Money Laundering Steering Group) guidance, which are, in turn, based on the European AML Directives and FATF (Financial Action Task Force) global recommendations. Exemptions to this general policy are given on a very limited basis and only when reviewed by our Group Compliance and Risk Director and ratified by our Audit and Risk Committees. The Compliance and Risk team produces and updates our global and local AML policies and risk assessments, monitors compliance with our policy and the effectiveness of our control environment, coaches and trains local MLROs (Money Laundering Reporting Officers) and liaises with regulators. Each individual business has its own Compliance & Risk Head who also fulfill the role of MLRO, to ensure that local legislation is complied with, and appropriate reporting is made to regional and head offices.

We have regular contact with local regulators both at a local and a group level. We have instituted systems and staff awareness training programs to detect, prevent, record and report any attempts or suspected attempts to utilize our products and services to facilitate the movement of criminal funds. A monthly compliance summary is completed and approved by each MLRO and reviewed by the relevant business lead. We have invested considerable resources in our AML processes and systems over the last few years and have implemented a company-wide transaction monitoring software system called Norkom in our key markets which monitors transactions in order to identify suspicious behavior against monitoring rules and to prioritize alerts.

Sanctions. United Nations economic and trade sanctions are implemented through local legislation and apply in jurisdictions where we do business. We are also subject to EU, UK and certain OFAC requirements, under such economic and trade sanctions. These sanctions mainly require entities to check the customer's name, the recipient's name (for remittances), the bank's name and the purpose of the transaction. AML/CTF regulation also requires us to maintain policies, procedures and controls to determine whether a customer is a politically exposed person, in order to complete enhanced due diligence checks and screening as appropriate.

Customer protection. Customer protection legislation mainly relates to the disclosure and transparency of exchange rates, charges and commissions. For certain complex products (e.g. prepaid cards), additional documentation is required. Customer protection laws also require us to have dispute resolution processes in place to handle customer complaints, as well as privacy restrictions, under which we are forbidden to use customer data for purposes other than those for which the customer has given consent (as well as security measures to keep such customer data secure).

Licenses. We are required to hold a license to carry out our business in many of the countries in which we operate or to be registered with a specific regulator. Licensing requirements generally comprise local incorporation in that country, certain corporate structure requirements, fit and proper assessment of directors and management, business plan including proposed site locations and products to be offered, strong processes and systems, supervision of outsourced functions, AML framework and program, as well as the existence of a compliance officer. The table below shows the main licenses and registration requirements in the countries in which we operate:

	<u>Foreign Cash</u>	<u>Prepaid cards</u>	<u>Remittances</u>	<u>ATMs</u>
United Kingdom	Registration	License	License	Included in foreign exchange registration
Australia	License	License	License	Included in foreign exchange license
The Netherlands	License	License	License	License
Brazil	License	License	License	Not offered
China	License	Not offered	License	Not offered
UAE	License under the Al Hamed Exchange	Not offered currently, but falls under the License under the Al Hamed Exchange		Included in a sponsorship agreement under the name and license of Standard name—integrated license Group's license name—integrated Chartered Bank license
Japan	Registration	Registration	Registration	Registration
United States	License	License	License	License
Turkey	License			

Regulatory Framework Overview by Country

United Kingdom. In the United Kingdom, our primary regulator is HMRC under which we hold a Money Services Business ("MSB") license in respect of our Retail locations and activities, including in respect of our role as a Retail and online seller of prepaid cards. We are not regulated in our capacity as a cash to cash money transfer agent of Western Union as this business line is regulated at the Western Union level in its capacity as a payment services institution by the Financial Conduct Authority. HMRC also supervises MSBs under the Money Laundering Regulations of 2007, including in regard to the annual renewal of registration and fit and proper tests for directors of the company and certain officers. Furthermore, we are subject to the Anti Bribery Act 2011, the Terrorism Act of 2000, the Counter Terrorism Act of 2008 (as amended), as well as the guidelines issued periodically by HMRC.

Wholesale banknote supply is subject to the same licensing and AML requirements as the MSB sector, but firms are required to pay particular attention to any areas requiring "Enhanced Due Diligence,"

which include high risk business types, jurisdictions, sanctions exposure, etc. In respect of our Travelex International Payments, our partner OzForex is the principal and is therefore the party which holds the payments services license in respect of this product. In regards to our prepaid cards issuing business, we hold an electronic money institution license for the issuance of prepaid cards under the Payment Services Regulations 2009 and the Electronic Money Regulations 2011 and are supervised by the Financial Conduct Authority. In respect of “Supercard,” IDT is the principal and is therefore the party which holds the relevant e-money license. We also hold an e-money license for Interpayment Services Limited Ltd, which issues prepaid cards outside of the United Kingdom in a winding-down capacity and an MSB registration for our historic travellers’ cheques business, for the purposes of providing encashment services for legacy travellers’ cheques. We also hold an e-money license for Travelex Europe Limited, which will operate Travelex Wire, a proprietary international money transfer product launched in the United Kingdom on March 27, 2017.

Australia. In Australia, we (Travelex Limited) hold an Australian Financial Services License and are regulated by ASIC. Furthermore, Travelex Limited is registered as a remitter with, and we are regulated by, the Australian Transactions Report and Analysis Centre (“AUSTRAC”). AUSTRAC is currently placing increased scrutiny on the Australian remittance services industry. We may also be subject to scrutiny by the Department of Foreign Affairs & Trade, given its responsibility for economic and trade sanctions (sanctions laws are also enforced by relevant law enforcement bodies). The main laws to which we are subject include, for example: the Corporations Act of 2001 and the Australian Securities and Investments Commission Act of 2001 (primarily enforced by ASIC and which contains both general requirements relating to corporations matters and also a regime regulating financial services and products in Australia); the Anti-Money Laundering and Counter-Terrorism Financing Act of 2006 (which imposes a range of compliance obligations, including implementing an AML/CTF Program, identifying customers, monitoring transactions, reporting transactions such as involving cash or international funds transfers to AUSTRAC, etc.); sanctions legislation such as the Autonomous Sanctions Act 2011, the Charter of the United Nations Act of 1945 and relevant provisions of the Federal Criminal Code; and the Privacy Act of 2001 which includes provisions relating to collection, handling, use, disclosure and protection of personal information.

The Netherlands. In the Netherlands, the Group’s primary regulator is the Dutch Central Bank under which it is licensed as an MSB for its retail and wholesale foreign exchange activities. We also hold a Payment Services License for its cash to bank payment business “Mr Pay.” For cash-to-cash “Western Union” remittances, the Group is registered as an agent of a Foreign Payment Service Institution, Western Union in Ireland. This is the case in all EU countries that the Group operates in. In addition the Group is also registered with the AFM (Autoriteit Financiële Markten) as an Intermediary for selling car insurance and travel insurance and as a Tied Intermediary for Raphael’s and Sons Plc for selling prepaid cards. The Dutch Central Bank is the supervisory authority for the enforcement of the AML legislation. See “—*Compliance Issues at Travelex Netherlands and Banco Confidence.*”

Brazil. In Brazil, the Group includes two financial institutions and a prepaid card manager: Confidence Corretora de Cambio (retail foreign currency exchange provider), Banco Confidence de Cambio (foreign currency exchange and international payments services to corporate customers and individuals) and South American Card Services (“SACS”), the prepaid card manager for Visa cards. The Group’s primary regulator is BACEN, which regulates financial institutions. Each of the Group’s two financial institutions is authorized and regulated by BACEN and, as such, is subject to regulatory compliance requirements and regulatory solvency capital requirements. Additionally, a recent law has been approved that will give BACEN supervisory authority over SACS and other prepaid card managers.

China. In China, the Group holds an Individuals’ Currency Exchange Franchise Business License for its charter business, as so permitted by the State Administration of Foreign Exchange (“SAFE”). Generally, the Group is regulated and supervised by SAFE and SAFE’s local branches in the regions in which the Group operates. In addition, the Group is regulated and supervised by the People’s Bank of China (“PBOC”) for its agent business with local banks. Furthermore, the Group complies with Chinese AML laws and know-your-customer requirements in China, including the laws of the central government and the PBOC.

UAE. In the UAE, the Group is regulated by the Central Bank of UAE and the Group holds licenses to carry out money changing business which includes foreign exchange, selling of travellers’ cheques and handling remittances.

Japan. While no license is required for MSBs to operate in Japan, larger MSBs must provide mandatory reports for AML purposes. The Ministry of Finance regulates MSBs and carries out inspections for AML purposes. Under the Act Preventing Transfer of Profits Generated from Crime (Act No. 22 of 2007), financial institutions and other entities, including us, are required to perform customer identification procedures and keep records of customer identifications and transactions with customers as prescribed by a ministerial ordinance. The Act Preventing Transfer of Profits Generated from Crime also requires financial institutions and other entities, including us, to report to a competent authority if they suspect that any property accepted from a customer has been obtained illegally or the customer conducts certain criminal acts. Finally, the Group is an issuer of prepaid cards in Japan and it is registered as a Funds Transfer Business Operator under the Funds Settlement Act (Act No.59 of 2009) and supervised by the Financial Services Authority through its local representative the KLFB.

Turkey. Our business in Turkey has a license with the Undersecretariat of Treasury, Directorate General of Customs for the purposes of buying/selling foreign exchange.

United States. In the United States, we are registered with the Department of Treasury as a MSB but are also registered with 50 individual state regulators for foreign exchange, the sale of travellers' cheques, prepaid cards and money transfer. Additionally TCES is registered with FinCEN as a Foreign-located MSB for the encashment of Legacy Travelex issued travellers' cheques. The encashment process is carried out in the United Kingdom, and funds are electronically transferred back to the bank account of the US resident.

Environmental Matters

We believe that we do not have any material environmental compliance costs or environmental liabilities.

MANAGEMENT

Board of Directors

The board of directors of Travellex has 11 members. The board is responsible for developing our strategy, ensuring its implementation for the annual and long-term planning, as well as for the preparation of our annual financial statements. The board regularly and promptly reports to the shareholders on all issues relevant to it (for example, strategy, medium term planning, business development and risk-related matters).

Set forth below are the names and ages as of December 31, 2016, of the board members, their positions as well as the year of their respective appointments. All our management board members can be reached at 4th Floor, Kings Place, 90 York Way, London N1 9AG.

<u>Name</u>	<u>Age⁽¹⁾</u>	<u>First appointed effective on</u>	<u>Office</u>	<u>Responsibilities</u>
Khaleefa Butti Omar Yousif Al Muhairi	37	February 26, 2015	Chairman	Non-Executive Director Chairman of the Board
Dr. Bavaguthu Raghuram Shetty	74	February 26, 2015	Vice-Chairman	Vice-Chairman of the Board
Anthony Wagerman	55	February 26, 2015	CEO	CEO, Chair of the Executive Committee
Tony D'Souza	45	March 31, 2016	CFO	CFO, member of Executive Committee
Karim Aly Awad Saleh Sala	40	February 26, 2015	Non-Executive Director	Member of Remuneration Committee
Abdulrahman Sadiq Salim Basaddiq	68	February 26, 2015	Non-Executive Director	Chair of Group Audit and Risk Committee and member of Remuneration Committee
James Birch	52	February 26, 2015	General Counsel	Member of Executive Committee
Jonathan Bomford	68	February 26, 2015	Non-Executive Director	Chair of Remuneration Committee and member of Group Audit and Risk Committee
Hani Buttikhi	32	February 26, 2015	Non-Executive Director	Not a member of any committee
Gavin Laws	59	December 20, 2007	Non-Executive Director	Member of Group Audit and Risk Committee
Binay Raghuram Shetty	33	February 26, 2015	Non-Executive Director	Not a member of any committee
Sylvain Pignet	45	September 20, 2005	Group Company Secretary	Secretary of Group Board and of Executive Committee

(1) Ages of the board of directors as of December 31, 2016

Khaleefa Butti Omair Yousif Al Muhairi

Mr. Khaleefa Butti Omair Yousif Al Muhairi is an entrepreneur and investor from the United Arab Emirates. He was appointed as Travelex Chairman in 2015. Mr. Khaleefa Butti Omair Yousif Al Muhairi; joined ADNOC after graduating from University of Suffolk, Boston. He then started his own investment firm, KBBO Group, in 2004. Mr. Khaleefa Butti Omair Yousif Al Muhairi has grown his business to become one of the most successful investment groups in Abu Dhabi with a diversified portfolio of 2 startups and multiple acquisitions in the fields of finance, real estate, healthcare, trading, defense and technology. Throughout his career, he has chaired and managed multiple reputable organizations. He currently holds the title of chairman for KBBO Group, Bin Butti International Holding, One Financial Markets UK, Infinite Investments, Cosmesurge and Emirates Hospital. He is also the Executive Vice Chairman of Centurion Investments and previously held the role of Vice Chairman for National Medical Center for 3 years.

Dr. B.R. Shetty

Dr. B.R. Shetty has a degree in clinical pharmacy from Kasturba Medical College (now Manipal College of Pharmaceutical Studies) in Uduppi, India. Dr. B.R. Shetty founded the healthcare facility—New Medical Centre (NMC) in 1975. After realizing the immense potential of the remittance sector he established UAE Exchange in 1980 with its head office located in Abu Dhabi. He has numerous awards to his credit including the Padmashri, one of the highest civilian honors of the Government of India, bestowed on him for his outstanding achievements and contributions to business and trade. The Abu Dhabi Government has also recognized his contributions to the society by conferring on him the highest honor of the Abu Dhabi Government—the Order of Abu Dhabi. He was conferred with a Doctorate by Georgia State University, Atlanta, USA. Dr. B.R. Shetty is also a member of various international business councils.

Anthony Wagerman

Anthony Wagerman was appointed Chief Executive Officer in 2015. Prior to 2015 he was Deputy CEO for Travelex and was responsible for the delivery of large scale projects, and for supporting the Business Development and Retail teams. Mr. Wagerman was also responsible for the integration of Grupo Confidence and Travelex Africa. Prior to this role, Mr. Wagerman has held a number of positions including Managing Director for Europe & Americas (which involved growing our presence in South America), Managing Director for Currency Services, Managing Director for the Retail Division and Head of Group Marketing. Before joining Travelex, Mr. Wagerman held posts in a variety of companies, including Heron Corporation. He has a BSc (Hons) in Chemistry & Business Studies and an MBA from City University.

Tony D'Souza

Tony D'Souza joined Travelex as Chief Financial Officer in March 2016 and is a member of Travelex's Group Board and Executive Committee. Prior to joining Travelex, Mr. D'Souza served as Managing Director with Evercore's European FIG team and as Partner at Lexicon Partners. Mr. D'Souza has a wide range of experience in transaction execution, mergers, acquisitions, listings and corporate finance activity. He received a first class Engineering Science degree (MEng) from Oxford University and trained as a chartered accountant at Deloitte & Touche, London.

Karim Aly Awad Saleh Sala

Karim Awad is Chief Executive Officer and a member of the board of EFG Hermes. Since assuming leadership of EFG Hermes in 2013, Mr. Awad has led EFG Hermes' return to profitability as it has built a comprehensive regional advisory pipeline; extended its leadership as the Arab world's largest securities broker; continued to lead its peers in like-for-like rankings as an asset manager; successfully refocused its private equity business; and continued to provide the region's highest-quality research offering. Prior to assuming his current role, Mr. Awad was Chief Executive Officer of the investment banking platform with overall responsibility for managing the EF Hermes' investment banking, securities brokerage, research, asset management, and private equity divisions. Mr. Awad was earlier head of investment banking, having joined the division in 1998. Mr. Awad has a long track record advising major corporations on equity offerings and M&A transactions and was instrumental in the

development of EFG Hermes's debt advisory practice. During his tenure in the investment banking division, he led and closed transactions with an aggregate value of more than U.S. \$40 billion.

Abdulrahman Sadiq Salim Basaddiq

Abdulrahman Sadiq Salim Basaddiq is a fellow of the Institute of Chartered Accountants in England & Wales (FCA) and a licensed auditor and consultant in the UAE. He trained to qualify as a chartered accountant with Ernst & Young, London. He served for over 25 years with Ernst & Young in the United Kingdom and the GCC, including 13 years as equity partner, and over 12 years with Gulf based diversified groups involved in healthcare, global public and private equities, venture capital, real estate investment, development and construction, steel trading and fabrication, in addition to food manufacturing, retail and packaging, hospitality and catering. Mr. Basaddiq currently serves as a Non-Executive Director of New Medical Centre Health Plc (a FTSE 250 listed company), UAE Exchange (a global remittance, foreign exchange and payment solutions provider), One Financial Markets (a UK-based financial brokerage company with operations across a number of jurisdictions) and ADN-Compass (a joint venture between Abu Dhabi National Hotels and the UK-based catering group Compass Group plc).

James Birch

James Birch was appointed General Counsel of Travelex in March 2002 and was appointed director in 2015. Prior to this he held various roles at Warner Bros., including Senior Vice President of Business Affairs & General Counsel for Warner Bros. International Theatres. Before this Mr. Birch worked, from 1993 to 1996, in both a legal and business role at Rio Tinto plc. Mr. Birch started his career as a solicitor with Freshfields Bruckhaus Deringer, where he worked from 1988 to 1993. He sits on the boards of a number of Travelex Group companies. He qualified as a solicitor in 1990 and studied at Chancery Lane Law School in London; and also holds a degree in Economics from the University of Manchester.

Jonathon Bomford

Jonathan Bomford is a Fellow of the Institute of Chartered Accountants England & Wales and spent 24 years with Ernst & Young LLP in the Middle East and East Africa, serving in Nairobi, Jeddah, Riyadh, Bahrain, Dubai and Abu Dhabi. He was an Ernst & Young LLP Partner for 15 years with international clients across a range of sectors including healthcare, oil, banking, construction and insurance. In addition Mr. Bomford was partner in charge of international recruitment for the Middle East firm. In 2000, Mr. Bomford retired from Ernst & Young LLP. He was appointed to the Board of National Medical Center Health plc in June 2013 and is Chairman of the Audit Committee and a senior independent director. Mr. Bomford is a Board Member of an agricultural engineering trust funding students and projects. He is an official mentor providing business advice and services to clients of the Prince's trust.

Hani Buttikhi

Hani Buttikhi currently serves as Advisor to the Chairman of KBBO Group, a large diversified investment group based out of Abu Dhabi. Mr. Buttikhi has extensive experience in the investment and finance world. Previously he was head of syndicate within the investment banking group at SHUAA Capital in Dubai. Mr. Buttikhi graduated from University of Kent, Canterbury, United Kingdom in business administration with Honors. He is also a director on Emirates Healthcare group and One Financial, a FSA regulated firm based in London.

Gavin Laws

Gavin Laws was appointed a non-executive director of Travelex in 2007. Mr. Laws worked for Standard Chartered Bank for more than thirty seven years, where he undertook a number of senior assignments both in the United Kingdom and overseas. He retired in 2012 in the position of Group Head of Corporate Affairs. Prior to that role, he was Head of Governance Africa, MEPA, Europe and Americas and was a member of Standard Chartered Bank's Executive Forum. Mr. Laws is a trustee of Berkhamsted Schools Group, TAWT Trust and Liverpool FC Foundation, as well as a director of ASA International Holdings, Nidebsa Ltd and Union Bank UK Ltd. Mr. Laws was educated at the Lymm Grammar School.

Binay Raghuram Shetty

Mr. Binay Raghuram Shetty was appointed director of Travelex Holdings Limited in February, 2015 and has been serving as the Director of UAE Exchange Centre LLC since 2007. UAE Exchange Centre LLC is a leading entity in the realms of money remittance and foreign exchange, with its headquarters in Abu Dhabi and forms part of the UAE Exchange Group. Mr. Binay serves as a Director in many of these group entities and is closely involved in the business development of the UAE Exchange Group. Mr. Binay holds a bachelor of science in business administration with specializations in finance and entrepreneurship from Boston University, Massachusetts, USA. Mr. Binay is also a director of National Medical Center Health PLC, which is a listed company with the London Stock Exchange and a director of Alexandria Medical Centre, which is listed on the Alexandria Stock Exchange in Egypt.

Sylvain Pignet

Sylvain Pignet joined Travelex in 1997 as a member of the Legal Department and was appointed Group Company Secretary in 2001. Mr. Pignet is a Chartered Secretary. Mr. Pignet is the secretary of the Group Board, the Group Audit and Risk Committee, the Remuneration Committee and the Group Executive Committee. He sits on the boards of a number of Travelex Group entities. Mr. Pignet is a law graduate and holds an MA from Toulouse University.

Remuneration, Other Benefits, Share Ownership

The aggregate compensation for the members of the board of directors of Travelex amounted to £3.9 million with respect to the year ended December 31, 2016, consisting of short-term employee benefits, share based remuneration charge and post-employment benefits.

Executive Management

<u>Name</u>	<u>Age⁽¹⁾</u>	<u>Office</u>
Anthony Wagerman	55	CEO
Tony D'Souza	45	CFO
James Birch	52	General Counsel
Kate Kennedy	50	Product and Strategy Director
Daryl Norman	44	Compliance and Risk Director
Stephen O'Donovan	42	Chief Commercial Officer
Sylvain Pignet	45	Group Company Secretary
Caroline Abbondanza	39	Global IT Director
Gareth Williams	37	Global HR Director

(1) Ages of management board as of December 31, 2016

Kate Kennedy

Kate Kennedy was appointed as Product and Strategy Director in March 2017. Prior to that she was the Commercial Development Director since 2012, having joined Travelex in 2007 as Head of Global Operations for the Retail business. Ms. Kennedy was appointed to the Executive Committee in May 2015. Her remit covers strategy development, commercial insight and decision support, including contract strategy, wider strategy development and business planning. In addition, she is accountable for driving the development of digital products and solutions across the business. Ms. Kennedy brings extensive retail, digital and wholesale experience across a range of disciplines. Prior to Travelex, Ms. Kennedy held senior operational and strategy roles at WHSmith, including Business Transformation Director and Managing Director of their e-commerce business. She has also spent time in advisory services as an independent consultant. Following university, Ms. Kennedy started her career at Bain and Company, one of the top three global strategy consulting firms, where she worked on a range of projects across many industries. She has specific expertise in developing strategy, driving business decisions through commercial/data driven insights, and leading large complex change projects.

Daryl Norman

Daryl Norman joined Travelex in June 2011 and joined the Executive team in December 2011. Prior to joining Travelex, he was Head of Internal Audit for Regulatory and Operational Risk at Lloyds Banking Group. Prior to this Mr. Norman spent 8 years at Barclays Bank where he held a number of senior risk, compliance and operations roles, including Compliance Director for Mortgages and Banking Operations, Head of Operational Risk for UK Retail Banking and Head of Risk Operations. Mr. Norman qualified as a Chartered Accountant with KPMG and has a BSc in Economics from Leicester University. Mr. Norman is also an adviser and member of the risk committee of Osper, a tech startup providing banking services for children.

Stephen O'Donovan

Steve O'Donovan is Chief Commercial Officer at Travelex and is responsible for Travelex's commercial operations across Travelex's range of products and services. Joining the organization in 2000, Mr. O'Donovan has held a number of senior sales and product development roles. Before joining Travelex he worked in various sales and marketing roles for top organizations, including Friends Provident and Autoglass.

Caroline Abbondanza

Caroline Abbondanza became the Global IT Director of Travelex in December 2015. She is responsible for the IT operations, infrastructure and applications that drive our business worldwide. Ms. Abbondanza has held a number of senior IT positions at Travelex, including Head of IT in Australia. Ms. Abbondanza started her career with Cap Gemini Ernst and Young, working in their outsourcing business division. She has a degree in Social Anthropology and Politics from the University of Kent.

Gareth Williams

Gareth Williams was appointed to the Executive Committee in March 2013. Mr. Williams is the Global HR director for Travelex. He is accountable for the global people agenda and leads the generalist HR team, the L&D team, our human resources center of excellence and our shared service center in Mumbai. Mr. Williams joined Travelex in September 2011, supporting our North American and European business. Prior to Travelex, he held a range of human resources and business transformation/change roles at BT, Goldman Sachs and Sainsbury's. Mr. Williams is also a Chartered Fellow of the CIPD and holds a non-executive role at London's Guy's and St Thomas' Mental Health Foundation. Mr. Williams has a BSc in Psychology and an MBA from London Business School.

Changes in Senior Management

Sean Cornwell and Adam Koch, former members of the Travelex Executive Committee responsible for Products and Marketing and Retail, respectively, resigned from Travelex effective December 2016 and February 2017, respectively.

RELATED PARTY TRANSACTIONS

In the ordinary course of our business, we carry out transactions with related parties in accordance with established market practice and specific legal requirements.

We carried out the following transactions with related parties in the years ended December 31, 2014, 2015 and 2016:

Transactions with entities with significant influence over Holdings

Transactions with Apax Funds

For the year ended December 31, 2014, we paid fees amounting to £50,000 to Apax Europe VI for consulting and management services.

Transactions with Lloyd Dorfman

For the year ended December 31, 2015, we paid fees amounting to £99,500 to Esselco LLP for the services of Mr. Dorfman (for the years ended December 31, 2014 and 2016: £nil). Additionally, for each of the years ended December 31, 2014, 2015 and 2016, £300,000 was paid to the Royal National Theatre, of which Mr. Dorfman is a Trustee.

During the year ended December 31, 2014, we were charged £86,360 by Sanctuary Aviation LLP, £13,798 by Sanctuary Maritime LLP and £36,750 by Esselco Office Properties Ltd for services provided to the Group. Mr. Dorfman owns Sanctuary Aviation LLP and Sanctuary Maritime LLP and is a director of Esselco Office Properties Limited.

Loans with shareholders, members of the board of directors and key management

On January 29, 2015, Holdings was acquired by UTX Holdings Limited, a company incorporated in Jersey and which is ultimately controlled by Dr. B.R. Shetty. On completion, the existing shareholder debt was restructured, with £209.6 million being waived and £315.5 million settled through issue of ordinary shares in Travelex Holdings Limited, and the remaining balance being novated upward within the Group's structure and retained in favor of UTX Holdings Limited. The UTX Loans balance outstanding as of December 31, 2016 was £519.5 million (December 2015: £458.2 million). Following a review of the debt profile of the Group, we plan to extend the maturity of the UTX Loans to 2035 on or about the Issue Date.

On our balance sheet, we classify as liabilities 10.0% cumulative preference shares issued by Holdings which, as of December 31, 2016, representing £138.5 million of non-cash dividend payment and £61.3 million of nominal value. This liability was initially scheduled to mature in 2020 but we plan to extend its maturity to 2035 on or about the Issue Date.

In December 2016, we entered into a subordinated loan note program with our shareholders, Dr. B.R. Shetty, Saeed Mohamed Butti K. Al Qebaisi and Khaleefa Butti Omair Yousif Al Muhairi, for a maximum amount of £70 million due in December 2045. In December 2016, we borrowed £31.5 million under this program, (i) £27.5 million of which was used to repay trade payables owed to BRS Personal Investments under a banknote supply arrangement (as described in the preceding paragraph), (ii) £1.5 million of which was used to finance our newly incorporated joint venture in Thailand, and (iii) £2.5 million of which was used to pay the purchase price in connection with the acquisition of the remaining 51% of our joint venture in South Africa. Under this program, on January 17, 2017, we borrowed £32.5 million, which was held as cash on balance sheet and, on February 22, 2017, we borrowed a further £4.5 million, which was used to pay the purchase price in connection with our acquisition of Global Money Remittance PTE Ltd, Singapore, in February 2017.

On or about the Issue Date, we intend to amend all loan agreements (including the Shareholder Instruments, to the extent applicable) existing between the members of the Restricted Group as obligors, on the one hand, and parent companies of the Company as obligees, on the other hand, such that the members of the Restricted Group are no longer borrowers or obligors under such loans.

Following the sale of the Group to UTX Holdings Limited on January 29, 2015, the beneficial title to all M shares held by management was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

We had certain outstanding loans with companies and key management:

	As of December 31,		
	2014	2015	2016
	(millions of £)		
Balance outstanding			
UTX Holdings Limited	—	458.2	519.5
Dr. B.R. Shetty	—	—	31.7
Saeed Mohamed Butti K. Al Qebaisi	—	—	1.4
Khaleefa Butti Omair Yousif Al Muhairi	—	—	1.4
Apax Funds	546.0	—	—
Lloyd Dorfman	385.8	—	—
Other key management	4.4	—	—
Balance outstanding	936.2	458.2	554.0
Interest charged			
UTX Holdings Limited	—	64.4	64.2
Dr. B.R. Shetty	—	0.1	0.1
Saeed Mohamed Butti K. Al Qebaisi	—	—	—
Khaleefa Butti Omair Yousif Al Muhairi	—	—	—
Apax Funds	49.6	—	—
Lloyd Dorfman	35.1	—	—
Other key management	0.4	—	—
Interest charged	85.1	64.5	64.3

Transactions with joint ventures

The following trading balances are owed to us by other joint venture operations:

	As of December 31,		
	2014	2015	2016
	(millions of £)		
Travelex Emirates Exchange LLC ⁽¹⁾	0.3	0.4	—
FX Africa Foreign Exchange Pty Limited ⁽²⁾	—	—	—
Travelex Malaysia SDN BHD Limited	(0.2)	0.2	0.1
Travelex Qatar Q.S.C.	—	—	—
U.S. joint ventures.	—	—	0.2

(1) Travelex Emirates LLC, our original UAE joint venture with the late Sheikh Shaya Bin Ahmed Al Hamed, has been restructured. The UAE business has been transferred into another entity, Travelex Emirates Exchange LLC, for the purpose of applying for a broader license. We hold 40% of the shares of the combined entity but will continue to manage it and receive 55% of the economic benefit.

(2) We had a loan receivable of £1.2 million, £0.9 million and £1.3 million as of December 31, 2014, December 31, 2015 and December 31, 2016, respectively, from Travelex Africa Foreign Exchange (Pty) Limited (previously known as FX Africa Foreign Exchange Pty Limited), repayable at the discretion of the board of directors of Travelex Africa and bearing no interest. This loan is also repayable if there is an imbalance between amounts owed to shareholders in excess of ZAR 5.0 million, with interest payable at 2.0% on the outstanding value of the loan.

Other related party transactions

On January 29, 2015, in connection with the sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited sold Banque Travelex SA and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which Dr. B.R. Shetty is also a shareholder. For the year ended December 31, 2015, we charged €2.8 million (£2.0 million) in relation to management services to Banque Travelex SA and a total trading balance of £0.4 million was owed to the Group by Banque Travelex S.A. For the year ended December 31, 2016, we charged €3 million (£2.4 million) in relation to management services to Banque Travelex SA and a total trading balance of £0.6 million was owed to the Group by Banque Travelex S.A.

On December 4, 2015, BRS Ventures LLC acquired 100% of Renova Serviços Auxilliaries em Operações Internacionais Ltda and the trade assets of Renova S.A. Corretora de Cambio. Renova operates comprised a network of retail stores across Brazil with a remittance and business to business foreign exchange offering which is complementary to our existing offering in Brazil. On the same date as the acquisition, BRS Ventures LLC, a company incorporated in the United States and owned by our ultimate controlling party, Dr. B.R. Shetty, transferred Renova to the Group. The purchase consideration and working capital requirements were funded through subordinated loan notes, issued in favor of Dr. B.R. Shetty, which we refer to as the Renova Loan in these listing particulars. The loan balance outstanding as of December 31, 2016 was \$24.0 million (with a book value of £2.8 million).

In October 2015, our then primary supplier of banknotes, Bank of America, N.A., served notice to terminate a key agreement for the supply of wholesale banknotes. Rather than terminate the agreement in its entirety, Bank of America, N.A. agreed to amend the agreement such that we no longer benefitted from a credit line which allowed us to defer payment to Bank of America, N.A. for a number of days which was sufficient for us to receive payment from our customers but retained the arrangement to supply banknotes. To increase our flexibility, we entered into a bank notes supply agreement with BRS Personal Investments (a company controlled by our shareholder, Dr. B.R. Shetty) that provides for a seven business day payment term. As of December 31, 2016, we had no borrowings outstanding under this agreement. See “*Business—Material Agreements*” and footnote 10 under “*Summary Financial Data*.”

Directors and key management occasionally transact with our subsidiaries, primarily with regard to the provision of foreign currency or foreign currency payment transactions on standard staff discount terms. Our board of directors has considered the financial effect of these transactions with Group companies and has concluded that they are not material to the Group or the individuals concerned.

For the year ended December 31, 2015, a total of £11.4 million was awarded to certain key management and directors on completion of the sale of the Group to UTX Holdings Ltd.

As of December 31, 2014, the total amount of loans to key management amounted to £1.4 million. There were no borrowings made to other key management in the years ended December 31, 2015 and 2016. The balances for such periods held by members of the board of directors were as follows:

	As of December 31,		
	2014	2015	2016
		(£)	
Peter Jackson	565,000	—	—
Lord Stevens	2,500	—	—
Phillip Hodgkinson	2,500	—	—
Michael Ball	920,500	—	—

Dr. B.R. Shetty and his business partner invest in a number of businesses. For the year ended December 31, 2016, we transacted with UAE Exchange Centre LLC and UAE Exchange Ltd, which are affiliates of Dr. B.R. Shetty, for a total of net revenue of £15,698 and with £1,447 in balances outstanding and for the year ended December 31, 2015, we transacted with UAE Exchange Centre and UAE Exchange Ltd for a total of net revenue of £2.9 million and balances outstanding of £nil.

In relation to our acquisition by UTX Holdings Limited, BRS Ventures & Holdings Limited (the parent of UTX Holdings Limited) entered into a \$750 million credit facility agreement that was replaced with a \$490 million credit facility agreement on March 25, 2016 (as amended and/or as amended and restated from time to time), which places certain restrictions on the Group. See “*Principal Shareholders—BRS Facility Agreement*.”

PRINCIPAL SHAREHOLDERS

As of December 31, 2016, the issued share capital of Holdings was £61.6 million, consisting of (i) 25,794,357 ordinary shares with a par value of £0.01 each, (ii) 6,197,945 deferred shares with a par value of £0.01 each and (iii) 61,287,636 preferred shares with a par value of £1.00 each, all of which are fully paid up. UTX Holdings Limited owns 100% of the outstanding share capital of Holdings. The following table sets forth information regarding the beneficial ownership of Holdings.

	As of December 31, 2016
Owner	Percent
BRS Ventures & Holdings Limited ⁽¹⁾	95.00%
Mr. Lloyd Dorfman ⁽²⁾	2.53%
The Lloyd Dorfman Children's Settlement ⁽²⁾	2.47%
Total	100.00%

(1) Dr. B.R. Shetty, Mr. Khaleefa Butti Omair Yousif Al Muhairi and Saeed Mohamed Butti K. Al Qebaisi hold their interest in Holdings through BRS Ventures & Holdings Limited, which holds 95% of the shares of UTX Holdings Limited, which in turn currently holds 100% of the shares in Holdings. Dr. B.R. Shetty owns 91% of the shares of BRS Ventures & Holdings Limited, while Mr. Khaleefa Butti Omair Yousif Al Muhairi and Saeed Mohamed Butti K. Al Qebaisi each hold a 4.5% stake in BRS Ventures & Holdings Limited.

(2) Mr. Lloyd Dorfman and The Lloyd Dorfman Children's Settlement hold a 5% interest in Holdings through their joint 5% stake in UTX Holdings Limited.

BRS Facility Agreement

In connection with the acquisition of the Travelex Group by UTX Holdings Limited, BRS Ventures & Holdings Limited ("BRS"), the parent of UTX Holdings Limited, entered into a \$750 million credit facility agreement (the "Original BRS Facility Agreement") on October 14, 2014. The Original BRS Facility Agreement was replaced with a \$490 million credit facility agreement (the "BRS Facility Agreement," and the facility made available thereunder, the "BRS Facility") on March 25, 2016 (as amended and/or as amended and restated from time to time) with, among others, Citibank Europe plc, UK Branch, as agent, Citibank, N.A., UAE Branch as onshore security agent and Citibank, N.A., London Branch as off-shore security agent and Goldman Sachs Bank USA, Qatar National Bank S.A.Q., Doha Bank Q.S.C., Barclays Bank plc, Commercial Bank International PSC and National Bank of Fujairah PJSC as arrangers.

Maturity

The loan under the BRS Facility amortizes on an annual basis, with the final instalment due on March 25, 2021.

Collateral

UTX Holdings Limited has secured the shares it owns in Travelex Holdings Limited by way of an English law governed security deed in favor of the finance parties under the BRS Facility and certain hedge counterparties. In the event of an enforcement of this security, a change of control may result under the Indenture governing the Notes offered hereby and the Revolving Credit Facility.

Representations and Warranties with respect to the Travelex Group

BRS has made customary representations and warranties (certain of which are repeating representations and warranties) with respect to the Travelex Group. Breach of any of these representations and warranties may result in an event of default under the BRS Facility Agreement.

Covenants with respect to the Travelex Group

For so long as any amount remains outstanding under the BRS Facility, the BRS Facility limits our ability to undertake certain actions including:

- (1) merge or consolidate with any person that is not a member of the Travelex Group;

- (2) acquire any shares or securities of a business or undertaking;
- (3) enter into, invest or acquire any joint venture;
- (4) grant any security or otherwise encumber any of its assets or guarantee any third party obligations;
- (5) dispose of any assets;
- (6) incur any non-permitted financial indebtedness;
- (7) enter into unrelated businesses or engage in prohibited activities; or
- (8) engage in any activity that would result in a breach of applicable sanctions.

Each of these covenants is subject to significant exceptions and qualifications.

BRS is also required to ensure that the Group observes certain affirmative covenants, including providing annual and quarterly financial statements and management information and delivering compliance certificates together with each set of annual and quarterly financial statements. The BRS facility also includes a financial covenant for the Group based on a consolidated leverage ratio, which is tested quarterly.

Mandatory Prepayments

The BRS Facility Agreement contains mandatory prepayment provisions that are customary for a holding company facility, including illegality, change of control and debt or equity raising.

Dividends and Excluded Matters

BRS has agreed that it will cause each member of the Travelex Group, as soon as reasonably practicable following the delivery of each quarterly financial statements of the Group, to dividend or otherwise upstream all surplus cash to UTX Holdings Limited. This covenant is subject to significant exceptions and qualifications.

Events of Default

The BRS Facility Agreement contains customary events of default, including the following in relation to the Group: non-compliance with the covenants referred to above, breaches of representations and warranties of the Travelex Group, cross default (where indebtedness is over £5 million in aggregate), insolvency, insolvency proceedings and creditors' process, cessation of business, audit qualification, material adverse change, expropriation and litigation. Applicable materiality qualifiers and grace periods apply.

Other

Notwithstanding any other term of the BRS Facility Agreement, nothing in the BRS Facility Agreement shall oblige any member of the Travelex Group to take any action that would result in a default under the Indenture or the Revolving Credit Facility Agreement.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of certain provisions of our indebtedness and certain financial arrangements to which we and certain of our subsidiaries are or will be a party. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility Agreement

Overview and Structure

The Company and certain of its subsidiaries entered into a new £90 million super senior revolving credit facility agreement dated April 28, 2017 (the “Revolving Credit Facility Agreement” or the “Senior Facilities Agreement”) with, among others, Deutsche Bank AG, London Branch as facility agent and Security Agent, and Barclays Bank PLC, J.P. Morgan Limited, Bank of America Merrill Lynch International Limited, Goldman Sachs International, and Deutsche Bank AG, London Branch as arrangers.

The Revolving Credit Facility Agreement may be utilized by any current or future borrower under the Revolving Credit Facility Agreement in euros, U.S. dollars, pounds sterling or any other readily available or agreed currency by the drawing of cash advances or the issue of letters of credit or ancillary facilities. The Revolving Credit Facility Agreement may be used for financing or refinancing our working capital and general corporate purposes.

In addition, the Company may elect to request additional facilities either as a new facility or as additional tranches of the Revolving Credit Facility Agreement (the “Additional Facility Commitments”). The Company and the lenders may agree to certain terms in relation to the Additional Facility Commitments, including the margin and the termination date (each subject to parameters as set out in the Revolving Credit Facility Agreement) and the availability period.

The Revolving Credit Facility Agreement may be utilized from the Issue Date of the Notes (the “Closing Date”) until the date falling one month prior to the termination date of the Revolving Credit Facility. The original borrowers under the Revolving Credit Facility Agreement are the Company and Travelex Limited.

Interest and Fees

Loans under the Revolving Credit Facility Agreement will initially bear interest at rates per annum equal to LIBOR or, for loans denominated in euro, EURIBOR, plus a margin of 3.50% per annum. Beginning twelve months following the Closing Date, the margin on the loans will be subject to reduction if certain leverage ratios are met. The margin on any loans under an Additional Facility Commitment will be agreed between the Company and the relevant lenders.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility Agreement from the Closing Date to the end of the availability period for the Revolving Credit Facility Agreement at a rate of 35% of the applicable margin for the Revolving Credit Facility. The commitment fee is payable quarterly in arrears, on the last date of availability of the Revolving Credit Facility Agreement and on the date the Revolving Credit Facility Agreement is cancelled in full or on the date on which a lender cancels its commitment. Default interest is calculated as an additional 1% on the overdue amount. The Company is also required to pay customary agency fees to the facility agent and the security agent in connection with the Revolving Credit Facility.

Repayments

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding borrowings under the Revolving Credit Facility Agreement will be repaid on the termination date which is the date falling 57 months after the Closing Date. The termination date for a facility under an Additional Facility Commitment is the date agreed between the Company and the relevant lenders. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility Agreement may be reborrowed during the availability period for that facility, subject to certain conditions.

Mandatory Prepayment

The Revolving Credit Facility Agreement allows for voluntary prepayments (subject to minimum amounts). The Revolving Credit Facility Agreement also permits each lender to require the mandatory

prepayment of all amounts due to that lender upon a Change of Control (as defined in the Revolving Credit Facility Agreement). The Revolving Credit Facility Agreement also requires the Company to make an offer to prepay the Revolving Credit Facility Agreement with the net cash proceeds received by us from certain disposals of assets, to the extent that such net cash proceeds exceed certain agreed thresholds and have not been applied for other permitted purposes.

Guarantees

Subject to the Agreed Security Principles and to the extent legally possible, the Company, the Issuer, Travelex America Holdings, Inc., Travelex America, Inc., Travelex Currency Services, Inc., Travelex Australia Holdings Proprietary Limited, Travelex Limited, Travelex Japan KK, Travelex Agency Services Limited, Travelex Banknotes Limited, Travelex Central Services Limited, Travelex Europe Limited, Travellers Exchange Corporation Limited, Travelex Foreign Coin Services Limited, Travelex Group Limited, Travelex Group Investments Limited, Travelex Italia Limited, Travelex Limited (Australia), Travelex UK Limited, Travelex do Brasil Holding Societaria Ltda and, subject to certain Dutch works council advice, Travelex Netherlands will provide a senior guarantee of all amounts payable to the finance parties under the Revolving Credit Facility Agreement, certain ancillary facilities providers and the hedging banks under any secured hedging agreements. As a result of the Reorganization, we expect to make certain changes to the guarantor group described above, which we do not expect will adversely affect the guarantor coverage.

The Revolving Credit Facility Agreement requires that (subject to the Agreed Security Principles) each subsidiary of the Company incorporated in England and Wales, Delaware, Ontario, Australia, Japan or the Netherlands that is or becomes a Material Company (which definition includes, among other things, any member of the Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA or total assets representing 5% or more of the total assets of the Group) following the Closing Date will be required to become a guarantor under the Revolving Credit Facility Agreement within 60 days of delivery of the annual financial statements for the relevant fiscal year demonstrating that such subsidiary is a Material Company.

Furthermore, if on the last day of a fiscal year of the Company, the guarantors represent less than 80% of each of the consolidated EBITDA or the total assets of the Company and its restricted subsidiaries (subject to certain exceptions), within 90 days of delivery of the annual financial statements for the relevant fiscal year, such other restricted subsidiaries of the Company (subject to Agreed Security Principles) are required to become additional guarantors until the requirement is satisfied (to be calculated as if such additional guarantors had been guarantors on such last day of the relevant fiscal year).

Security

The Revolving Credit Facility Agreement is secured by the same Collateral as the Senior Secured Notes. As a result of the Reorganization, we expect to make certain changes to the Collateral in accordance with the terms of the Indenture, which we do not expect will adversely affect the Collateral coverage.

In addition, any Material Company or other member of the Group which becomes a guarantor of the Revolving Credit Facility Agreement is required (subject to Agreed Security Principles) to grant security (a) in the case of a guarantor incorporated in England, over its material assets, and (b) in the case of a guarantor incorporated in a jurisdiction other than England, over any shares held by that guarantor in another guarantor, in each case, in favor of the security agent under the Revolving Credit Facility, provided that no security will be granted over the shares of the Australian Guarantors or, subject to the next sentence, the shares of the Brazilian Guarantor or the assets of Travelex Europe Limited. The Revolving Credit Facility Agreement requires that, to the extent legally possible and when it is no longer prohibited under any third party arrangements (including, without limitation, the BRS Facility Agreement), if the Security Agent so requests in accordance with the terms of the Revolving Credit Facility Agreement, subject to the Agreed Security Principles, (i) Travelex Europe Limited shall grant security over its material assets within 60 days of such request and (ii) security shall be granted over the shares of the Brazilian Guarantor to a co-security agent within 180 days of such request.

Representations and Warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being

repeated), including status and incorporation, binding obligations, non-conflict with constitutional documents, laws or other obligations, power and authority, authorizations, consents and filings, no default and sanctions and anti-corruption.

Covenants

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments) that are set forth in the Indenture. In addition, the Revolving Credit Facility Agreement contains a financial covenant (see “—*Financial Covenant*”).

The Revolving Credit Facility Agreement also contains a “notes purchase condition” covenant. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Company may not, and shall procure that no other member of the Group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of the Notes and any senior notes (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) prior to its scheduled repayment date in any manner which involves the payment of cash consideration of the Group to a person which is not a member of the Group. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Notes and any senior notes in existence as of the Closing Date or incurred at any time after the Closing Date.

The Revolving Credit Facility Agreement also requires certain members of the Group to observe certain covenants, including covenants relating to maintenance of guarantor and security coverage, further assurances, compliance with laws, access if a non-payment, insolvency or breach of financial covenant event of default is continuing, sanctions and anti-corruption, the “people with significant control” regime and a holding company covenant in respect of the Company.

Certain of the covenants under the Revolving Credit Facility Agreement will be suspended upon (i) a public offering of the Company or certain of its holding companies and an achievement of a leverage ratio equal to or less than 2.50:1 (pro forma for any prepayment of certain indebtedness from the proceeds of such public offering) or (ii) an achievement by the Company (or any of its affiliates) of a long-term corporate credit rating of Baa3/BBB- or better by Moody’s Investor Services, Inc. or Standard & Poor’s Investors Ratings Services.

The Revolving Credit Facility Agreement contains an information covenant under which, among other things, the Company is required to deliver to the facility agent annual financial statements, quarterly financial statements, compliance certificates and an annual budget and invite the lenders to all public calls held for the holders of the Notes.

Financial Covenant

The Revolving Credit Facility Agreement requires the Company to comply with a Leverage Ratio (defined as the ratio of Consolidated Net Indebtedness at such date to Adjusted EBITDA for the period of the most recent four consecutive financial quarters, each such term as defined in the Revolving Credit Facility Agreement) as calculated in accordance with the terms of the Revolving Credit Facility Agreement. The covenant will be tested quarterly on a rolling basis.

The Leverage Ratio for any relevant period must not exceed the ratio set out in the following table.

Relevant Period expiring on or about:	Ratio
September 30 2017	7.41:1
December 31 2017	6.06:1
March 31 2018	5.27:1
June 30 2018	5.38:1
September 30 2018	5.47:1
December 31 2018	4.49:1
March 31 2019	4.39:1
June 30, 2019	4.58:1
September 30, 2019	4.20:1
December 31, 2019	3.48:1
Each Quarter Date thereafter	3.27:1

The Company is permitted to prevent or cure breaches of the Leverage Ratio by applying any cure amount (being amounts received by the Company in cash pursuant to any new equity or permitted subordinated debt) as if Consolidated Net Indebtedness had been reduced by such amount. There is no requirement to apply any cure amount in prepayment of the Revolving Credit Facility. No more than three cure amounts may be taken into account during the term of the Revolving Credit Facility Agreement and cure amounts in successive financial quarters will not be permitted.

Events of Default

The Revolving Credit Facility Agreement contains events of default, with certain adjustments, as those applicable to the Notes as set forth in the section entitled “*Description of the Senior Secured Notes—Events of Default.*” In addition, the Revolving Credit Facility Agreement contains the following events of default:

- breach of the leverage ratio covenant (subject to the equity cure rights referred to above);
- inaccuracy of a representation or statement when made;
- unlawfulness, repudiation, rescission, invalidity or unenforceability of the finance documents entered into in connection with the Revolving Credit Facility Agreement; and
- cross default (subject to a threshold).

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Company (“Parent”) and any other entity which accedes to the Intercreditor Agreement as a debtor (together the “Debtors”) will be parties to the Intercreditor Agreement entered into on April 28, 2017 with, among others, the Security Agent, the lenders under our Senior Facilities Agreement, and the senior agent under our Senior Facilities Agreement (the “Senior Facility Agent”). Deutsche Trustee Company Limited (the “Senior Notes Trustee”) acceded to the Intercreditor Agreement on the Issue Date. The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Capitalized terms set forth and used in this section entitled “—*Intercreditor Agreement*” have the same meanings as set forth in the Intercreditor Agreement (as amended and restated), which may have different meanings from the meanings given to such terms and used elsewhere in these listing particulars. In particular, in this section the term “Senior Notes” means the Notes (as defined elsewhere in these listing particulars)

Definitions

The following defined terms are used in this summary of the Intercreditor Agreement:

“Agent Liabilities” means the liabilities owed by any Debtor to any agent, trustee or representative of the creditors under in connection with the debt documents.

“Hedge Counterparty” means any person that executes or accedes to the Intercreditor Agreement as a Hedge Counterparty.

“Operating Facility” means any facility or financial accommodation (including, without limitation, any overdraft or other current account facility, any foreign exchange facility, any guarantee, bonding, documentary or standby letter of credit facility, any credit card or automated payments facility, any short term loan facility and any derivatives facility) provided to a member of the Group by an Operating Facility Lender which is notified to the Security Agent by the Parent in writing as a facility or financial accommodation to be treated as an “Operating Facility” for the purposes of the Intercreditor Agreement.

“Operating Facility Document” means, at the election of the Parent, any document relating to or evidencing an Operating Facility.

“Operating Facility Lender” means any person that executes or accedes to the Intercreditor Agreement as an Operating Facility Lender.

“Operating Facility Liabilities” means the liabilities owed by any Debtor to the Operating Facility Lenders under or in connection with the Operating Facility Documents.

“Permitted Finco Financing Agreement” means, in relation to any Permitted Finco Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Finco Financing Debt is made available or, as the case may be, issued.

“Permitted Finco Financing Creditors” means, in relation to any Permitted Finco Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Finco Financing Debt from time to time (including the applicable Senior Finco Creditor Representative).

“Permitted Finco Financing Debt” means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as “Permitted Finco Financing Debt” for the purposes of the Intercreditor Agreement; provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Finco Financing Debt have agreed to become a party to the Intercreditor Agreement, in each case unless already a party in that capacity.

“Permitted Finco Financing Documents” means, in relation to any Permitted Finco Financing Debt, the Permitted Finco Financing Agreement, any fee letter entered into under or in connection with the Permitted Finco Financing Agreement and any other document or instrument relating to that Permitted Finco Financing Debt and designated as such by the Parent and the Senior Finco Creditor Representative in respect of that Permitted Finco Financing Debt.

“Permitted Finco Financing Liabilities” means all liabilities of any Debtor to any Permitted Finco Financing Creditors under or in connection with the Permitted Finco Financing Documents.

“Permitted Senior Financing Agreement” means, in relation to any Permitted Senior Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Senior Financing Debt is made available or, as the case may be, issued.

“Permitted Senior Financing Creditors” means, in relation to any Permitted Senior Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Senior Financing Debt from time to time (including the applicable Senior Creditor Representative).

“Permitted Senior Financing Debt” means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Parent in writing as indebtedness to be treated as “Permitted Senior Financing Debt” for the purposes of the Intercreditor Agreement; provided that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt have agreed to become a party to the Intercreditor Agreement in each case to the extent not already a party in that capacity.

“Permitted Senior Financing Documents” means, in relation to any Permitted Senior Financing Debt, the Permitted Senior Financing Agreement, any fee letter entered into under or in connection with the Permitted Senior Financing Agreement and any other document or instrument relating to that Permitted Senior Financing Debt and designated as such by the Parent and the Senior Creditor Representative under that Permitted Senior Financing Debt.

“Permitted Senior Financing Liabilities” means all liabilities of any Debtor to any Permitted Senior Financing Creditors under or in connection with the Permitted Senior Financing Documents.

“Senior Creditors” means the Senior Lenders and the Hedge Counterparties.

“Senior Creditor Representative” means in relation to any Permitted Senior Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt.

“Senior Finco Creditors” means the Senior Finco Notes Creditors and any Permitted Finco Financing Creditors.

“Senior Finco Creditor Representative” means, in relation to any Permitted Finco Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Finco Financing Debt.

“Senior Finco Debt Issuer” means, in relation to any Senior Finco Notes or Permitted Finco Financing Debt, the issuer or, as the case may be, the borrower of those Senior Finco Notes or that Permitted Finco Financing Debt, provided that any member of the Group which is (i) an issuer or borrower of any outstanding Senior Notes or Permitted Senior Financing Debt or (ii) the subsidiary of a member of group (i) (other than a subsidiary which is a financing vehicle), may not be a Senior Finco Debt Issuer.

“Senior Finco Notes” means any high yield notes, exchange notes, debt securities and/or other debt instruments issued or to be issued by any member of the Group which are notified to the Security Agent by the Parent in writing as indebtedness to be treated as “Senior Finco Notes” for the purpose of the Intercreditor Agreement.

“Senior Finco Notes Creditors” means the Senior Finco Notes holders and each trustee under any such issue of Senior Finco Notes.

“Senior Liabilities” means the Senior Lender Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Senior Notes Liabilities and the Permitted Senior Financing Liabilities.

“Senior Notes Liabilities” means the Liabilities owed by the Debtors to the Senior Notes Finance Parties under the Senior Notes Finance Documents (excluding any Senior Notes Trustee Amounts).

Debt Refinancing

The Intercreditor Agreement permits any of the liabilities under the debt documents to be refinanced, replaced, increased or otherwise restructured in whole or in part including by way of Permitted Senior Financing Debt and/or Permitted Finco Financing Debt or the issue of additional Senior Notes and/or Senior Finco Notes and the introduction of a super senior revolving credit facility (the “Priority Revolving Facility”) or the establishment of new or additional Operating Facilities (each a “Debt Refinancing”). Each party to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of the then current Secured Debt Documents and/or take such other action as is required by the Parent in order to facilitate such a Debt Refinancing including changes to, the taking of, or release and retake of, any guarantee or security, subject to certain conditions. At the option of the Parent, a Debt Refinancing may be made available on a basis which is senior to, *pari passu* with or junior to any of the other liabilities, shall be entitled to benefit from all or any of the security, may be made available on a secured or unsecured basis (subject to certain restrictions) and may be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Financing Agreements. Under the terms of the Intercreditor Agreement, each agent, each Secured Party and each Primary Creditor agrees that it shall co-operate with the Parent, each other member of the Group and each agent in order to facilitate any Debt Refinancing (including by way of, at the request and cost of the Parent, executing any document or agreement and/or giving instructions to any person). In the event of any refinancing or replacement of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time), the Parent shall be entitled to require that the definition of Instructing Group is amended such that the relevant refinancing or replacement indebtedness is treated in the same manner as the Senior Facilities (meaning that for the purpose of calculating the voting entitlement of any person, at the option of the Parent all or any part of the relevant refinancing or replacement indebtedness may be treated as Senior Secured Credit Participations of the Senior Creditors and not Senior Notes/Permitted Financing Credit Participations). In the event that any Priority Revolving Facility becomes subject to the provisions of the Intercreditor Agreement, the Parent shall be entitled to require that all or any part of the liabilities in relation to Hedging Liabilities (as defined in the Intercreditor Agreement) and/or the Operating Facility Liabilities shall rank in right and priority of payment *pari passu* with that Priority Revolving Facility (which, for the avoidance of doubt, may result in such Hedging Liabilities and/or, as the case may be, Operating Facility Liabilities ranking ahead of the Senior Notes liabilities and/or the Senior Finco Notes liabilities), and/or the Permitted Senior Financing Liabilities and/or the Permitted Finco Financing Liabilities, in each case unless otherwise prohibited by the Debt Financing Agreements.

Any Priority Revolving Facility implemented pursuant to a Debt Refinancing shall comply with, among others, the following limitations:

Ranking of a Debt Refinancing

No liabilities or obligations in respect of any Priority Revolving Facility may rank in right and priority of payment ahead of the amounts set out in paragraph (i) or (ii) of the section captioned “—*Application of Proceeds*.”

Subject to the paragraph above and to the extent not otherwise prohibited by the Debt Financing Agreements, any Priority Revolving Facility shall rank in right and priority of payment as determined by the Parent.

Enforcement: Debt Refinancing

The right of the lenders or other creditors in respect of a Priority Revolving Facility to:

- (a) instruct the Security Agent to enforce the security;
- (b) give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the security as they see fit; and/or
- (c) otherwise provide instructions as, or as part of, an Instructing Group,

shall be generally consistent with, or otherwise not materially less favorable to the other Secured Parties than, those customary for facilities of a similar nature to that Priority Revolving Facility (if any), in each case as of the date such Priority Revolving Facility is contractually committed by the relevant member(s) of the Group and as determined by the Parent (with any such determination to be conclusive).

Option to Purchase

- (a) The Permitted Senior Financing Creditors shall be provided with an ‘option to purchase’ right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the ‘option to purchase’ right provided in relation to the Senior Lender Liabilities as set out under the caption “*Option to Purchase: Senior Secured Creditors*.”
- (b) The Senior Finco Agent(s) shall be provided with an ‘option to purchase’ right in relation to any liabilities in respect of a Priority Revolving Facility consistent in all material respects with the ‘option to purchase’ right as set out under caption “*Option to Purchase: Senior Finco Creditors*.”

Ranking and Priority

Priority of Debts

Subject to the provisions set out in the caption “—*Senior Finco Liabilities and Security*” below, the Intercreditor Agreement provides that the liabilities owed by the Debtors (other than any Senior Finco Debt Issuer to the extent relating to Liabilities in respect of Senior Finco Notes and/or Permitted Finco Financing Debt where that Senior Finco Debt Issuer is the issuer or the borrower) to the creditors in relation to the Senior Facilities, certain hedging obligations, the Senior Notes, the Senior Finco Notes, the Permitted Senior Financing Debt and the Permitted Finco Financing Debt (the “Primary Creditors”) and the Operating Facility Lenders shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities of the lenders, issuing banks and ancillary lenders under the Senior Facilities (each a “Senior Lender” and such liabilities the “Senior Lender Liabilities”), the Senior Notes liabilities, the Permitted Senior Financing Liabilities, the Agent Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, amounts due to the Senior Notes Trustee and amounts due to the Senior Finco Notes Trustee *pari passu* and without any preference between them; and
- second, the Senior Finco Notes liabilities and the Permitted Finco Financing Liabilities *pari passu* between themselves and without any preference between them.

The liabilities owed by a Senior Finco Debt Issuer (to the extent relating to Liabilities in respect of Senior Finco Notes and/or Permitted Finco Financing Debt where that Senior Finco Debt Issuer is the issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank *pari passu* in right and priority of payment without any preference among them.

Priority of Security

The Intercreditor Agreement provides that the security shall secure the liabilities (but only to the extent that such security is expressed to secure those liabilities) in the following order:

- first, the Senior Lender Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities, the Agent Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, amounts due to the Senior Notes Trustee and amounts due to the Senior Finco Notes Trustee *pari passu* and without any preference between them; and
- second, the Senior Finco Notes liabilities and the Permitted Finco Financing Liabilities *pari passu* between themselves and without any preference between them.

Senior Finco Liabilities and Security

The Senior Finco Notes liabilities and the Permitted Finco Financing Liabilities owed by a Senior Finco Debt Issuer (to the extent relating to Liabilities in respect of Senior Finco Notes and/or Permitted Finco Financing Debt where that Senior Finco Debt Issuer is the issuer or the borrower) are senior obligations of the Senior Finco Debt Issuer. Notwithstanding the preceding sentence, until the date the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities have been discharged (the “Senior Discharge Date”), creditors in relation to the Senior Finco Notes liabilities and the Permitted Finco Financing Liabilities may not take any steps to appropriate the assets of a Senior Finco Debt Issuer subject to the Security Documents in connection with any Enforcement Action (as defined below), other than as expressly permitted by the Intercreditor Agreement.

Intra-Group Liabilities and Investor Liabilities

The Intercreditor Agreement provides that the intra-group liabilities of the Group and the liabilities of the Group to an investor are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors and Operating Facility Lenders, but does not purport to rank any of those liabilities as between themselves.

Additional and/or Refinancing Debt

The creditors under the Intercreditor Agreement and the Operating Facility Lenders acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to incur incremental borrowing liabilities (including guarantees of such liabilities) or refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement). Such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities.

The creditors under the Intercreditor Agreement and the Operating Facility Lenders undertake in the Intercreditor Agreement (at the cost of the Debtors) to co-operate with the Parent and the Debtors with a view to enabling and facilitating such financing, refinancing or replacement and such sharing (provided it is not prohibited by the terms of the Debt Financing Agreements at such time) in the security to take place in a timely manner. In particular, each of the secured parties authorizes and directs each of its respective agents and the Security Agent to execute any amendment to the Intercreditor Agreement and such other debt documents required by the Parent to reflect, enable and/or facilitate any such arrangements.

Restrictions Relating to Senior Liabilities

The Parent and the Debtors may make payments of the Senior Secured Liabilities at any time, provided that after a Senior Distress Event which is continuing but, for the avoidance of doubt, subject to certain carve outs, payments of the Senior Liabilities may only be made in accordance with the waterfall as summarized under the “—*Application of Proceeds*” section.

The Intercreditor Agreement provides that the Senior Secured Creditors (as defined below), the Operating Facility Lenders, the Parent and the Debtors may at any time amend or waive the terms of the finance documents in relation to the Senior Facilities, the Senior Notes, the Permitted Senior Financing Debt and the Operating Facility in accordance with their respective terms from time to time (and subject only to any consent required under them).

Security and Guarantees: Senior Secured Creditors

The Senior Lenders, the Hedge Counterparties, the Senior Note holders and any Permitted Senior Financing Creditors (the “Senior Secured Creditors”) and the Operating Facility Lenders may take, accept or receive the benefit of:

- any security from any member of the Group in respect of any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to the shared security provided that, to the extent legally possible and subject to certain Agreed Security Principles:
 - a) the security provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - b) all amounts actually received or recovered by any Senior Secured Creditor or Operating Facility Lender with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*,” and
 - c) any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*.”
- any guarantee, indemnity or other assurance against loss from any member of the Group regarding any of the Senior Lender Liabilities, the Senior Notes liabilities or the Permitted Senior Financing Liabilities in addition to those in:
 - a) the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Document or any Operating Facility Document;
 - b) the Intercreditor Agreement; or
 - c) any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain Agreed Security Principles, given to all the senior secured parties in respect of their Senior Liabilities;

provided that (except for any guarantee, indemnity or other assurance against loss permitted to be given to any ancillary lender or issuing bank), to the extent legally possible, and subject to certain Agreed Security Principles,

- i. the guarantee provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity); and
 - ii. such guarantee, indemnity or assurance against loss is expressed to be subject to the Intercreditor Agreement; and
- any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:
 - a) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or
 - b) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities and/or Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

This provision does not require any security or guarantee to be granted in respect of the Senior Finco Notes.

Restriction on Enforcement: Senior Lenders, Senior Notes Creditors and Operating Facility Lenders

The Intercreditor Agreement provides that none of the Senior Lenders, the Senior Note holders, Operating Facility Lenders or any Permitted Senior Financing Creditors may take certain Enforcement Action without the prior written consent of an Instructing Group (as defined below), any agent, the creditors or any group of creditors to the extent they are parties who can direct the Security Agent under the Intercreditor Agreement.

Notwithstanding the above restriction or anything to the contrary in the Intercreditor Agreement, after the occurrence of certain specified insolvency events (an "Insolvency Event") in relation to a Debtor, each Senior Lender, Senior Note holder, Operating Facility Lender or Permitted Senior Financing Creditor may, to the extent it is able to do so under the relevant debt documents, take certain Enforcement Action and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event of that Debtor for liabilities owing to it (but a Senior Secured Creditor or an Operating Facility Lender may not direct the Security Agent to enforce the common security in any manner).

Option to Purchase: Senior Secured Creditors

Senior Note holders holding at least a simple majority of the Senior Notes liabilities or Permitted Senior Financing Creditors holding at least a simple majority of the Permitted Senior Financing Liabilities (the "Senior Secured Acquiring Creditors") may, after the occurrence of an acceleration event which is continuing, by giving not less than ten (10) days' notice to the Security Agent (with the first notice to prevail in the event that more than one set of Creditors serves such a notice), require the transfer to them (or to a nominee or nominees), in accordance with the applicable transfer provisions of the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities and the Operating Facility Liabilities (a "Senior Liabilities Transfer") if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement and the Operating Facility Documents;
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement and the Operating Facility Documents are complied with, other than:
 - (A) any requirement to obtain the consent of, or consult with, a member of the Group in relation to such transfer, which consent or consultation shall not be required; and
 - (B) to the extent to which all the Senior Secured Acquiring Creditors provide cash cover for any letter of credit, the consent of the relevant letter of credit issuing bank relating to such transfer;
- (iii) the Senior Facility Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - (A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any letter of credit (as envisaged in paragraph (ii)(B) above);
 - (B) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (C) all costs and expenses (including legal fees) incurred by the Senior Facility Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;
- (iv) the Operating Facility Lenders are paid an amount equal to the aggregate of:
 - (A) all of the Operating Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the Operating Facility Documents if the Operating Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (B) all costs and expenses (including legal fees) incurred by the Operating Facility Lenders and/or the Security Agent as a consequence of giving effect to that transfer.
- (v) as a result of that transfer:
 - (A) the Senior Lenders have no further actual or contingent liability to a Debtor under the Senior Facilities finance documents; and
 - (B) the Operating Facility Lenders have no further actual or contingent liability to a Debtor under the Operating Facility Documents.
- (vi) an indemnity is provided from each of the Senior Secured Acquiring Creditors (other than any Senior Agent) or from another third-party acceptable to all the Senior Lenders and the Operating Facility Lenders in a form reasonably satisfactory to each Senior Lender and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender or Operating Facility Lender for any reason;

- (vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders or the Operating Facility Lenders, except that each Senior Lender and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer; and
- (viii) the Senior Finco Creditors have not exercised their rights to purchase as described under the provisions set out in the caption "*Option to Purchase: Senior Finco Creditors*" or, having exercised such rights, have not failed to complete the acquisition of the relevant Senior Secured Liabilities in accordance with such provisions.

Subject to the Intercreditor Agreement, the Senior Secured Acquiring Creditors may only require a Senior Liabilities Transfer if, at the same time, they require a transfer of the hedging liabilities in accordance with the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no Senior Liabilities Transfer may be required to be made.

At the request of a Senior Agent (on behalf of the Senior Secured Acquiring Creditors), the Senior Facility Agent and the Operating Facility Lenders shall notify that Senior Agent of the foregoing payable sums in connection with such transfer.

"Instructing Group" means at any time:

(a) prior to the Senior Discharge Date:

- (i) in relation to any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or to take any other Enforcement Action:
 - (A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66 2/3% of the Total Senior Instructing Group Credit Participations at that time; and/or
 - (B) prior to the Senior Lender Discharge Date, the Majority Senior Creditors,

in each case as applicable in accordance with the provisions set out under the caption "*Consultation Period*;" or

- (ii) in relation to any other matter:
 - (A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66 2/3% of the Total Senior Instructing Group Credit Participations at that time; and
 - (B) prior to the Senior Lender Discharge Date, the Majority Senior Creditors; and
- (b) on or after the Senior Discharge Date but before the Senior Parent Discharge Date, and subject always to the provisions set out under the caption "*Restrictions on Enforcement by Senior Finco Creditors*," the Majority Senior Finco Creditors.

In this definition of "Instructing Group":

"Majority Senior Creditors" means, at any time, those Senior Creditors, whose Senior Credit Participants at that time aggregate more than 66 2/3% of the total Senior Credit Participants at that time.

"Majority Senior Finco Creditors" means, at any time, those Senior Finco Creditors whose Senior Finco Credit Participations at that time aggregate more than 66 2/3% of the total aggregate amount of all Senior Finco Credit Participations at that time.

"Senior Instructing Group Creditors" means:

- (a) prior to the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Creditors); and
- (b) on and after the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Lenders).

“Senior Lender Discharge Date” means the first date on which all Senior Lender Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Senior Lenders are under no further obligation to provide financial accommodation to any of the Debtors under any of the Senior Facilities finance documents.

“Senior Notes/Permitted Financing Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Note holders and the Permitted Senior Financing Creditors.

“Senior Finco Credit Participation” means:

- (a) in relation to a Senior Finco Note holder, the principal amount of outstanding Senior Finco Notes Liabilities held by that Senior Finco Note holder; and
- (b) in relation to a Permitted Finco Financing Creditor, the aggregate amount of its commitments under each Permitted Finco Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Finco Financing Debt held by that Permitted Finco Financing Creditor (as applicable and without double counting).

“Senior Secured Credit Participation” means:

- (a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Senior Facilities Agreement and the hedging agreements only;
- (b) in relation to a Senior Note holder, the principal amount of outstanding Senior Notes liabilities held by that Senior Note holder; and
- (c) in relation to a Permitted Senior Financing Creditor, the aggregate amount of its commitments under each Permitted Senior Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Creditor (as applicable and without double counting).

“Total Senior Instructing Group Credit Participations” means:

- (a) prior to the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Creditors); and
- (b) on and after the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Lenders).

“Total Senior Secured Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time.

Restrictions Relating to Senior Finco Creditors and Senior Finco Liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Discharge Date, the Senior Finco Debt Issuer shall not (and the Parent shall ensure that no member of the Group will):

- (i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities except as permitted by the provisions set out below under the captions “—*Permitted Senior Finco Payments*,” “*Permitted Senior Finco Enforcement*,” and the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” or by a refinancing of the Senior Finco Notes or the Permitted Finco Financing Debt as permitted by the Intercreditor Agreement;
- (ii) exercise any set-off against any Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities, except as permitted by the provisions set out in the caption “—*Permitted Senior Finco*”

Payments” below, the provisions set out in the caption “*Restrictions on Enforcement by Senior Finco Creditors*” below or the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” below or by a refinancing of the Senior Finco Notes or the Permitted Finco Financing Debt as permitted by the Intercreditor Agreement; or

- (iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Finco Notes Trustee or Senior Finco Creditor Representative, as the case may be, may not, and no Senior Finco Creditor may, accept the benefit of any such security or guarantee from any member of the Group) for, or in respect of, any Senior Finco Notes liabilities or any Permitted Finco Financing Liabilities other than:
 - (a) guarantees by a member of the Group of any obligations of the Group under the Senior Finco Notes finance documents and/or the Permitted Finco financing documents;
 - (b) at the option of the Parent, all or any of the security (provided that, for the avoidance of doubt, each of the parties agrees that the security shall rank and secure any Senior Finco Notes and any Permitted Finco Financing Debt as set out in “—*Ranking and Priority—Priority of Security*);” and
 - (c) any security over any assets of any Senior Finco Debt Issuer (other than, without prejudice to paragraph (b) above, shares over which the Parent has granted security and loan receivables over which a Senior Finco Debt Issuer has granted security);
 - (d) any other security or guarantee provided by a member of the Group (the “Credit Support Provider”) provided that, to the extent legally possible:
 - 1. the Credit Support Provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - 2. all amounts actually received or recovered by the Senior Finco Notes Trustee, the Senior Finco Creditor Representative or the Senior Finco Creditors, as the case may be, with respect to any such guarantee shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*;”
 - 3. any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*;” and
 - 4. such guarantee is expressed to be subject to the Intercreditor Agreement; and
 - (e) any security, guarantee, indemnity or other assurance against loss from any member of the Group in connection with:
 - 1. any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or
 - 2. any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities and any Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

Permitted Senior Finco Payments

Prior to the Senior Discharge Date, any member of the Group may make payments with respect to the Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities then due in accordance with the finance documents in relation to the Senior Finco Notes and the Permitted Finco Financing Debt (such payments, collectively, “Permitted Senior Finco Payments”):

- (i) if:
 - (a) the payment is of:
 - 1. any of the principal amount of the Senior Finco Notes liabilities and the Permitted Finco Financing Liabilities which is either (1) not prohibited from being paid by the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement; or (2) paid on or after the final maturity date of the relevant Senior Finco Notes liabilities and Permitted Finco Financing Liabilities (subject to certain conditions); or

- 2. any other amount which is not an amount of principal or capitalized interest;
- (b) no Senior Finco Payment Stop Notice (as defined below) is outstanding; and
- (c) no payment default under the Senior Facilities Agreement, the Senior Notes Indenture or the Permitted Senior Financing Documents ("Senior Payment Default") has occurred and is continuing; or
- (ii) if the Majority Senior Lenders, the Senior Notes Trustee and the Permitted Majority Senior Financing Creditors or the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (as applicable) (the "Required Senior Consent") give prior consent to that payment being made;
- (iii) if the payment is of certain amounts due to the Senior Finco Notes Trustee for its own account;
- (iv) if the payment is made by the relevant Senior Finco Debt Issuer and funded directly or indirectly with amounts which have not been received by that Senior Finco Debt Issuer from another member of the Group;
- (v) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;
- (vi) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Finco Notes finance documents and any Permitted Finco Financing Documents (including in relation to any reporting or listing requirements under such documents);
- (vii) if the payment is funded directly or indirectly with Permitted Finco Financing Debt;
- (viii) if the payment is funded directly or indirectly with Available Shareholder Amounts, New Equity or Permitted Subordinated Debt; or
- (ix) of any other amount not exceeding £5,000,000 (or its equivalent) in aggregate in any fiscal year of the Parent.

On or after the Senior Discharge Date, the Debtors may make payments to the Senior Finco Creditors in respect of the Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities in accordance with the Senior Finco Notes finance documents and the Permitted Finco Financing Documents, as applicable.

Payment Blockage Provisions

Until the Senior Discharge Date, except with the Required Senior Consent, no Senior Finco Debt Issuer shall make (and the Parent shall procure that no other member of the Group will make), and neither the Senior Finco Notes Trustee, any holder of Senior Finco Notes or the Permitted Finco Financing Creditors may receive from any other members of the Group, any Permitted Senior Finco Payment (other than certain amounts due to the Senior Finco Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Finco Financing Debt) if:

- a Senior Payment Default is continuing; or
- an event of default under the Senior Facilities Agreement, the Senior Notes Indenture and/or any Permitted Senior Financing Agreement (a "Senior Event of Default") (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Facility Agent, the Senior Notes Trustee and any Senior Creditor Representative (together, the "Senior Agents") delivers a payment stop notice (a "Senior Finco Payment Stop Notice") specifying the event or circumstance in relation to that Senior Event of Default to the Parent, the Security Agent, the Senior Finco Notes Trustee and any Senior Finco Creditor Representative until the earliest of:
 - the date falling 179 days after delivery of that Senior Finco Payment Stop Notice;
 - in relation to payments of the Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities, if a Finco standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
 - the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, the Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);

- the date on which the Senior Agent which delivered the relevant Senior Finco Payment Stop Notice delivers a notice to the Parent, the Security Agent, the Senior Finco Notes Trustee and any Senior Finco Creditor Representative cancelling the Senior Finco Payment Stop Notice;
- the Senior Discharge Date; and
- the date on which the Security Agent, the Senior Finco Notes Trustee or any Senior Finco Creditor Representative takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Finco Notes Trustee and any Senior Finco Creditor Representative waive this requirement, (i) a new Senior Finco Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Finco Payment Stop Notice; and (ii) no Senior Finco Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Finco Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agents to issue a Senior Finco Payment Stop Notice in respect of any other event or set of circumstances. No Senior Finco Payment Stop Notice may be served in respect of a Senior Event of Default which had been notified to the Senior Agents at the time at which an earlier Senior Finco Payment Stop Notice was issued.

Any failure to make a payment due under the Senior Finco Notes Indenture and any Permitted Finco Financing Documents as a result of the issue of a Senior Finco Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the Senior Finco Notes Indenture or any Permitted Finco Financing Documents, as applicable) as a consequence of that failure to make a payment in relation to the relevant Senior Finco Notes Indenture and any Permitted Finco Financing Documents; or (ii) the issue of a Senior Finco Enforcement Notice (as defined below) on behalf of the Senior Finco Creditors.

Payment Obligations and Capitalization of Interest Continue

Neither the relevant Senior Finco Debt Issuer nor any other Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under the Senior Finco Notes Indenture and any Permitted Finco Financing Document by the operation of the provisions set out under each section above under the caption “—*Restrictions Relating to Senior Finco Creditors and Senior Finco Liabilities*” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Finco Notes Indenture and any Permitted Finco Financing Document shall continue notwithstanding the issue of a Senior Finco Payment Stop Notice.

Cure of Payment Stop

If:

- (i) at any time following the issue of a Senior Finco Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Finco Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and
- (ii) the relevant Senior Finco Debt Issuer or the relevant Debtor then promptly pays to the Senior Finco Creditors an amount equal to any payments which had accrued under the Senior Finco Notes Indenture and any Permitted Finco Financing Document and which would have been Permitted Senior Finco Payments but for that Senior Finco Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived, and any Senior Finco Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Senior Finco Creditors or any other Creditor or Operating Facility Lender.

Restrictions on Amendments and Waivers

The Intercreditor Agreement provides that the Senior Finco Creditors, the Senior Finco Debt Issuers and the other Debtors may amend or waive the terms of the Senior Finco Notes finance documents and/or the Permitted Finco Financing Documents in accordance with their terms at any time (and subject only to any consent required under them).

Restrictions on Enforcement by Senior Finco Creditors

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group:

- (i) no Senior Finco Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of any security; and
- (ii) no Senior Finco Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Finco Notes finance documents and/or Permitted Finco Financing Documents,

except as permitted under the provisions set out under the caption “—*Permitted Senior Finco Enforcement*” below; *provided, however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

“Enforcement Action” is defined as:

- a) in relation to any liabilities:
 - the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Finco Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);
 - the making of any declaration that any liabilities are payable on demand;
 - the making of a demand in relation to a liability that is payable on demand;
 - the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;
 - the exercise of any right to require any member of the Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Facilities Agreement (or any other similar or equivalent provision of any of the Senior Facilities finance documents), the Senior Notes Finance Documents (as defined in the Intercreditor Agreement), the Permitted Senior Financing Documents, the hedging agreements regulated by the Intercreditor Agreement, the Senior Finco Notes finance documents and/or the Permitted Finco financing documents (the “Secured Debt Documents”) and/or any other acquisition of liabilities, acquisition or transaction which any member of the Group is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes Finance Documents or the Senior Finco Notes finance documents (or any other similar or equivalent provision of any of the Secured Debt Documents);
- b) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:
 - as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;
 - as payment netting by a Hedge Counterparty or by a hedging ancillary lender;
 - as inter-hedging agreement netting by a Hedge Counterparty;
 - as inter-hedging ancillary document netting by a hedging ancillary lender; and/or
 - which is otherwise permitted by the terms of any of the Secured Debt Documents, in each case to the extent that the exercise of that right gives effect to a permitted payment; and

- the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;
- c) the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- d) the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security),
- e) the entry into any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement or any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or
- f) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, examiner, administrator or similar officer) in relation to the winding up, dissolution, examinership, administration or reorganization of any member of the Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
- a Senior Secured Creditor or Senior Finco Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or
- bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud; or
- to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or
- any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party.

Permitted Senior Finco Enforcement

The restrictions set out in the caption “—*Restrictions on Enforcement by Senior Finco Creditors*” above will not apply if:

- (i) an Event of Default (as defined in the Senior Finco Notes Indenture and any Permitted Finco Financing Agreement, as applicable, each a “Senior Finco Event of Default”) (the “Relevant Senior Finco Default”) is continuing;
- (ii) each Senior Agent has received a notice of the Relevant Senior Finco Default specifying the event or circumstance in relation to the Relevant Senior Finco Default from the Senior Finco Notes Trustee or the Senior Finco Creditor Representative, as the case may be;
- (iii) a Senior Finco Standstill Period (as defined below) has elapsed; and
- (iv) the Relevant Senior Finco Default is continuing at the end of the relevant Senior Finco Standstill Period.

Promptly upon becoming aware of a Senior Finco Event of Default, the Senior Finco Notes Trustee or the Senior Finco Creditor Representative, as the case may be, may by notice (a “Senior Finco Enforcement Notice”) in writing notify the Senior Agents of the existence of such Senior Finco Event of Default.

Senior Finco Standstill Period

In relation to a Relevant Senior Finco Default, a Senior Finco Standstill Period shall mean the period beginning on the date (the “Senior Finco Standstill Start Date”) the relevant Senior Agent serves a Senior Finco Enforcement Notice on each of the Senior Agents in respect of such Senior Finco Event of Default and ending on the earlier to occur of:

- (i) the date falling 179 days after the Senior Finco Standstill Start Date (the “Senior Finco Standstill Period”);
- (ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Finco Notes and any Permitted Finco Financing Debt (a “Senior Finco Guarantor”); *provided, however*, that if a Senior Finco Standstill Period ends pursuant to this paragraph, the Senior Finco Creditors may only take the same Enforcement Action in relation to the Senior Finco Guarantor as the Enforcement Action taken by the Senior Secured Parties against such Senior Finco Guarantor and not against any other member of the Group;
- (iii) the date of an Insolvency Event in relation to the relevant Senior Finco Debt Issuer or a particular Senior Finco Guarantor against whom Enforcement Action is to be taken;
- (iv) the expiry of any other Senior Finco Standstill Period outstanding at the date such first mentioned Senior Finco Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), any Senior Notes Trustee (acting on behalf of the Senior Note holders) and any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors) has been obtained; and
- (vi) a failure to pay the principal amount outstanding under the Senior Finco Notes or on any Permitted Finco Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding under the Senior Finco Notes or on the Permitted Finco Financing Debt, as the case may be (provided that, unless the Senior Lender Discharge Date has occurred or as otherwise agreed by the Majority Senior Lenders and the Parent, such final stated maturity has not been amended to fall on a date prior to the date falling 66 months after the date of the Intercreditor Agreement).

Subsequent Senior Finco Event of Default

The Senior Finco Finance Parties and the relevant Senior Finco Debt Issuer, as applicable, may take Enforcement Action under the provisions set out in caption “—*Permitted Senior Finco Enforcement*” above in relation to a Senior Finco Event of Default even if, at the end of any relevant Senior Finco Standstill Period or at any later time, a further Senior Finco Standstill Period has begun as a result of any other Senior Finco Event of Default.

Enforcement on Behalf of Senior Finco Creditors

If the Security Agent has notified each of the Senior Finco Notes Trustee and any Senior Finco Creditor Representative (the “Senior Finco Agents”) that it is enforcing security created pursuant to any security document over shares of a Senior Finco Guarantor, no Senior Finco Creditor may take any action referred to under the provisions set out under the caption “—*Permitted Senior Finco Enforcement*” above against that Senior Finco Guarantor while the Security Agent is taking steps to enforce that security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Option to Purchase: Senior Finco Creditors

Subject to the following paragraphs, any of the Senior Finco Agents (on behalf of the Senior Finco Creditors) may, after an acceleration event under any of the Senior Facilities Agreement, the Senior

Notes or in relation to any Permitted Senior Financing Debt which is continuing, by giving not less than 10 days' notice to the Security Agent, require the transfer to the Senior Finco Creditors of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Notes liabilities and the Permitted Senior Financing Liabilities (the "Senior Secured Liabilities") and the Operating Facility Liabilities if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes Liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) (as applicable);
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Senior Notes Indenture pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;
- (iii) each of the Senior Facility Agent, on behalf of the Senior Lenders, the Senior Notes Trustee, on behalf of the relevant Senior Note holders and the applicable Senior Creditor Representative, on behalf of the relevant Permitted Senior Financing Creditors, is paid the amounts required under the Intercreditor Agreement;
- (iv) the Operating Facility Lenders are paid the amounts required under the Intercreditor Agreement;
- (v) as a result of that transfer the Senior Lenders, the Senior Note holders, the Permitted Senior Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Parent or any other Debtor under the relevant Secured Debt Documents;
- (vi) an indemnity is provided from each Senior Finco Creditor (other than any Senior Finco Agent) (or from another third party acceptable to all the Senior Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders) in a form reasonably satisfactory to each Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Senior Note holder, Permitted Senior Financing Creditor or Operating Facility Lender in consequence of any sum received or recovered by any such party from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Note holder, Permitted Senior Financing Creditor or Operating Facility Lender for any reason; and
- (vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Senior Note holders, the Permitted Senior Financing Creditors or the Operating Facility Lenders, except that each of them shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

Subject to the Intercreditor Agreement, a Senior Finco Agent (on behalf of all the Senior Finco Creditors) may only require a transfer of Senior Secured Liabilities and the Operating Facility Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities and the Operating Facility Liabilities may be required to be made.

At the request of a Senior Finco Agent (on behalf of all the Senior Finco Creditors), the Senior Facility Agent, the Senior Notes Trustee, any relevant Senior Creditor Representative and the Operating Facility Lenders shall notify the Senior Finco Agents of the foregoing payable sums in connection with such transfer.

Effect of Insolvency Event; Filing of Claims

The Intercreditor Agreement provides that, among other things, after the occurrence of an Insolvency Event in relation to any Debtor, or, following an acceleration event which is continuing, any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to that party shall, (with certain exceptions and, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent and to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—*Application of Proceeds*” below.

Subject to certain exceptions, to the extent that any member of the Group’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor and any Operating Facility Lender which benefited from that set-off shall (with certain exceptions and, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent, pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out in the caption “—*Application of Proceeds*” below and subject to certain exceptions.

Subject to the provisions set out in the caption “—*Application of Proceeds*” below, if the Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any Debtor or, following an acceleration event which is continuing, any member of the Group, each creditor and each Operating Facility Lender irrevocably authorizes the Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;
- (ii) demand, sue, prove and give receipt for any or all of that member of Group’s liabilities;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of Group’s liabilities; and
- (iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of Group’s liabilities.

Each creditor and Operating Facility Lender will (i) do all things that the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) reasonably requests in order to give effect to the matters referred to in this “—*Effect of Insolvency Event; Filing of Claims*” section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this “—*Effect of Insolvency Event; Filing of Claims*” section or if the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) requests that a creditor or an Operating Facility Lender take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) may reasonably require, although the Senior Notes Trustee and the Senior Finco Notes Trustee shall be under no obligation to grant such powers of attorney) to enable the Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor or Operating Facility Lender receives or recovers from any member of the Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is prohibited under the Intercreditor Agreement or, following the occurrence of a Senior Distress Event which is continuing, any Senior Lender Liabilities, Hedging Liabilities, Senior Notes liabilities, Permitted Senior Financing liabilities or Operating Facility liabilities;

- (ii) other than as referred to in the second paragraph of the caption “—*Effect of Insolvency Event; Filing of Claims*” any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) notwithstanding paragraphs (i) and (ii) above, and other than as referred to in the second paragraph of the caption “—*Effect of Insolvency Event; Filing of Claims*,” any amount:
 - (A) on account of, or in relation to, any of the liabilities after the occurrence of a distress event including as a result of any other litigation or proceedings against a member of the Group other than after the occurrence of an Insolvency Event in respect of that member of the Group; or
 - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of a distress event,
 other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption “—*Application of Proceeds*,”
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—*Application of Proceeds*,” or
- (v) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption “—*Application of Proceeds*” and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that creditor or Operating Facility Lender will, subject to certain exceptions: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) an Instructing Group; or (ii) if required as set out under the third paragraph of this section, the Majority Senior Finco Creditors.

Subject to the security having become enforceable in accordance with its terms (i) an Instructing Group; or (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date under the provisions under the caption “—*Restrictions Relating to Senior Finco Creditors and Senior Finco Liabilities*” above, the Majority Senior Finco Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Finco Creditors are then entitled to give to the Security Agent under the provisions under the caption “—*Restrictions Relating to Senior Finco Creditors and Senior Finco Liabilities*” above.

Subject to certain provisions of the Intercreditor Agreement, no secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption “—*Enforcement Instructions*,” the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator, examiner or equivalent officer of any Debtor to be appointed by the Security Agent) as:

- an Instructing Group; or
- prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph of this “—*Enforcement of Security*” section, given effect to instructions given by the Majority Senior Finco Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Finco Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit (it being understood that, absent such instructions, the Security Agent may elect to take no action).

Exercise of Voting Rights

To the fullest extent permitted under applicable law, each creditor (other than the Senior Notes Trustee and the Senior Finco Notes Trustee) and each Operating Facility Lender shall agree with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group. Notwithstanding the foregoing, no party can exercise or require any other creditor or Operating Facility Lender under the Intercreditor Agreement to exercise its power of voting or representation to waive, reduce, discharge, extend the due date for payment or otherwise reschedule any of the liabilities owed to that creditor or Operating Facility Lender.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the secured parties and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Security Held by Other Creditors

If any security is held by a creditor or Operating Facility Lender other than the Security Agent, then that creditor or Operating Facility Lender may only enforce that security in accordance with instructions given by an Instructing Group pursuant to the terms of the Intercreditor Agreement (and for this purpose references to the Security Agent shall be construed as references to that creditor or Operating Facility Lender).

Duties Owed

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the Security Agent enforces, or is instructed to enforce, the security prior to the Senior Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to any Senior Finco Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Debtors under general law.

Consultation Period

- (a) Subject to paragraph (d) below, before giving any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or to take any other Enforcement Action, the Agent(s) of the Creditors represented in the Instructing Group concerned (and, if applicable, any relevant Hedge Counterparties) shall consult with each other

Agent, each other Hedge Counterparty, each Operating Facility Lender and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 30 days from the date on which details of the proposed instructions are received by such Agents, Hedge Counterparties, Operating Facility Lenders and the Security Agent (or such shorter period as each Agent, Hedge Counterparty, Operating Facility Lender and the Security Agent shall agree) (the "Consultation Period"), and only following the expiry of a Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security or take any other Enforcement Action.

- (b) Subject to paragraph (c) below, in the event conflicting instructions are received from any other Instructing Group, the Security Agent shall enforce the Transaction Security, refrain or cease from enforcing the Transaction Security or, as the case may be, take the relevant other Enforcement Action in accordance with the instructions given by an Instructing Group referred to in paragraph (a)(i)(A) of the definition of Instructing Group (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents) and the terms of all instructions given by any other Instructing Group shall be deemed revoked.
- (c) Prior to the Senior Lender Discharge Date, if:
 - (i) the Senior Creditors have not been fully repaid within six months of the end of the first Consultation Period;
 - (ii) the Security Agent has not commenced any enforcement of the Transaction Security (or a transaction in lieu thereof) or other Enforcement Action within three months of the end of the first Consultation Period; or
 - (iii) an Insolvency Event has occurred and the Security Agent has not commenced any enforcement of the Transaction Security (or a transaction in lieu thereof) or other Enforcement Action at that time,

then the Security Agent shall follow the instructions given by the Majority Senior Creditors (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents).

- (d) Subject to paragraph (c) above, no Agent or Hedge Counterparty shall be obliged to consult in accordance with paragraph (a) above and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of a Consultation Period (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the Security Documents) if:
 - (i) the Transaction Security has become enforceable as a result of an Insolvency Event; or
 - (ii) the Instructing Group or any Agent of the Creditors represented in the Instructing Group determines in good faith (and notifies each other Agent, the Hedge Counterparties and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the Transaction Security would reasonably be expected to have a material adverse effect on:
 - (A) the Security Agent's ability to enforce any of the Transaction Security; or
 - (B) the realization proceeds of any enforcement of the Transaction Security,

and, where this paragraph (d) applies:

- (1) any instructions shall be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting in relation to the matters referred to in (A) and (B) above; and
 - (2) the Security Agent shall act in accordance with the instructions first received.
- (e) As soon as reasonably practicable following receipt of any instructions from an Instructing Group to enforce the security, refrain or cease from enforcing the security or, as the case may be, take any other enforcement Action, the Security Agent shall provide a copy of such instructions to each Agent, Hedge Counterparty and Operating Facility Lender (unless it received those instructions from that person).

Proceeds of Disposals

Non-Distressed Disposals

The Security Agent is irrevocably authorized and instructed (at the request and cost of the relevant Debtor or the Parent) to promptly release (or procure that any other relevant person releases):

- (i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:
 - (A) a disposal not prohibited by the terms of the Senior Facilities Agreement, the Senior Notes Indenture, any Permitted Senior Financing Agreement, the Senior Finco Notes Indenture and any Permitted Finco Financing Agreement (each a “Debt Financing Agreement”) (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Financing Agreement to provide replacement security); or
 - (B) any other transaction not prohibited by the terms of any Debt Financing Agreement pursuant to which that asset will cease to be held or owned by a member of the Group;
- (ii) any security (and/or any other claim relating to a debt document) over any document or agreement in order for any member of the Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);
- (iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group which has ceased to be a Debtor or will cease to be a Debtor simultaneously with such release; and
- (iv) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group or a Debtor, the Security Agent (on behalf of itself and the Secured Parties) shall (at the request and cost of the relevant Debtor or the Parent) promptly release (or procure the release of) that Debtor and its subsidiaries from all present and future liabilities under the Secured Debt Documents.

When making any request for a release pursuant to this “*Non-Distressed Disposals*” section, the Parent shall confirm in writing to the Security Agent that:

- (i) in the case of any release requested pursuant to paragraph (i) or (ii) above, the relevant disposal or other action is not prohibited by the terms of any Debt Financing Agreement; or
- (ii) in the case of any release requested pursuant to paragraph (iv) above, the relevant release is in accordance with terms of the Debt Financing Agreements,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of security requested by the Parent pursuant to the applicable provisions of the Senior Facilities Agreement as part of a permitted transaction under the Senior Facilities Agreement, when making that request the Parent shall confirm to the Security Agent that:

- (i) such request is a permitted transaction request (and absent any such statement in a request for a release the Security Agent shall be entitled to assume for all purposes that such request is not a permitted transaction request); and
- (ii) it has determined in good faith (taking into account any applicable legal limitations and other relevant considerations in relation to that permitted transaction) that it is either not possible or not desirable to implement that permitted transaction on terms satisfactory to the Parent by instead granting additional security and/or amending the terms of the existing security,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor or the Parent but without the need for any further consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party or Debtor) promptly enter into and deliver such documentation and/or take such other action as the Parent (acting reasonably) shall require to give effect to any release or other matter described above.

Without prejudice to the foregoing and for the avoidance of doubt, if requested by the Parent in accordance with the terms of any of the Debt Financing Agreements, the Security Agent and the other Creditors and Operating Facility Lenders shall (at the cost of the relevant Debtor and/or the Parent) promptly execute any guarantee, security or other release and/or any amendment, supplement or other documentation relating to the Security Documents as contemplated by the terms of any of the Debt Financing Agreements (and the Security Agent is authorized to execute, and will promptly execute if requested by the Parent, without the need for any further consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Operating Facility Lender, any such release or document on behalf of the Creditors and the Operating Facility Lenders). When making any request pursuant to this paragraph the Parent shall confirm in writing to the Security Agent that such request is in accordance with the terms of a Debt Financing Agreement and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

Notwithstanding anything to the contrary in any debt document, nothing in any Security Document shall operate or be construed so as to prevent any transaction, matter or other step not prohibited by the terms of this Agreement or the Debt Financing Agreements (a "Permitted Action"). The Security Agent (on behalf of itself and the Secured Parties) hereby agrees (and is irrevocably authorized and instructed to do so without any consent, sanction, authority or further confirmation from any Party) that it shall (at the request and cost of the relevant Debtor or the Parent) promptly execute any release or other document and/or take such other action under or in relation to any debt document (or any asset subject or expressed to be subject to any Security Document) as is requested by the Parent in order to complete, implement or facilitate a Permitted Action.

If any member of the Group is required or permitted under the Senior Debt Documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of the Senior Liabilities then no such application of those proceeds shall require the consent of any other party or result in any breach of any Senior Finco Finance Documents and such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or other discharge or reduction of any Senior Finco Liabilities. This paragraph is without prejudice to any right of any member of the Group to apply any proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Finco Liabilities to the extent permitted or contemplated by this Agreement or any other Senior Debt Document.

The Security Agent is irrevocably authorized by each Secured Party to (and will on the request and at the cost of the Parent):

- (i) release the Transaction Security; and
- (ii) release each Investor, Debtor and other member of the Group from all liabilities, undertakings and other obligations under the Secured Debt Documents,

on the Final Discharge Date (or at any time following such date on the request of the Parent).

Distressed Disposals

A "Distressed Disposal" is a disposal of an asset which is (a) being effected at the request of an Instructing Group in circumstances where the security has become enforceable in accordance with the terms of the relevant security documents, (b) being effected by enforcement of security in accordance with the terms of the relevant security documents or (c) being disposed of to a third-party subsequent to a distress event.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, Operating Facility Lender or Debtor):

- (i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:
 - (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - (B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
 - (C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant creditors, Operating Facility Lenders, Debtors and agents;

- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:
 - (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;
 - (B) any security granted by that holding company or any subsidiary of that holding company over any of its assets; and
 - (C) any other claim of any investor, any intra-group lender or another Debtor over that holding company's assets or the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, Operating Facility Lenders, Debtors and agents;

- (iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
 - (A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "Transferee") will be treated as a Primary Creditor or the Security Agent, any receiver or delegate and each of the agents, the arrangers, the Senior Secured Creditors and the Senior Finco Creditors (each a "Secured Party") for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities; *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and
 - (B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and the Operating Facility Lenders and all or part of any other liabilities and the Debtor liabilities,

on behalf of, in each case, the relevant creditors, Operating Facility Lenders and Debtors;

- (v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:
 - (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
 - (B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption “—*Application of Proceeds*” as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities, guarantee liabilities and/or other liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor or Operating Facility Lender concerned may elect to have those borrowing liabilities, guarantee liabilities and/or other liabilities transferred to the Parent in which case the Security Agent is irrevocably authorized (to the extent legally possible and at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor, Operating Facility Lender, other Secured Party or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

Subject to the immediately following paragraph, in the case of a Distressed Disposal effected by or at the request of the Security Agent (acting in accordance with the Intercreditor Agreement), unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances, including the method of enforcement, provided that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

If prior to the discharge date for the Senior Finco Notes or any Permitted Finco Financing Debt, a Distressed Disposal is being effected such that the Senior Finco Notes Guarantees and the guarantees of any Permitted Finco Financing Debt or any security over the assets of a Senior Finco Debt Issuer or any Senior Finco Guarantor will be released and/or the Senior Finco Notes liabilities and any Permitted Finco Financing Liabilities will be released, it is a further condition to the release that either:

- the Senior Finco Notes Trustee and any Senior Finco Creditor Representative has approved the release; or
- where shares or assets of a Senior Finco Guarantor or assets of a Senior Finco Debt Issuer are sold:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);
 - (B) all claims of the Senior Secured Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; *provided that*, if each Senior Agent (acting reasonably and in good faith):
 - (I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and
 - (II) serves a written notice on the Security Agent confirming the same,the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

(C) such sale or disposal is made:

- (I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or
- (II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement, provided that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

Application of Proceeds

The Intercreditor Agreement provides that secured parties may only benefit from Recoveries (as defined below) to the extent that the liabilities of such secured parties has the benefit of the guarantees or security under which such Recoveries are received and provided that, in all cases, the rights of such secured parties shall in any event be subject to the priorities set out in this section. This shall not prevent a Senior Secured Creditor benefiting from such Recoveries where it was not legally possible for the Senior Secured Creditor to obtain the relevant guarantees or security.

Order of Application

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security (for the purposes of this “—*Application of Proceeds*” section and the “—*Equalization of the Senior Secured Creditors*” section, the “Recoveries”) shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this “—*Application of Proceeds*” section), in the following order of priority:

- (i) in discharging any sums owing to the Senior Facility Agent (in respect of the amounts due to the Senior Facility Agent), any Senior Creditor Representative (in respect of amounts due to the Senior Creditor Representative), any Senior Finco Creditor Representative (in respect of amounts due to the Senior Finco Creditor Representative) or any Senior Notes Trustee amounts or Senior Finco Notes Trustee amounts, or any sums owing to the Security Agent, any receiver or any delegate on a pro rata and *pari passu* basis;
- (ii) in payment of all costs and expenses incurred by any agent, Primary Creditor or Operating Facility Lender in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;
- (iii) in respect of Recoveries resulting from the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu thereof, in payment to:
 - (A) the Senior Facility Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;
 - (B) the Hedge Counterparties; and
 - (C) the Operating Facility Lenders;for application towards the discharge of:
 - (I) the liabilities of the Debtors owing to the arrangers under or in connection with the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents relating to the Senior Facilities);
 - (II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and
 - (III) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I), (II) and (III) above;

(iv) in payment to:

- (A) the Senior Facility Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;
- (B) the Hedge Counterparties;
- (C) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);
- (D) each Senior Notes Trustee on its own behalf and on behalf of the holders of the Senior Notes; and
- (E) each Senior Creditor Representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Creditors; and

for application towards the discharge of:

- (I) the liabilities of the Debtors owed to the senior arrangers under or in connection with the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents in relation to the Senior Facilities);
- (II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty); and
- (III) the Operating Facility Liabilities (on a pro rata basis between the Operating Facility Liabilities of each Operating Facility Lender);
- (IV) the Senior Notes liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Senior Notes finance documents);
- (V) the liabilities of the Debtors owed to the arrangers of the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than the liabilities owing to a Senior Creditor Representative) (in accordance with the terms of the Permitted Senior Financing Documents and, if there is more than one Permitted Senior Financing Agreement, on a pro rata basis between the Permitted Senior Financing Debt in respect of each Permitted Senior Financing Agreement);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I), (II), (III), (IV) and (V) above;

(v) in payment to:

- (A) each Senior Finco Notes Trustee on its own behalf and on behalf of the Senior Finco Note holders; and
- (B) each Senior Finco Creditor Representative on its own behalf and on behalf of the arrangers under the Permitted Finco Financing Debt and the Permitted Finco Financing Creditors,

for application towards the discharge of:

- (I) the Senior Finco Notes liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Finco Notes finance documents); and
- (II) the liabilities of the Debtors owed to the arrangers of the Permitted Finco Financing Debt and the Permitted Finco Financing Liabilities (other than the liabilities owing to a Senior Finco Creditor Representative) (in accordance with the terms of the Permitted Finco Financing Documents and, if there is more than one Permitted Finco Financing Agreement, on a pro rata basis between the Permitted Finco Financing Debt in respect of each Permitted Finco Financing Agreement),

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(vi) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(vii) the balance, if any, in payment to the relevant Debtor.

The Security Agent is authorized under the Intercreditor Agreement to hold any non-cash consideration received or recovered in connection with the realization or enforcement of all or any part of the security until cash is received for any such non-cash consideration, provided that the Security Agent may distribute any such non-cash consideration to a Secured Party which has agreed, on terms satisfactory to the Security Agent, to receive such non-cash consideration and the Liabilities owed to that Secured Party shall be reduced by an amount equal to the value of that non-cash consideration upon receipt by that Secured Party of that non-cash consideration.

Liabilities of the Senior Finco Debt Issuer

All amounts from time to time received or recovered by the Security Agent from or in respect of the Senior Finco Debt Issuer pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the security) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

- (i) in accordance with paragraph (i) of the section captioned “*Application of Proceeds—Order of Application*,”
- (ii) in accordance with paragraphs (iv) and (v) of the section captioned “*Application of Proceeds—Order of Application*,” provided that payments will be made on a pro rata basis and *pari passu* between each of the payments referred to in paragraphs (iv) and (to the extent relating to Liabilities in respect of Senior Finco Notes and/or Permitted Finco Financing Debt where the relevant Senior Finco Debt Issuer is the issuer or, as the case may be, the borrower) (v);
- (iii) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and
- (iv) the balance, if any, in payment to the relevant Debtor.

Equalization of the Senior Secured Creditors

The Intercreditor Agreement provides that if, for any reason, any Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Secured Creditors and the Operating Facility Lenders in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Secured Creditors and the Operating Facility Lenders at the enforcement date (or, in the case of Recoveries resulting from the realization or enforcement of all or any part of the Transaction Security or a transaction in lieu thereof, in a manner reflecting the order of priority contemplated in the section captioned “*Application of Proceeds—Order of Application*”), the Senior Secured Creditors (subject, in the case of amounts owing to the applicable trustee, to the terms of the Intercreditor Agreement) will make such payments among themselves as the Security Agent shall require to put the Senior Secured Creditors and the Operating Facility Lenders in such a position that (after taking into account such payments) those losses are borne in those proportions (or, as the case may be, to otherwise reflect the order of priority contemplated in the section captioned “*Application of Proceeds—Order of Application*”).

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

- (i) if the relevant amendment or waiver (the “Proposed Amendment”) is prohibited by the Senior Facilities Agreement, the Senior Facility Agent (acting on the instructions of the requisite Senior Lenders in accordance with the applicable provisions of the Senior Facilities Agreement);
- (ii) if the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;
- (iii) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Agreement, the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);

- (iv) if any Senior Finco Notes have been issued and if the Proposed Amendment is prohibited by the terms of the relevant Senior Finco Notes Indenture, the Senior Finco Notes Trustee;
- (v) if any Permitted Finco Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Finco Financing Agreement, the Senior Finco Creditor Representative in respect of that Permitted Finco Financing Debt (if applicable, acting on the instructions of the Majority Permitted Finco Financing Creditors);
- (vi) if a Hedge Counterparty is providing hedging to a Debtor under a hedging agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty and is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable hedging agreement, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);
- (vii) if an Operating Facility Lender is providing one or more facility to a Debtor under an Operating Facility Document, that Operating Facility Lender (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Operating Facility Lender and is an amendment or waiver which is expressed to require the consent of that Operating Facility Lender under the applicable Operating Facility Document, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);
- (viii) investors as permitted under the Intercreditor Agreement; and
- (ix) the Parent.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any Debt Refinancing (see “*Debt Refinancing*”), any incurrence of additional and/or refinancing debt (as referred to in “*Ranking and Priority—Additional and/or Refinancing Debt*”) or Non-Distressed Disposal (see “*Proceeds of Disposals—Non-Distressed Disposals*”) or any other provision of the Intercreditor Agreement or in connection with any other provision of any Secured Debt Document (provided that such amendment or waiver is not expressly prohibited by the terms of any other Secured Debt Document) is binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended by the Parent and the Security Agent without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the agent in respect of that Debt Financing Agreement and the Parent.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorized by an Instructing Group, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned “*Exceptions*” below, any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed requires approval as set out under the section captioned “*Required Consents*.”

Guarantees

The Intercreditor Agreement additionally provides for Hedge Counterparties and Operating Facility Lenders (each as defined above) to receive guarantees and indemnities from the Debtors on substantially the same terms (including the relevant limitations) as such guarantees and indemnities are provided by the obligors to the finance parties under the Senior Facilities Agreement.

Exceptions

Subject to the following paragraph of this “—*Exceptions*” section, an amendment, waiver or consent which adversely relates to the express rights or obligations of an agent, an arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that agent, that arranger or the Security Agent (as the case may be) at such time.

The foregoing shall not apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption “—*Proceeds of Disposals*” above.

The first paragraph of this “—*Exceptions*” section shall apply to an arranger only to the extent that the arranger liabilities are then owed to that arranger.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Certain Shareholder Indebtedness

In relation to our acquisition by UTX Holdings Limited, BRS Ventures & Holdings Limited (the parent of UTX Holdings Limited) entered into a \$750 million credit facility agreement that was replaced with a \$490 million credit facility agreement on March 25, 2016 (as amended and/or as amended and restated from time to time) (the “BRS Facility Agreement”) (the “BRS Facility Agreement”). See “*Principal Shareholders—BRS Facility Agreement*.” Although the BRS Facility Agreement is not guaranteed by any member of the Restricted Group, the shares of Travelex Holdings Limited are pledged in favor of the lending banks and the agreement contains certain covenants and restrictions with respect to the Group, including merger and consolidation, incurrence of non-permitted financial indebtedness, disposition of any assets, as well as other customary restrictions.

For a description of our other shareholder debt arrangements, see “*Related Party Transactions*.”

DESCRIPTION OF THE NOTES

The following is a description of the €360.0 million aggregate principal amount of 8% Senior Secured Notes due 2022 (the “Notes”). The Notes will be issued by Travelex Financing PLC (the “Issuer”) under an indenture (the “Indenture”) between, among others, the Issuer, TP Financing 3 Limited (the “Company”), Deutsche Trustee Company Limited, as trustee (the “Trustee”), and Deutsche Bank AG, London Branch, as security agent (the “Security Agent”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”).

The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under, incorporate provisions by reference or be subject to the U.S. Trust Indenture Act.

The proceeds of the Offering of the Notes sold on the Issue Date, together with cash on our balance sheet, will be used to (i) redeem in full the Existing Notes (including a redemption premium) and pay unpaid interest and (ii) pay commissions, fees and expenses associated with these transactions, as set forth in the Offering Memorandum under the caption “*Use of Proceeds*” (the “Transactions”). As part of the Transactions, we will also enter into a new £90 million revolving credit facility agreement, among the Company, certain of the Company’s Subsidiaries, the lenders named therein and Deutsche Bank AG, London Branch, as facility agent and security agent (the “Revolving Credit Facility Agreement”). For a description of the Revolving Credit Facility Agreement, see “*Description of Other Indebtedness—Revolving Credit Facility Agreement*.”

The following description is a summary of the material provisions of the Indenture and the Notes and refers to the Intercreditor Agreement. This summary does not restate those agreements in their entirety. We urge you to read the Indenture, the Notes and the Intercreditor Agreement because they, and not this description, define your rights as holders of the Notes. Copies of the Indenture, the form of Note and the Intercreditor Agreement will be available as set forth below under “*Where You Can Find More Information*.”

Certain defined terms used in this description but not defined below under “*Certain Definitions*” have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading “*Certain Definitions*”. In this description, the term “Issuer” refers only to Travelex Financing PLC and its successors, and the “Company” refers to TP Financing 3 Limited and its successors and not to any of its Subsidiaries.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Notes Guarantees

The Notes

- will be senior secured obligations of the Issuer;
- will be secured by first priority liens over the Collateral, but will receive proceeds from enforcement of security over the Collateral only after any obligations secured on a super priority basis, including lenders under the Revolving Credit Facility, certain Operating Facilities and counterparties to certain Hedging Obligations, have been paid in full, as described below under “*Security—The Collateral*,”
- will rank equally in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including indebtedness incurred under the Revolving Credit Facility;
- will be senior in right of payment to all future indebtedness of the Issuer that is subordinated in right of payment to the Notes;
- will be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness;

- will be structurally subordinated to any existing and future indebtedness of subsidiaries of the Company that do not guarantee the Notes; and
- will be unconditionally guaranteed by the Guarantors, subject to the guarantee limitations described herein and in *“Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability”*.

The Notes Guarantees

- will be the senior obligations of the relevant Guarantor, which will be secured by first priority liens over the Collateral, but will receive proceeds from enforcement of security over the Collateral only after any obligations secured on a super priority basis, including lenders under the Revolving Credit Facility, certain Operating Facilities and counterparties to certain Hedging Obligations, have been paid in full, as described below under *“Security—The Collateral,”*
- will rank equally in right of payment with all of the Guarantors’ existing and future senior indebtedness, including (i) any indebtedness under the Revolving Credit Facility, (ii) any Hedging Obligations in respect of the Revolving Credit Facility, and certain other future indebtedness and (iii) certain Operating Facilities;
- will rank senior in right of payment to all existing and future subordinated indebtedness of the Guarantors;
- will be effectively subordinated to any existing and future indebtedness of the Guarantors that is secured by property or assets that do not secure the Guarantors’ guarantees of the Notes on an equal basis, to the extent of the value of the property or assets securing such indebtedness;
- will be structurally subordinated to any existing and future indebtedness of subsidiaries of the Guarantors that do not guarantee the Notes; and
- will be subject to limitations described herein and in *“Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.”*

Principal and Maturity

The Issuer will issue €360.0 million in aggregate principal amount of the Notes. The Notes will mature on May 15, 2022. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes will be subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the Notes will accrue at the rate of 8% per annum and will be payable, in cash, semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2017, to holders of record on the immediately preceding May 1 and November 1, respectively. The interest amount will be calculated by applying the applicable rate to the aggregate principal amount outstanding on the Notes. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

If the interest payment date for any payment in respect of any Notes is not a Business Day, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day, and will not be entitled to any further interest or other payment as a result of any such delay.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under the headings "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*," the Issuer is permitted to issue additional Notes, which shall have the following terms set out in an Officer's Certificate (upon which the Trustee may solely rely) supplied to the Trustee ("Additional Notes"):

- (1) the title of such Additional Notes;
- (2) the aggregate principal amount of such Additional Notes;
- (3) the date or dates on which such Additional Notes have been issued;
- (4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;
- (5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;
- (6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;
- (7) if other than denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and
- (8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Such Additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series; *provided* that Additional Notes will not be issued with the same CUSIP, ISIN or common code, as applicable, as existing Notes unless such Additional Notes are fungible with the existing Notes for U.S. federal income tax purposes. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. The initial Notes and any Additional Notes shall be deemed to form one series and references to the "Notes" shall be deemed to refer to the Notes initially issued on the Issue Date as well as any Additional Notes.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable at the specified office or agency of the Paying Agent; *provided* that all such payments with respect to Notes represented by one or more Global Note registered in the name of or held by a nominee of the common depositary for Euroclear and Clearstream, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof, in accordance with the procedures of Euroclear and Clearstream.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of the Paying Agent in London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes.*"

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the Notes in London (the "Paying Agent"). The initial Paying Agent for the Notes will be Deutsche Bank AG, London Branch.

The initial registrar and transfer agent will be Deutsche Bank Luxembourg S.A. (the “Registrar”). The Registrar and the transfer agent will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Each transfer agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or transfer agent for the Notes without prior notice to the Holders of the Notes. The Issuer, the Company or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as any Notes are listed on the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish a notice of any change of the Paying Agent, Registrar or transfer agent in a newspaper having a general circulation in Ireland (which is expected to be the Irish Times) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Irish Stock Exchange (www.ise.ie).

Transfer and Exchange

The Notes will initially be issued in the form of registered notes in global form without interest coupons, as follows:

- The Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by global notes in registered form without interest coupons attached (the “144A Global Notes”).
- The 144A Global Notes will, upon issuance, be deposited with and registered in the name of the nominee for the common depositary for the accounts of Euroclear and Clearstream.
- The Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by global notes in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the 144A Global Notes, the “Global Notes”).
- The Regulation S Global Notes will, upon issuance, be deposited with and registered in the name of the nominee for the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“Book-Entry Interests”) will be limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “Transfer Restrictions.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “Transfer Restrictions” and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 aggregate principal amount and in integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “Transfer Restrictions.”

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 aggregate principal amount and in integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of the Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of such Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Registrar, the Transfer Agent and the Paying Agent will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Upon the Issue Date, the following Subsidiaries of the Company, which have historically been associated with the Company’s travellers cheques business, will be Unrestricted Subsidiaries under the Indenture. These Unrestricted Subsidiaries, which shall be the only Unrestricted Subsidiaries as of the Issue Date, consist of the following entities:

Entity	Jurisdiction of Organization
Travelex Global and Financial Services Limited	England & Wales
Travellers Cheques Encashment Services Limited	England & Wales
Interpayment Services Limited	England & Wales
Interpayment Australia Limited	Australia
Travelex TC Australia Proprietary Limited	Australia
Travelex Rand Travellers Cheques Limited	England & Wales
Euro Travellers Cheque Nederland Limited	England & Wales
Travelex Financial Services Limited	England & Wales
Hong Kong and Shanghai Travelex Limited	Hong Kong
US Deposits LLC	Delaware
US Deposits Holdings LLC	Delaware
TCI, US, LLC	New York

The foregoing list of Unrestricted Subsidiaries collectively generated £3.9 million of Underlying EBITDA for the year ended December 31, 2016. These Unrestricted Subsidiaries are referred to herein as the “Travellers Cheques Subsidiaries”. In the circumstances described below under “—*Certain Definitions—Unrestricted Subsidiary*,” the Company will be permitted to designate other Restricted Subsidiaries (other than the Issuer) as Unrestricted Subsidiaries. The Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Each of the Company’s other Subsidiaries will be Restricted Subsidiaries and subject to the restrictive covenants in the Indenture.

Notes Guarantees

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed jointly and severally on a senior basis, by the Company and each subsidiary of the Company (other than the Issuer) that is a guarantor under the Revolving Facility Agreement (each a “Guarantor” and such guarantee, a “Notes Guarantee”).

The obligations of the Guarantors will be contractually limited under the applicable Guarantees to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of such contractual limitations, see “*Certain Limitations on Validity and Enforceability*.”

Subject to the Agreed Security Principles, the Company, together with the following English Guarantors guaranteed the Notes as of the Issue Date:

<u>Entity</u>	<u>Jurisdiction of Organization</u>
Travelex Agency Services Limited	England & Wales
Travelex Banknotes Limited	England & Wales
Travelex Central Services Limited	England & Wales
Travellers Exchange Corporation Limited	England & Wales
Travelex Foreign Coin Services Limited	England & Wales
Travelex Group Limited	England & Wales
Travelex Group Investments Limited	England & Wales
Travelex Italia Limited	England & Wales
Travelex Limited	England & Wales
Travelex UK Limited	England & Wales
Travelex Currency Services Limited	England & Wales
Travelex Europe Limited	England & Wales

(collectively, the “English Guarantors”)

In addition to the Notes Guarantees by the Company and the English Guarantors, subject to the Agreed Security Principles:

- Travelex America Holdings, Inc., Travelex America, Inc. and Travelex Currency Services, Inc., which are each organized under the laws of the State of Delaware, have guaranteed the Notes effective June 16, 2017;
- Travelex Australia Holdings Proprietary Limited and Travelex Limited (together, the “Australian Guarantors”), which are each organized under the laws of Australia, have guaranteed the Notes effective June 16, 2017;
- Travelex Japan KK, which is organized under the laws of Japan, has guaranteed the Notes effective June 16, 2017;
- Travelex N.V., which is organized under the laws of the Netherlands, is expected to guarantee the Notes within 120 days of the Issue Date, subject to certain Dutch works council approvals being obtained; and

- Travelex do Brasil Holding Societaria Ltda (the “Brazilian Guarantor”), which is organized under the laws of Brazil, is expected to guarantee the Notes within 180 days of the Issue Date;

(collectively, the “Non-English Guarantors” and, together with the English Guarantors and the Company, the “Guarantors”).

As a result of a Permitted Reorganization (as defined below), we expect to make certain changes to the Guarantor group described in this Offering Memorandum, which will be in accordance with the terms of the Indenture, and which we do not expect will adversely affect Guarantor coverage.

For the year ended December 31, 2016, the Guarantors generated 78.5% and 90.1% of revenue and Underlying EBITDA of the Company and its Restricted Subsidiaries, respectively, which, for the avoidance of doubt, excludes the results of the Company’s travellers’ cheques business and the results of our joint ventures. As of December 31, 2016, the Guarantors represented 86.4% of the total assets of the Company and its Restricted Subsidiaries, which for the avoidance of doubt, excludes the assets of travellers’ cheques and excludes goodwill and the assets of our joint ventures. In addition, as of December 31, 2016, the Restricted Subsidiaries that will not guarantee the Notes did not have any outstanding cash-pay debt.

The Notes Guarantees will be subject to the terms of the Intercreditor Agreement. See “*Description of Other Indebtedness—Intercreditor Agreement.*”

In addition, as described below under “*—Certain Covenants—Additional Guarantees and Collateral*” and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary of the Issuer that guarantees the Revolving Credit Facility Agreement, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar matters.

Each Notes Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See “*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability,*” “*Risk Factors—Risks Related to the Notes and Our Structure—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee*” and “*Risk Factors—Risks Related to the Notes and Our Structure—English, Jersey, Australian, Japanese, Brazilian and Dutch insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.*”

The Notes Guarantee of a Guarantor will terminate and be released upon:

- (1) except in the case of the Notes Guarantee given by the Company (the “Parent Guarantee”), a sale or other disposition (including by way of consolidation or merger) of ownership interests in the Guarantor (directly or through a parent company) such that the Guarantor does not remain a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, as permitted by the Indenture;
- (2) except in the case of the Parent Guarantee, in connection with any sale or other disposition of Capital Stock of that Guarantor (or Capital Stock of any Parent of such Guarantor (other than the Company)) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the “Asset sale” provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

- (3) if the Company designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (4) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (5) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions “—*Defeasance*” and “—*Satisfaction and Discharge*,”
- (6) as described under the caption “—*Amendment and Waiver*,”
- (7) except in the case of the Parent Guarantee, with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor (i) is unconditionally released and discharged from its liability with respect to the Revolving Credit Facility Agreement (other than pursuant to the repayment and discharge thereof) and (ii) does not guarantee any other Credit Facility or Public Debt; or
- (8) such Guarantor being the subject of a Permitted Reorganization pursuant to which it is to be liquidated, wound up or dissolved (or pursuant to which it will otherwise be disposed of or cease to exist).

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Subsidiaries of the Company (other than the Guarantors).

Although the Indenture will limit the incurrence of Indebtedness (which includes Disqualified Stock and Preferred Stock of Restricted Subsidiaries), the limitation will be subject to a number of significant exceptions. The Indenture will also permit the incurrence of certain super senior Indebtedness. Moreover, the Indenture will not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See “—*Certain Covenants—Limitation on Indebtedness*.”

Security

The Collateral

As of the Issue Date, to the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and any Permitted Collateral Liens:

- (i) each of the Issuer, the Company and the English Guarantors (other than Travelex Europe Limited) will grant in favor of the Security Agent fixed and floating charges on a first-priority basis over substantially all (subject to certain exceptions) the assets of the Issuer, the Company and such Guarantors, including shares of capital stock of each of the Issuer and, where owned by English Guarantors, the English Guarantors; certain bank accounts; certain real property; and certain intellectual property; and an assignment of (or to the extent not validly assigned, a fixed charge over) the rights of the Issuer in respect of the Proceeds Loan and (ii) the Company will grant in favor of the Security Agent, security on a first-priority basis over the shares in TP Financing 4 Limited, in each case, to secure the Notes, and such security will be limited by and subject to certain statutory preferences under English law (other than with respect to the pledge by the Company of its shares in TP Financing 4 Limited, which will be subject to certain statutory preferences under Jersey law); and
- TP Financing 4 Limited will grant in favor of the Security Agent a fixed charge over the shares it holds in Travelex Group Limited, which will be limited by and subject to certain statutory preferences under English law.

(collectively, the “Initial Collateral”).

In addition, to the extent legally possible and subject to the Agreed Security Principles, the release of security granted to secure the Existing Notes and the Existing Revolving Credit Facility and any

Permitted Collateral Liens, each of the Non-English Guarantors that directly owns another Guarantor will grant in favor of the Security Agent, security on a first-priority basis over the shares held by such Non-English Guarantor in any other Guarantor except that no security will be granted over the shares of the Australian Guarantors. Additionally, no security will be granted over the shares of the Brazilian Guarantor or the assets of Travelex Europe Limited other than under the circumstances described in the Offering Memorandum. This security will be granted after the Issue Date, as follows:

- Travelex Group Investments Limited is expected to grant security in respect of its shares in Travelex America Holdings, Inc. and Travelex America Holdings, Inc. has granted security in respect of its shares in Travelex America, Inc. effective June 16, 2017 and is limited by and subject to certain statutory preferences under New York law;
- Travelex Limited has granted security in respect of its shares in Travelex Japan KK effective June 16, 2017 and is limited by and subject to certain statutory preferences under Japanese law;
- Travelex Limited is expected to grant security in respect of its shares in Travelex N.V. within 120 days of the Issue Date, subject to certain Dutch works' council advice being obtained and will be limited by and subject to certain statutory preferences under Dutch law.

(collectively, the "Post-Closing Collateral").

As a result of a Permitted Reorganization (as defined below), we expect to make certain changes to the Collateral described in this Offering Memorandum, which will be in accordance with the terms of the Indenture, and which we do not expect will adversely affect the Collateral coverage.

In addition, subject to the Intercreditor Agreement and subject to the Agreed Security Principles, each subsidiary of the Company that accedes to the Revolving Credit Facility Agreement as a guarantor after the Issue Date and grants security in connection with such accession shall also enter into a supplemental indenture as a Guarantor with respect to the Notes and accede to the Intercreditor Agreement, and security will be granted over:

- (1) in the case of any such subsidiary incorporated in England, the ownership interests in such Guarantor and certain of its material assets including operating bank accounts and intercompany receivables; and
- (2) in the case of any such subsidiary incorporated in a jurisdiction other than England, the ownership interests in such Guarantor and the ownership interests of such Guarantor in any other Guarantor,

(together with the Initial Collateral and the Post-Closing Collateral, the "Collateral"). All Collateral shall be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens and will also secure the Revolving Credit Facility and certain Operating Facilities and Hedging Obligations. The lenders under the Revolving Credit Facility and certain Operating Facilities and counterparties to Hedging Agreements will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes.

Notwithstanding the foregoing, certain assets will not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;
- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;
- any assets subject to third party arrangements which may prevent these assets from being charged or if providing such security requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Company, the Issuer or any of their Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or conflict with

fiduciary duties of directors or cause material risk of personal or criminal liability after the use of reasonable endeavors to overcome such prohibitions (if possible) or contravene any legal prohibitions, bona fide contractual restrictions (including, for the avoidance of doubt, any restrictions under the facility agreement dated March 25, 2016 (as amended, amended and restated, replaced and/or refinanced from time to time) between, among others, BRS Ventures & Holdings Limited and Citibank Europe plc, UK Branch, as agent, or regulatory conditions;

- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle;
- no perfection action will be required in jurisdictions where a Guarantor is not located but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction and (where otherwise consistent with the Agreed Security Principles) in any supra-national registries agreed between the Company and the Security Agent from time to time;
- in the case of bank accounts, if providing such security or perfecting liens thereon would require giving notice to the banks with whom the accounts are maintained, such notice will only be provided after the Notes are accelerated;
- in the case of receivables, notification of receivables security to debtors and of security over goods held by third parties will only be provided after the Notes are accelerated, subject to certain exceptions;
- security from or over, or over the assets of, any joint venture or similar arrangement, any minority interest or any Restricted Subsidiary that is not wholly owned by the Company or another Restricted Subsidiary;
- in the case of security over parts, stock, moveable plant, equipment or receivable, it would require labeling, segregation or periodic listing, filing, notification or specification of such parts, stock, moveable plant, equipment or receivables;
- assets subject to security in favor of a third party or any cash constituting regulatory capital or customer cash;
- if providing such security would be limited by “controlled foreign corporation” rules;
- security from a Restricted Subsidiary incorporated outside of the security jurisdictions which are England, Delaware, Ontario, Australia, Japan and The Netherlands (unless it is a borrower or the Holding Company of a borrower under the Revolving Credit Facility);
- shares or other ownership interests held in or assets of any Restricted Subsidiary incorporated outside of a security jurisdiction or any Restricted Subsidiary which is not an Guarantor;
- security from or in respect of shares or other ownership interests in or assets of any of the Travellers Cheques Businesses; and
- any assets which are located outside of a security jurisdiction.

The Collateral will also secure the liabilities under the Revolving Credit Facility Agreement, certain Operating Facilities, the Hedging Agreements and any Additional Notes; *provided* that lenders under the Revolving Credit Facility and such Operating Facilities and counterparties to Hedging Agreements will receive proceeds from the enforcement of the Collateral in priority to holders of the Notes. Pursuant to the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit

Facility Agreement, certain Operating Facilities and certain Hedging Obligations permitted to be incurred under the covenant “—*Certain Covenants—Limitation on Indebtedness*” and permitted to be secured on the Collateral on a super priority basis will receive priority over the Holders with respect to any proceeds received upon any enforcement action over any Collateral. Subject to certain conditions, including compliance with the covenant described under “—*Certain Covenants—Impairment of Security Interest*,” the Company is permitted to grant security over the Collateral in connection with future issuances of its Indebtedness or Indebtedness of its Restricted Subsidiaries, including any Additional Notes, in each case, as permitted under the Indenture and the Intercreditor Agreement. Any proceeds received upon any enforcement over any Collateral, after all liabilities in respect of obligations under the Revolving Credit Facility Agreement, certain Operating Facilities and certain Hedging Obligations have been discharged from such recoveries, will be applied *pro rata* in payment of all liabilities in respect of obligations under the Indenture and the Notes and any other Indebtedness of the Company or its Restricted Subsidiaries permitted to be incurred and secured on a *pari passu* basis by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral will be administered by the Security Agent, in each case pursuant to the Intercreditor Agreement for the benefit of all holders of secured obligations. The enforcement of the Security Documents will be subject to the procedures set forth in the Intercreditor Agreement. For a description of the Intercreditor Agreement, see “*Description of Other Indebtedness—Intercreditor Agreement*”.

The ability of holders of the Notes to realize upon the Collateral will be subject to various insolvency law limitations in the event of the Issuer’s or a Guarantor’s insolvency. See “*Risk Factors—Risks Related to the Notes and Our Structure—Each Notes Guarantee will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*” and “*Risk Factors—Risks Related to the Notes and Our Structure—English, Jersey, Australian, Japanese, Brazilian and Dutch insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.*” In addition, the enforcement of the Collateral will be limited to the maximum amount required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. As a result of these limitations, the amounts recoverable for the benefit of secured creditors from the enforcement of such Collateral could be significantly less than the value of such Collateral and could be nothing.

Subject to the terms of the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Issuer in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes, the payment of obligations under the Revolving Credit Facility Agreement, certain Operating Facilities and certain Hedging Obligations that are secured by the Collateral. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See “*Description of Other Indebtedness—Intercreditor Agreement.*”

The Trustee for the Notes has, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed Deutsche Bank AG, London Branch as Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other

documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (ii) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf; and

- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

Priority

The relative priority with regard to the Collateral as between (a) the lenders under the Revolving Credit Facility Agreement and certain Operating Facilities, (b) the counterparties under certain Hedging Agreements and (c) the Trustee and the Holders under the Indenture, is established by the terms of the Intercreditor Agreement and the Security Documents, which provide that the obligations under the Notes will receive proceeds of enforcement of security over the Collateral only after the claims of lenders under the Revolving Credit Facility Agreement and any Operating Facility and certain Hedging Obligations are satisfied. See “*Description of Other Indebtedness—Intercreditor Agreement.*” In addition, pursuant to the Intercreditor Agreement or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See “*—Release of Liens,*” “*—Certain Covenants—Impairment of Security Interest*” and “*—Certain Definitions—Permitted Collateral Liens.*”

Release of Liens

The Security Agent will take any action required (at the reasonable request and cost of the Issuer) to effectuate any release of Collateral:

- (1) in connection with any disposition of Collateral, directly or indirectly, to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to “*—Certain Covenants—Merger and Consolidation—The Company and the Issuer*”) that is permitted by the Indenture (with respect to the Lien on such Collateral) or (b) the Company or any Restricted Subsidiary consistent with the Intercreditor Agreement;
- (2) in the case of a Guarantor that is released from its Notes Guarantee (with respect to the Liens granted by such Guarantor) in accordance with the Indenture;
- (3) if the Company designates any of its Restricted Subsidiaries (other than the Issuer) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Restricted Subsidiary;
- (4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions “*—Defeasance*” and “*—Satisfaction and Discharge*,”
- (5) as described under the caption “*—Amendment and Waiver*,”
- (6) as described under the caption “*Certain Covenants—Impairment of Security Interest*,”
- (7) automatically without any action by the Trustee, if the Lien granted in favor of the Revolving Credit Facility Agreement, Public Debt or such other Indebtedness that gave rise to the obligation to grant the Lien over such Collateral is released (other than pursuant to the repayment and discharge thereof); *provided* that such release would otherwise be permitted by another clause above;
- (8) as described in the second paragraph under the caption “*—Certain Covenants—Limitation on Liens*,”
- (9) pursuant to a Permitted Reorganization pursuant to which the assets subject to such Collateral are to be liquidated, wound up or dissolved (or pursuant to which they will otherwise be disposed of or cease to exist); or
- (10) as otherwise provided in the Intercreditor Agreement.

Each of these releases shall be effected by the Security Agent and the Trustee (but only if action is required by the Trustee) without the consent of the Holders.

The Issuer, the Company and its Restricted Subsidiaries may also, among other things, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or

series of related transactions, any property subject to the Lien under the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business; and (iii) any other action permitted by the Security Documents or the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Company or any of its Restricted Subsidiaries that is permitted to share the Collateral, the Trustee and the Security Agent shall, at the request of the Company, enter into with the Company, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “Additional Intercreditor Agreement”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favorable to the Holders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. In connection with the foregoing, the Company shall furnish to the Trustee and the Security Agent such documentation in relation thereto as it may reasonably require. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee shall consent on behalf of the holders of the Notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described herein under “—*Certain Covenants—Limitation on Restricted Payments.*”

The Indenture will also provide that, at the written direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness (including subordinated Indebtedness) covered by any such Intercreditor Agreement that may be Incurred by the Company or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (*provided* that such Indebtedness is Incurred in compliance with the Indenture), (3) add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes (*provided* that such Additional Notes are permitted to be secured by the Collateral under the Indenture) or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—*Amendments and Waivers*” or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or any Intercreditor Agreement.

The Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorized the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendment referenced in the preceding paragraph and any Additional Intercreditor Agreement on each Holder's behalf.

A copy of the Intercreditor Agreement and any Additional Intercreditor Agreement shall be made available to the Holders upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer and, for so long as any Notes are admitted for trading on the Global Exchange Market of the Irish Stock Exchange, at the offices of the Registrar.

The Proceeds Loans

Upon the issuance of the Notes, the Issuer, as lender, and the Company, as borrower, will enter into the Proceeds Loan Agreements pursuant to which the Issuer will loan to the Company all or a portion of the proceeds of the Notes as set forth in the Offering Memorandum under the caption “*Use of Proceeds.*”

The Proceeds Loans will be denominated in euro. The Proceeds Loans will bear interest at a rate at least equal to the interest rates of the respective series of Notes. Interest on the Proceeds Loans will be payable semi-annually or quarterly in arrears, as the case may be, on or prior to the corresponding dates for the payment of interest on each series of the Notes.

The Proceeds Loan Agreements will provide that the Company will pay the Issuer interest and principal due and payable on the Notes and any Additional Amounts due thereunder. All amounts payable under the Proceeds Loans will be payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity dates of the Proceeds Loans will be the same as the maturity date of the Notes. Except as otherwise required by law, all payments under the Proceeds Loan Agreements will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the Company is required to make any such deduction or withholding, such entity shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Proceeds Loan Agreements will provide that the Company will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture, taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

An assignment of (or to the extent not validly assigned, a fixed charge over) the Issuer’s rights under the Proceeds Loan Agreements will be granted in favor of the Security Agent as part of the Collateral, as described above under “—*Security—The Collateral.*”

Optional Redemption

Except as set forth herein and under “—*Redemption for Taxation Reasons,*” the Notes are not redeemable at the option of the Issuer.

At any time prior to May 15, 2020, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice, at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

At any time and from time to time on or after May 15, 2020, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days prior notice, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date:

<u>Period commencing on</u>	<u>Percentage</u>
May 15, 2020	108.000%
May 15, 2021	104.000%
November 15, 2021 and thereafter	100.000%

At any time and from time to time prior to May 15, 2020, the Issuer may redeem the Notes (i) with the net cash proceeds received by the Issuer from any Equity Offering at a redemption price equal to 108.000%, in an aggregate principal amount for all such redemptions not to exceed 40% of the aggregate principal amount of the Notes (including Additional Notes), plus (ii) accrued and unpaid interest to the redemption date; *provided that*:

- (1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering; and
- (2) not less than 60% of the aggregate principal amount of the Notes originally issued on the Issue Date remain outstanding immediately thereafter.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof.

General

Any redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering). In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed; provided that in no case shall the notice of the redemption to the Holders have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs.

Notwithstanding the foregoing, in connection with any tender offer for any series of the Notes, if Holders of not less than 90% in aggregate principal amount of the applicable series of outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer on behalf of the Issuer, purchases all of the applicable series of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all of the Notes of the applicable series that remain outstanding following such purchase at a price equal to the price paid to each other Holder in such tender offer (other than any incentive payment for early tenders), plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the redemption date. In determining whether the Holders of at least 90% of the aggregate principal amount of the applicable series of the then outstanding Notes have validly tendered and not withdrawn such Notes in a tender offer or other offer to purchase for all of the Notes of the applicable series, as applicable, Notes of the applicable series owned by an affiliate of the Issuer or by funds controlled or managed by any affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer or other offer, as applicable.

Notwithstanding the foregoing, the Issuer may mail or otherwise transmit a redemption notice to holders more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If the Issuer effects an optional redemption of the Notes, it will, for so long as any Notes are listed on the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, inform the Irish Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name such Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period.

We may repurchase Notes at any time and from time to time in the open market or otherwise.

Sinking Fund

The Issuer will not be required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Paying Agent or the Registrar, as applicable, will select such Notes for redemption in compliance with the requirements of the principal

securities exchange, if any, on which such Notes are listed, as certified to the Paying Agent or the Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear or Clearstream, or if such Notes are not so listed or such exchange prescribes no method of selection and such Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, on a pro rata basis or by use of a pool factor; *provided, however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed. Neither the Trustee, the Paying Agent nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

So long as any Notes are listed on the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, any such notice to the Holders of the Notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Irish Stock Exchange (www.ise.ie) and in addition to such release, not less than 10 days nor more than 60 days prior to the redemption date, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may also be posted on the website of the Irish Stock Exchange (www.ise.ie), to the extent and in the manner permitted by the rules of the Irish Stock Exchange.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

If the due date for any redemption payment in respect of the Notes is not a Business Day, payment shall be made on the next succeeding day that is a Business Day and no interest shall accrue for the intervening period. If a regular record date is not a Business Day, the regular record date will not be affected.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines in good faith that, as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below under "*Withholding Taxes*") which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date); or
- (2) any change in, amendment to, or introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction, which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date) (each of the foregoing in clauses (1) and (2), a "Change in Tax Law"),

the Issuer or any Guarantor are, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and the Issuer or such Guarantor determines in good faith that such obligation cannot be avoided by taking reasonable measures available to the Issuer or such

Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Notice of redemption for taxation reasons will be published in accordance with the procedures described under “—*Selection and Notice.*”

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or Guarantor would be obliged to pay Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of such Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer’s Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer or Guarantor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer’s Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply *mutatis mutandis* to any successor to the Issuer and to any jurisdiction in which any successor to the Issuer is incorporated or organized or otherwise considered to be a resident or doing business for Tax purposes or any jurisdiction from or through which such successor makes any payment on the Notes or any Notes Guarantee and any political subdivision or taxing authority or agency thereof or therein.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (each, a “Payor”) on the Notes or any Notes Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which any payment on any such Note or Notes Guarantee is made by such Payor, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which a Payor is incorporated or organized, resident or doing business for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”),

will at any time be required in respect of any payments made by or on behalf of a Payor with respect to any Note or Notes Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received in respect of such payments by the beneficial owner after such withholding or deduction (including any such deduction or withholding in respect of such Additional Amounts) by any applicable withholding agent, will equal the amounts which would have been received in respect of such payments on any such Note or Notes Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or the beneficial owner, if the relevant Holder or the beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national or domiciliary of, or carrying on a business or maintaining a permanent establishment in or a dependent agent in, or being physically present in, or having a place of business or place of management present or deemed present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or disposition of a Note or the receipt of any payment in respect of, or the enforcement of, the Notes or any Notes Guarantee;

- (2) any Taxes that are imposed, deducted, or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or the beneficial owner or to make any declaration or similar claim or satisfy any certification, information, documentation or other reporting requirement relating to such matters, which is required by applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes, but only to the extent that the Holder or the beneficial owner is legally eligible to provide such certification or other evidence;
- (3) any Taxes that are payable otherwise than by deduction or withholding in respect of a payment on the Notes or any Notes Guarantee;
- (4) any estate, inheritance, gift, value added, use, sales, excise, transfer, property or similar Tax;
- (5) any Taxes where payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 30 days after the relevant payment was first made available for payment to the Holder;
- (6) any Taxes imposed on or with respect to any payment to any Holder who is a fiduciary or a partnership (including an entity that is treated as a partnership for applicable tax purposes) or any Person other than the sole beneficial owner of such payments or Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or entity treated as a partnership for applicable tax purposes or the beneficial owner of such payments or Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly but only if there is no material cost or commercial or legal restriction to transferring the Notes to such beneficiary, settlor, member or beneficial owner;
- (7) any withholding or deduction with respect to a Note required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any intergovernmental agreement implementing the foregoing or any law implementing such intergovernmental agreement; or
- (8) any combination of items (1) through (7) above.

The applicable withholding agent will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Payor and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Registrar if the Notes are then admitted for trading on the Global Exchange Market.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises or the Payor becomes aware less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee and the Paying Agent will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever there are mentioned, in any context in any of the Indenture, the Notes Guarantees or this "*Description of the Notes*":

- (1) the payment of principal;
- (2) purchase price in connection with a purchase of Notes;

- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes that arise in any Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration or enforcement of any Notes, the Indenture, any Notes Guarantee, the Proceeds Loan Agreements, the Security Documents or any other document or instrument in relation thereto, or any payments under or with respect to the Notes or any Notes Guarantee (other than a transfer or exchange of the Notes), and the Payor agrees to indemnify the Holders for any such Taxes paid by such Holders.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any successor to a Payor and to any jurisdiction in which any successor to the Payor is organized or otherwise considered to be a resident or doing business for Tax purposes or any jurisdiction from or through which such successor makes any payment on the Notes or any Notes Guarantee and any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to €100,000 in aggregate principal amount and integral multiples of €1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obliged to repurchase Notes as described under this “—*Change of Control*” section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under “—*Optional Redemption*” or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes of each series as described under “—*Optional Redemption*” or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the “Change of Control Offer”) to each Holder of any such Notes, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or part (equal to €100,000 in aggregate principal amount and integral multiples of €1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the “Change of Control Payment”);
- (2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the “Change of Control Payment Date”);
- (3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (4) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and
- (5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer's Certificate (upon which the Trustee may solely rely) stating the aggregate principal amount of Notes of each series or portions thereof being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes of a series have been issued, the relevant Paying Agent will promptly mail to each Holder of such Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in an aggregate principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

If and for so long as any Notes are listed on the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a leading newspaper of general circulation in Ireland (which is expected to be the Irish Times) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Irish Stock Exchange (www.ise.ie).

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

If Holders of not less than 90% in aggregate principal amount of the applicable series of outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third-party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the applicable series of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third-party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all of the Notes of the applicable series that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount of such Notes, plus accrued and unpaid interest on the Notes of the applicable series that remain outstanding to, but not including, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date). In determining whether the Holders of at least 90% of the aggregate principal amount of the applicable series of the then outstanding Notes have validly tendered and not withdrawn such Notes in a tender offer or other offer to purchase for all of the Notes of the applicable series, as applicable, Notes of the applicable series owned by an affiliate of the Issuer or by funds controlled or managed by any affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer or other offer, as applicable.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the

Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations, or require a repurchase of the Notes, under the Change of Control provisions of the Indenture by virtue of the conflict.

The occurrence of a change of control permits the lenders under the Revolving Credit Facility to require the repayment of such debt. Future debt of the Company or its Subsidiaries may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See *"Risk Factors—Risks Related to the Notes and the Guarantees—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events."*

Holder of the Notes may not be entitled to require the Issuer to purchase their Notes in certain circumstances involving a significant change in the composition of the Company's board of directors, including in connection with a proxy contest, where the Company's board of directors initially publicly opposes the election of a dissident slate of directors, but subsequently approves such directors for the purposes of the Indenture. This may result in a change in the composition of the board of directors that, but for such subsequent approval, would have otherwise constituted a Change of Control requiring a repurchase offer under the terms of the Indenture.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all", there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the Indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any Restricted Subsidiary may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.00.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Indebtedness Incurred pursuant to any Credit Facility (including letters of credit or bankers' acceptances issued or created under any Credit Facility), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) £100 million, plus (ii) in the case of

any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums (including tender premiums) and other costs and expenses Incurred in connection with such refinancing;

- (2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary; or
 - (b) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however*, that:
 - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and
 - (b) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;
- (4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than (i) Indebtedness described in clauses (1) and (3) of this paragraph and (ii) Shareholder Instruments and Refinancing Indebtedness of such Shareholder Instruments in each case that remain outstanding 30 days after the Issue Date) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant and (d) Management Advances;
- (5) Indebtedness of any Person (i) Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary; *provided, however*, with respect to each of clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company or a Restricted Subsidiary would have been able to incur £1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;
- (6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or Senior Management of the Company);
- (7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of £20 million and 32.5% of Consolidated EBITDA;
- (8) Indebtedness in respect of (a) workers’ compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers’ acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided, however*, that upon

the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

- (9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness related to a disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;
- (10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;
- (b) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;
- (c) Indebtedness owed on a short-term basis of no longer than 30 Business Days to banks and other financial institutions Incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries;
- (d) Indebtedness Incurred in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis; and
- (e) Indebtedness Incurred in respect of intraday credit exposures in connection with spot FX transactions, precious metal transactions, money market deposits, settlement exposures on bank accounts, overnight sweeping, banking clearing systems and similar payment systems;
- (11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of £25 million and 40% of Consolidated EBITDA;
- (12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" in reliance thereon;
- (13) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing;

- (14) Indebtedness under daylight borrowing facilities incurred in connection with the Transactions or any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred;
- (15) Indebtedness Incurred under any Operating Facility in an amount not exceeding £12.5 million outstanding at one time;
- (16) Indebtedness consisting of local lines of credit or working capital facilities not exceeding £12.5 million outstanding at one time; and
- (17) Guarantees of the obligations of joint ventures at any time outstanding not exceeding the greater of £20 million and 32.5% of Consolidated EBITDA.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;
- (2) all Indebtedness outstanding under the Revolving Credit Facility Agreement shall be deemed Incurred under clause (1) of the second paragraph of the description of this covenant and may not be reclassified pursuant to clause (1) of this paragraph;
- (3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to a Credit Facility and relate to other Indebtedness, then such letters of credit, bankers' acceptances or other similar instruments shall be treated as Incurred pursuant to clause (1), (7), (11) or (12) of the second paragraph above or the first paragraph above and such other Indebtedness shall not be included;
- (5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, including a change of IFRS to U.S. GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be calculated as specified under the definition of "Indebtedness."

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date.

For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred or, at the option of the Company, first committed; provided that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than sterling, and such refinancing would cause the applicable sterling-denominated restriction to be

exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such sterling-denominated restriction shall be deemed not to have been exceeded so long as the aggregate principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced plus, without duplication, any amount to pay premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection therewith; (b) the Sterling Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and
 - (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));
- (3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness incurred pursuant to clause (3) of the second paragraph of the covenant described under "*Limitation on Indebtedness*");
- (4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding or make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any intercompany loans made by any Travellers Cheques Subsidiary to the Company or any of its Restricted Subsidiaries; or
- (5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a “Restricted Payment”), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Company or a Restricted Subsidiary is not able to Incur an additional £1.00 of Indebtedness pursuant to the first paragraph under the “—*Limitation on Indebtedness*” covenant after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (6), (10), (11), (12) and (17) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph) would exceed the sum of (without duplication):
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company or Travelex Holdings Limited are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last paragraph of this covenant) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph and (z) Excluded Contributions);
 - (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the last paragraph of this covenant) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the last paragraph of this covenant) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);
 - (iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:
 - (A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

- (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of “Investment”) not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company’s option) included under this clause (iv); and
- (v) the amount of the cash and the fair market value (as determined in accordance with the last paragraph of this covenant) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries (other than from, or in connection with, the sale or disposition of one or more Travellers Cheques Subsidiaries) in connection with:
 - (A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and
 - (B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary (other than any cash received and used in accordance with clause (18) of the next succeeding paragraph);

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company’s option) included under this clause (v); *provided further*, however, that such amount under this clause (v) shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The foregoing provisions will not prohibit any of the following (collectively, “Permitted Payments”):

- (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the last paragraph of this covenant) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above, and that in each case, constitutes Refinancing Indebtedness;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:
 - (a) (i) from Net Available Cash to the extent permitted under “—*Limitation on Sales of Assets and Subsidiary Stock*” below, but only if the Company shall have first complied with the

terms described under “—*Limitation on Sales of Assets and Subsidiary Stock*” and purchased all Notes validly tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

- (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only (i) if the Company shall have first complied with the terms described under “—*Change of Control*” and purchased all Notes validly tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;
- (5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;
 - (6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Company or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) £5.0 million plus (2) £2.5 million multiplied by the number of calendar years that have commenced since the Issue Date plus (3) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;
 - (7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*” above;
 - (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
 - (9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):
 - (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or
 - (b) amounts constituting or to be used for purposes of making payments (i) of fees and expenses Incurred in connection with the Transactions or disclosed in the Offering Memorandum or (ii) to the extent specified in clauses (2), (3), (5), (7), (11) and (12) of the second paragraph under “—*Limitation on Affiliate Transactions*;
 - (10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to

any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned as Subordinated Shareholder Funding to the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 5.25 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 5.75 to 1.00;

- (11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed the greater of £20 million and 32.5% of Consolidated EBITDA;
- (12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock; *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors of the Company);
- (13) Investments in an aggregate amount outstanding at any time not to exceed the fair market value of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);
- (14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate, the issuance of Designated Preference Shares) of the Company or loaned as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;
- (15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries;
- (16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;
- (17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that the Consolidated Leverage Ratio on a pro forma basis after giving effect to any such dividend, distribution, loan or other payment does not exceed 3.75 to 1.00;
- (18) any payment on or with respect to, or purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of, any intercompany loans made by any Travellers Cheques Subsidiary to the Company or any of its Restricted Subsidiaries in an aggregate amount not to exceed the cash amount received by the Company or any of its Restricted Subsidiaries as a dividend or distribution from a Travellers Cheques Subsidiary or as a reduction in the share capital of a Travellers Cheques Subsidiary; and
- (19) the Transactions.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “Initial Lien”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes (or a Notes Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured (except that a Lien to secure Indebtedness incurred under clauses (1), (6) or (15) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*” may have super priority not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement), and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under “—*Security—Release of Liens*.”

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company;
- (B) make any loans or advances to the Company; or
- (C) sell, lease or transfer any of its property or assets to the Company;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility Agreement), (b) any Operating Facility or (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an “Initial Agreement”) or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances

and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

- (4) any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;
- (6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;
- (10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement and the Intercreditor Agreement, together with the security documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) or where the Company determines when such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Company’s ability to make principal or interest payments on the Notes;
- (12) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*,” or
- (13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities,

contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and
- (3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:
 - (a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under clauses (1) and (16) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*” (or any Refinancing Indebtedness in respect thereof) within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness, including, but not limited to, the Revolving Credit Facility) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company either (A) reduces the aggregate principal amount of the Notes on a ratable basis with any such Pari Passu Indebtedness repaid pursuant to this clause (ii) by, at its option, (x) redeeming Notes as provided under “—*Optional Redemption*” and/or (y) purchasing Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par) and/or (B) makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer on a ratable basis with any such Pari Passu Indebtedness repaid pursuant to this clause (ii) (which offer shall be deemed to be an Asset Disposition Offer for purposes hereof); (iii) to purchase Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par); (iv) to make (at such time or subsequently in compliance with this covenant) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer (which offer shall be deemed to be an Asset Disposition Offer for purposes hereof) or (v) to redeem any series of Notes as described under “—*Optional Redemption*”; or
 - (b) to the extent the Company or such Restricted Subsidiary elects, to (i) invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) or (ii) make capital expenditures, in each case, within 365 days from the later of (x) the date of such Asset Disposition and (y) the receipt of such Net Available Cash; *provided, however*, that any such investment in Additional Assets or capital expenditures made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment or capital expenditure is consummated within 180 days of such 365th day;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided for in the preceding paragraph will be deemed to constitute “Excess Proceeds” under the Indenture. On the 366th day from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash in connection with the Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of Excess Proceeds under the Indenture exceeds £25 million, the Company will be required to make an offer (“Asset Disposition Offer”) to all Holders of Notes of each series issued under the Indenture and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes of all series and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes of a series in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in sterling, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Sterling Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Company upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Disposition Offer Period”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “Asset Disposition Purchase Date”), the Company will purchase the aggregate principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the “Asset Disposition Offer Amount”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and such Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Company will deliver to the Trustee an Officer’s Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as

the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in an aggregate principal amount with a minimum denomination of €100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;
- (2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed (at the time of the receipt of such Designated Non-Cash Consideration or, at the Issuer's option, at the time of contractually agreeing to such Asset Disposition) the greater of £15 million and 25% of Consolidated EBITDA.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "Affiliate Transaction") involving aggregate value in excess of £7.5 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of £20 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*,” any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under “—*Limitation on Restricted Payments*”) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (l)(b), (2), (11) and (14) of the definition thereof);
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants’ plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;
- (3) any Management Advances and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;
- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;
- (7) execution, delivery and performance of any Tax Sharing Agreement (*provided* that any payments therein are permitted by the definition of Related Taxes) or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;
- (8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the Senior Management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;
- (10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture;

- (11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £3 million per year and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors of the Company in good faith;
- (12) payment to any Permitted Holder of all reasonable out-of-pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;
- (13) any transaction effected as part of a Qualified Receivables Financing;
- (14) any payment (i) in respect of insurance relating to the Travellers Cheques Subsidiaries, (ii) for ongoing operating expenses, fees and any other expenses relating to the Travellers Cheques Subsidiaries and (iii) of consideration paid in connection with the disposition of the Travellers Cheques Subsidiaries;
- (15) any transaction entered into for the purpose of stocking ATMs with cash in the ordinary course of business; and
- (16) any transaction effected as part of a Permitted Reorganization.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

- (1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2017, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies, with a similar scope to that included in this Offering Memorandum (subject to the changes proposed to be made to the Company's financial reporting as described in the Offering Memorandum); (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;
- (2) within 60 days following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending March 31, 2017, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a

discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

- (3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statements and pro forma financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statements (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. At the Company's election it may also include financial statements of Travelex Holdings Limited in lieu of those for the Company; *provided* that if the financial statements of Travelex Holdings Limited are included in such report, a reasonably detailed description of material differences between the financial statements of the Company, on one hand, and Travelex Holdings Limited, on the other, shall be included for any period after the Issue Date.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which presentation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon request, prospective purchasers of the Notes. The Company will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, at the offices of the Registrar or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Irish Stock Exchange.

In addition, so long as the Notes are not freely transferable under the Exchange Act by persons who are not "affiliates" under the Securities Act, the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Following an Initial Public Offering by the Company, the Company will furnish to the Trustee such other information as it would be required to make publicly available under the requirements of the stock exchange where such Initial Public Offering takes place. To the extent any such Initial Public Offering takes place on the Main Market of the London Stock Exchange (or the equivalent markets of the Frankfurt Stock Exchange, the Luxembourg Stock Exchange or the Hong Kong Stock Exchange), the NASDAQ or the New York Stock Exchange, upon complying with the public reporting requirements of any such exchange, *provided* that such requirements include an obligation to prepare and make

available annual reports, information, documents and other regular reports with such exchange, the Company will be deemed to have complied with clauses (1), (2) and (3) of the first paragraph of this covenant. The Company will be deemed to have furnished the reports referred to clauses (1), (2) and (3) of the first paragraph of this covenant if the Company or any Parent has filed reports containing such information with the SEC.

Delivery of any reports to the Trustee pursuant to this covenant is for information purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of its covenants under the Indenture.

Merger and Consolidation

The Company and the Issuer

Neither the Company nor the Issuer will consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company or the Issuer, as applicable) will expressly assume (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Parent Guarantee and the Indenture or the Issuer under the Notes and the Indenture, as applicable, and (b) all obligations of the Company under the Security Documents and the Proceeds Loans (and, to the extent required by the Intercreditor Agreement or any Additional Intercreditor Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable);
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) only in the case of a transaction involving the Company, immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and
- (4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company. The foregoing provisions (other than the requirements of clauses (1)(b) and (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary of the Company that becomes a parent of one or more of the Company's Subsidiaries.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such Indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under “—*Subsidiary Guarantors*” (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (c) the Company and its Restricted Subsidiaries may undertake the Transactions. Notwithstanding the preceding clauses (2), (3) and (4) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Subsidiary of the Company that is a Guarantor (a “*Subsidiary Guarantor*”) may:

- (1) consolidate with or merge with or into any Person;
- (2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or
- (3) permit any Person to merge with or into such Subsidiary Guarantor,

unless

- (A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Subsidiary Guarantor concurrently with the transaction); or
- (B)
 - (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Notes Guarantee, the Indenture and the Security Documents (and, to the extent required by the Intercreditor Agreement or any Additional Intercreditor Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable); and
 - (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or
- (C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the Subsidiary Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (B)(2) and the provisions described above under “—*The Company and the Issuer*”, (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor, (b) any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor and (c) the Subsidiary Guarantors may undertake the Transactions. Notwithstanding the preceding clause (B)(2) (which does not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an

Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Notwithstanding anything to the contrary in this covenant, a Permitted Reorganization shall be permitted at any time.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “Suspension Event”), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: “—*Limitation on Restricted Payments*,” “—*Limitation on Indebtedness*,” “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” “—*Limitation on Affiliate Transactions*,” “—*Limitation on Sales of Assets and Subsidiary Stock*,” “—*Additional Guarantees and Collateral*,” “—*Lines of Business*,” and the provisions of clause (3) of the first paragraph of the covenant described under “—*Merger and Consolidation—The Company and the Issuer*”, and, in each case, any related default provision of such Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. The Issuer shall notify the Trustee of the fact that a Suspension Event has occurred, and if it ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the “—*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of such Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company’s option, as having been Incurred pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under “—*Limitation on Indebtedness*,” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.”

Limited Condition Acquisition

In connection with the calculation of availability under any ratio or basket under the Indenture in connection with a Limited Condition Acquisition, for purposes of determining compliance with any provision of the Indenture which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Company, be deemed satisfied, so long as no Default or Event of Default, as applicable, exists on the date the definitive agreements for such Limited Condition Acquisition is entered into after giving pro forma effect to the applicable Limited Condition Acquisition. For the avoidance of doubt, if the Company has exercised its option under the first sentence of this paragraph, and any such Default or Event of Default occurs following the date the definitive agreements for the applicable Limited Condition Acquisition were entered into and prior to the consummation of such Limited Condition Acquisition, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any such action being taken in connection with such Limited Condition Acquisition is permitted hereunder.

In connection with a Limited Condition Acquisition for the purposes of:

- (1) determining compliance with any provision of the Indenture which requires the calculation of the Fixed Charge Coverage Ratio, Consolidated Secured Leverage Ratio or Consolidated Leverage Ratio; or

(2) testing baskets set forth in the Indenture;

in each case, at the option of the Company (the Company's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election"), the date of determination of whether any such action is permitted hereunder, may be deemed to be the date the definitive agreements for such Limited Condition Acquisition is entered into (the "LCA Test Date"). If, after giving pro forma effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent four consecutive fiscal quarters ending prior to the LCA Test Date for which consolidated financial statements of the Company are available, the Company could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with.

If the Company has made an LCA Election, then in connection with any subsequent calculation of any ratio or basket availability with respect to the Incurrence of Indebtedness or Liens, the making of Restricted Payments or Investments or the making of Asset Dispositions, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Company or the designation of an Unrestricted Subsidiary on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on a pro forma basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) have been consummated. If the Company has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA of the Company or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations.

Additional Guarantees and Collateral

The Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors, directly or indirectly, to Guarantee any Indebtedness of the Issuer or a Guarantor incurred under the Revolving Credit Facility Agreement (or other Indebtedness that is incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*") or Public Debt and any refinancing thereof in whole or in part unless such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee.

Concurrently with the provision of any additional Notes Guarantees as described above, subject to the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect of the other Indebtedness), and subject to the Agreed Security Principles, any such Guarantor will provide security to secure its Notes Guarantee on a first priority basis consistent with the Collateral.

Concurrently with the provision of any additional Notes Guarantees as described above, subject to the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect of the other Indebtedness), and subject to the Agreed Security Principles, any such Guarantor will (i) in the case of a Guarantor that is incorporated in England, provide security over certain of its material assets; and (ii) in the case of such a Guarantor incorporated in a jurisdiction other than England, provide security over its ownership interests in any other Guarantor (excluding (in each case) any assets of such Guarantor which are subject to a Permitted Lien at the time of the execution of such supplemental indenture if providing such security interest would not be permitted by the terms of such Permitted Lien or by the terms of any obligations secured by such Permitted Lien) to secure its Notes Guarantee on a first priority basis consistent with the Collateral.

Each additional Notes Guarantee or security will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing paragraphs, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes or grant security to the extent and for so long as the Incurrence of such Notes Guarantee or the grant of such security would be inconsistent with the Agreed Security Principles or the Intercreditor Agreement.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens or a Permitted Reorganization shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled “—*Limitation on Liens*,” *provided* that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Liens in accordance with the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect. Subject to the foregoing, except where contemplated or otherwise permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, no Security Document may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an independent financial advisor or appraiser or investment bank of international standing which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), (2) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting Liens after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (3) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Security Agent and the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, supplemented, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Limitation on Activities of the Issuer

The Company will not permit the Issuer to, and the Issuer shall not, offer, sell, issue and service, purchase, redeem, refinance or retire the Notes or incur other Indebtedness unless (i) permitted by the terms of the Indenture or performance of the terms and conditions of such Indebtedness, or (ii) such activities are otherwise permissible under the Indenture and the granting of Liens is permitted pursuant to the covenant described above under the caption “—*Liens*.”

Except in accordance with the covenant described under the caption “—*Merger and Consolidation*,” the Issuer:

- (1) will not merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation);
- (2) will not sell, convey, assign, transfer, lease or otherwise dispose of all or substantially all of its properties or assets to any Person or group of persons; and
- (3) will remain a wholly owned Restricted Subsidiary of the Company.

Limitation on Activities of the Company

The Company shall not trade, carry on any business, own any material assets or incur any material liabilities other than:

- (1) carrying on business as a holding company (including, for the avoidance of doubt, the provision of management and administrative services);
- (2) the ownership of shares or other ownership interests in any member of the Group;
- (3) having rights and liabilities under or in connection with the Transaction Documents (including the entry into and performance of its obligations under or in connection with the Transaction Documents) and in respect of professional fees and administration costs in the ordinary course of business as a holding company of the Group and providing administrative services to the other members of the Group;
- (4) granting the Collateral or (to the extent not prohibited by the Intercreditor Agreement) any security arising under any Refinancing Indebtedness or any security which is not prohibited under the Indenture;
- (5) incurring liabilities for or in connection with Taxes;
- (6) incurring liabilities arising by operation of law;
- (7) in connection with any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of any member of the Group or any Parent (and/or any current or past employees, directors or members of management of any member of the Group);
- (8) any activity or action related to the Transactions;
- (9) any arrangement in respect of, or the making of, a dividend, distribution, payment, purchase, redemption, repurchase, defeasance, acquisitions of shares (provided that following such acquisition (and any related transactions), the Company (or any successor Company) shall only have one direct Subsidiary (which subsidiary must be wholly owned) (excluding any financing subsidiary (including, without limitation, Travelex Financing PLC) and excluding any Subsidiary which is to be liquidated, wound up, dissolved or which is subject to a transaction pursuant to which it will otherwise be disposed of or cease to exist, in each case, pursuant to a Permitted Reorganization) and the security over the shares or other ownership interests of such Wholly Owned Subsidiary shall remain, or be granted as, part of the Collateral in accordance with the procedures set forth in the Agreed Security Principles), acquisition of assets (other than shares) which are required or incidental to it carrying on business as a holding company and which are not material assets that are required for the underlying operation of the Group, retirement which is not prohibited under the covenant described under “—*Limitation on Restricted Payments*” or the making of a payment or entering into a transaction to facilitate a Permitted Payment;

- (10) making or receiving loans or giving or benefiting from guarantees or exercising rights and incurring liabilities otherwise not prohibited by the Indenture, making or receiving any loan or credit not prohibited by the Indenture, in respect of any Permitted Payment not prohibited by the Indenture, or giving or benefiting from guarantees not prohibited by the Indenture and incurring any Indebtedness not prohibited by the Indenture;
- (11) Incurring or having assets, rights and/or liabilities under documents governing any Subordinated Shareholder Funding (or other documents entered into pursuant to (or assets, rights and liabilities incurred in connection with) any new equity or Subordinated Shareholder Funding, or to facilitate the making of any such Investment);
- (12) holding Free Cash;
- (13) pursuant to a Permitted Reorganization (*provided* that, following such Permitted Reorganization, the Company (or any successor Company) shall only have one direct Subsidiary (which subsidiary must be wholly owned) (excluding any financing subsidiary (including, without limitation, Travelex Financing PLC)) and the security over the shares or other ownership interests of such Wholly Owned Subsidiary shall remain, or be granted as, part of the Collateral in accordance with the procedures set forth in the Agreed Security Principles);
- (14) the taking of any administrative actions necessary to maintain its existence;
- (15) in connection with any litigation or court or other similar proceedings that are, in each case, being contested in good faith;
- (16) in connection with any actual or potential Refinancing Indebtedness;
- (17) the entry into, and performance of its obligations and the exercise of its rights under, any purchase agreement, escrow agreement and/or any other document entered into in connection with the incurrence of any Refinancing Indebtedness;
- (18) in connection with any actual or potential Listing;
- (19) in connection with any Indebtedness permitted by the Indenture;
- (20) the entry into, and performance of its obligations and the exercise of its rights under, any shareholder related arrangement not prohibited by the terms of the Indenture; and
- (21) making claims (and receipt of related proceeds) from rebates or indemnification with respect of Taxes and the benefit of a Permitted Payment.

Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Events of Default

Each of the following is an Event of Default under the Indenture:

- (1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "*—Change of Control*" above or under the covenants described under "*—Certain Covenants*" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);
- (4) failure by the Company or any of its Restricted Subsidiaries to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the Indenture;

- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:
 - (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");
 and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £20 million or more;
- (6) certain events of bankruptcy, insolvency or court protection of the Company, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company or Travelex Holdings Limited), would constitute a Significant Subsidiary (the "bankruptcy provisions");
- (7) failure by the Company, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company or Travelex Holdings Limited), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of £20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and due (the "judgment default provision");
- (8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or the Company or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "security default provisions"); and
- (9) any Notes Guarantee of the Company or a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days (the "guarantee provisions").

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (3), (4), (5) and (7), the Company does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be

remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing the Trustee security and/or indemnity (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity (including by way of prefunding); and
- (5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security (including by way of prefunding) satisfactory to it against all losses and expenses caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

If a Default occurs for a failure to deliver a required certificate in connection with another default (an "Initial Default") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action. Any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity and/or security to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); *provided* that if any amendment, waiver or other modification will only amend provisions with respect to one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes affected, or if any amendment, waiver or other modification will only amend provisions with respect to one series of the Notes, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes of such series amended, an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

- (1) reduce the principal amount of such Notes whose Holders must consent to an amendment;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;
- (3) reduce the principal of or extend the Stated Maturity of any such Note;
- (4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*;"
- (5) make any such Note payable in money other than that stated in such Note;
- (6) amend the contractual right of any Holder to bring suit for the payment of principal, premium, if any, and interest on its Note, on or after the respective due dates expressed or provided for in such Note;
- (7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;
- (8) release all or substantially all (i) the security interest granted for the benefit of the Holders in the Collateral or (ii) any Notes Guarantee, in each case, other than pursuant to the terms of the Security Document or the Indenture, as applicable, or except as permitted by the Intercreditor Agreement or any Additional Intercreditor Agreement;

- (9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or
- (10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

- (1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision to this "Description of the Notes," or reduce the minimum denomination of the Notes;
- (2) provide for the assumption by a successor Person of the obligations of the Company, the Issuer or any Guarantor under any Note Document;
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);
- (4) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;
- (5) make any change that does not adversely affect the rights of any Holder in any material respect or that would provide additional rights or benefits to the Holders or the Trustee;
- (6) at the Company's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required;
- (7) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes;
- (8) provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under "*Certain Covenants—Limitation on Indebtedness*" and "*Certain Covenants—Additional Guarantees and Collateral*," to add Notes Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;
- (9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or
- (10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent in any property which is required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under "*Certain Covenants—Impairment of Security Interest*" is complied with.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants contained in the Indenture shall be deemed to impair or affect any rights of holders of the Notes to receive payment of principal, or premium, if any, or interest, on the Notes.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment or supplement of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment or supplement. A consent to any amendment or supplement or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes of a series have concurred in any direction, waiver or consent, any such Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes and the Indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantor's obligations under the covenants described under "*Certain Covenants*" (other than with respect to clauses (1) and (2) of the covenant described under "*Certain Covenants—Merger and Consolidation—The Company and the Issuer*" and clauses (1) and (2) of the covenant described under "*Certain Covenants—Merger and Consolidation—Subsidiary Guarantors*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions, the judgment default provision, the guarantee provision and the security default provision described under "*Events of Default*" above ("covenant defeasance"). If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default described in the preceding sentence.

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose) cash in euro, non-callable European Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel to the effect that Holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or on a change in applicable U.S. federal income tax law since the issuance of the Notes);
- (2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;
- (3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;
- (4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and
- (5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose), euro, non-callable European Government Obligations or a combination thereof in relation to the Notes, as applicable, in an amount sufficient to pay and discharge the entire outstanding aggregate principal amount of Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions under the Indenture to apply the deposited money towards payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Company or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Trustee Company Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which the Trustee has received written notice, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee will be permitted to engage in other transactions with the Company and its Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest in its capacity as Trustee that is not eliminated within 30 days or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange shall so require, notices with respect to the Notes will be published in a newspaper having general circulation in Ireland (which is expected to be the Irish Times) or, to the extent and in the manner permitted by such rules, posted on the official website of the Irish Stock Exchange (www.ise.ie). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Irish Stock Exchange (www.ise.ie), to the extent and in the manner permitted by the rules of the Irish Stock Exchange.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail, cause to be delivered or otherwise transmit a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

Currency Indemnity

Euro is the sole currency of account and payment for all sums payable by the Company and the Guarantors under or in connection with the Notes, and the relevant Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Notes Guarantee or to the Trustee.

Except as otherwise specifically set forth in the Indenture, for purposes of determining compliance with any sterling-denominated restriction herein, the Sterling Equivalent amount for purposes hereof that is denominated in a non-sterling currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-sterling amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Company are held by Subsidiaries located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Notes Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Notes Guarantees, the Issuer and each Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, including any Notes Guarantees will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

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

“Additional Amounts” has the meaning set forth under *“—Withholding Taxes.”*

“Additional Assets” means:

- (1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

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

“*Agreed Security Principles*” means the Agreed Security Principles as set out in an annex to the Revolving Credit Facility Agreement as in effect on the Issue Date, as applied mutatis mutandis with respect to the Notes in good faith by the Company.

“*Applicable Premium*” means, with respect to any Note, the greater of:

- (A) 1% of the principal amount of such Note; and
- (B) on any redemption date, the excess (to the extent positive) of:
 - (a) the present value at such redemption date of (i) the redemption price of such Note at May 15, 2020 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “—*Optional Redemption*” (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the applicable Bund Rate at such redemption date plus 50 basis points; over
 - (b) the outstanding principal amount of such Note,

as calculated by the Company or on behalf of the Company by such Person as the Company shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, Paying Agent or Registrar.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (3) a disposition of (i) inventory or other assets in the ordinary course of business or (ii) Cash in Tills;
- (4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation—The Company and the Issuer*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;
- (7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than the greater of £12 million and 20% of Consolidated EBITDA;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) dispositions in connection with Permitted Liens;
- (10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

- (11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;
- (12) foreclosure, condemnation or any similar action with respect to any property or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) any disposition of Capital Stock, Indebtedness, other securities or assets of an Unrestricted Subsidiary;
- (15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;
- (16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors of the Company shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole);
- (18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and leaseback transactions, asset securitizations and other similar financings permitted by the Indenture;
- (19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business;
- (20) any dispositions in connection with the entry into a Capitalized Lease Obligation; and
- (21) any dispositions in connection with a Permitted Reorganization.

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

“*Board of Directors*” means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company shall mean the Company’s supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“*Bund Rate*” means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or Bundesanleihen) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two TARGET Settlement Days (but not more than five TARGET Settlement Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to May 15, 2020; *provided, however*, that if the period from the redemption date to

May 15, 2020 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to May 15, 2020 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in Ireland, London, United Kingdom, or New York, New York, United States are authorized or required by law to close.

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

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

“Cash Equivalents” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least “A-1” or the equivalent thereof by S&P or at least “P-1” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) above entered into with any bank meeting the qualifications specified in clause (2) above;
- (4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;
- (5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a rating of “BBB-” or higher from S&P or “Baa3” or higher from Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

- (7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and
- (9) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

“*Cash in Tills*” means cash legally and beneficially owned by the Company or any of its Restricted Subsidiaries that is not held in a bank account.

“*Change of Control*” means:

- (1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company; *provided* that for the purposes of this clause (1), (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any such person or group is the “beneficial owner” (as so defined) unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock than any other Permitted Holder; or
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than the Company, a Restricted Subsidiary or one or more Permitted Holders.

For the avoidance of doubt, any sale or transfer of Voting Stock among Permitted Holders shall not constitute a Change of Control.

“*Clearstream*” means Clearstream Banking, société anonyme, as currently in effect or any successor securities clearing agency.

“*Code*” means the United States Internal Revenue Code of 1986, as amended.

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

“*Company*” means TP Financing 3 Limited.

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

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

- (6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;
- (7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under “—*Certain Covenants—Limitation of Affiliate Transactions*,” and
- (8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

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

“*Consolidated Financial Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (b) the interest component of Capitalized Lease Obligations, and (c) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any pension liability interest cost, amortization of debt discount, debt issuance cost and premium, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (c)).

“*Consolidated Income Taxes*” means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes), trade taxes and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

“*Consolidated Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, including any pension liability interest cost, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of debt discount, debt issuance cost and premium;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;
- (5) costs associated with Hedging Obligations;
- (6) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a Subsidiary of the Company;
- (7) the consolidated interest expense that was capitalized during such period; and
- (8) interest actually paid by the Company or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person.

“*Consolidated Leverage*” means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”).

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

- (1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a “Sale”) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such sale constitutes “discontinued operations” in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;
- (2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a “Purchase”), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including reasonably anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Purchase occurred on the first day of such period; and
- (3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including reasonably anticipated synergies and cost savings calculated in good faith by a responsible financial or chief accounting officer of the Company, as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income, Consolidated Leverage Ratio and Fixed Charge Coverage Ratio, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies), and will also include cost savings reasonably anticipated by management to occur from programs implemented during the relevant period as though the full run-rate effect of such synergies and cost savings were realized on the first day of the relevant period, and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

“Consolidated Net Income” means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries on a consolidated basis treating all Restricted Subsidiaries as if control has been established and consolidating on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

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

- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, and (c) restrictions not prohibited by the covenant described under “—*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” except that the Company’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause (2)));
- (3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/ leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);
- (4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge (including for the avoidance of doubt, any tax referable to any payments, dividends or other distributions made or declared intra-group) or any charges or reserves in respect of any restructuring, redundancy or severance expense or other costs related to the Transactions, in each case, as determined in good faith by the Company;
- (5) the cumulative effect of a change in accounting principles;
- (6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;
- (7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;
- (9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;
- (10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;
- (11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);
- (12) any goodwill or other intangible asset impairment charge, amortization or write-off;
- (13) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and
- (14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

“Consolidated Secured Leverage Ratio” means the Consolidated Leverage Ratio, but calculated by excluding all Indebtedness other than Secured Indebtedness.

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

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

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

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

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

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

“Designated Preference Shares” means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of

the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments.*”

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

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or purchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “—*Certain Covenants—Limitation on Restricted Payments.*”

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

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

“*Euroclear*” means Euroclear Bank SA/NV, or any successor securities clearing agency.

“*European Government Obligations*” means any security that is (1) a direct obligation of France, the Netherlands, Germany or any Permissible Jurisdiction, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“*European Union*” means all members of the European Union as of January 1, 2004 (including, for the avoidance of doubt, the United Kingdom).

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

“*Excluded Contribution*” means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated

Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"Existing Notes" means the £150,000,000 Floating Rate Senior Secured Notes due 2018 and the £200,000,000 Fixed Rate Senior Secured Notes due 2018.

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

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

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

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including synergies and cost savings). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such

Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

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

- (1) Consolidated Financial Interest Expense of such Person for such period;
- (2) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Preferred Stock during such period;
- (3) all cash and non-cash dividends or other distributions payable (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period; and
- (4) any interest expense on Indebtedness of another person that is guaranteed by such Person or its Restricted Subsidiaries or secured by a Lien on assets of such Person or its Restricted Subsidiaries, but only to the extent such interest expense is actually paid;

determined on a consolidated basis in accordance with IFRS.

“Free Cash” means the Company’s estimate of the amount of net cash available for immediate use and excludes cash held in tills and vaults, banknotes prepayments, any cash or deposits held for the travellers’ cheques business, customer cash including prepaid cards float deposits, cash classified as held for sale, short-term bank borrowings and management’s estimate of cash required to be held locally for regulatory purposes.

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

“Group” means the Company and its Subsidiaries.

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

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” means (a) as of the Issue Date, the Closing Date Guarantors and (b) following the Issue Date, any Restricted Subsidiary that Guarantees the Notes.

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

“*Holder*” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the nominee of the common depository for Clearstream and Euroclear.

“*Holding Company*” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

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

“*Immediate Family*” has the meaning specified in Rule 16a-1(e) of the Exchange Act.

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

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

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (5) Capitalized Lease Obligations of such Person;
- (6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

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

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

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

- (i) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financings;
- (ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;
- (iii) trade credit on normal commercial terms (including trade credit extended for the acquisition of physical cash in hand (including for the avoidance of doubt, Cash in Tills or negotiable investments)); any transaction entered into for the purpose of stocking ATMs with cash in the ordinary course of business; all foreign exchange and other dealing lines and commitments entered into thereunder in the usual course of business; advance payments of cash, negotiable instruments or bank drafts for customers for transactions (other than prepaid cards); and any intraday credit exposures in connection with spot FX transactions, precious metal transactions, money market deposits, settlement exposures on bank accounts, overnight sweeping, banking clearing systems and similar payment systems;
- (iv) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; or
- (v) any intercompany loans existing on the Issue Date that have been made by any Travellers Cheques Subsidiary to the Company or any of its Restricted Subsidiaries.

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

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

"Intercreditor Agreement" means the Intercreditor Agreement dated April 28, 2017, among, *inter alios*, the Issuer, the Guarantors, the Security Agent, the lenders and agent under the Revolving Credit Facility Agreement and certain counterparties under hedging obligations, to which the Trustee acceded on the Issue Date, as amended and/or restated from time to time.

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

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or

use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of “*Certain Covenants—Limitation on Restricted Payments*.”

- (1) “Investment” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

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

“*Investment Grade*” means (i) BBB- or higher by S&P, (ii) Baa3 or higher by Moody’s, or (iii) the equivalent of such ratings by S&P or Moody’s, or of another Nationally Recognized Statistical Ratings Organization.

“*Investment Grade Securities*” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction or Switzerland, Norway or any agency or instrumentality thereof (other than Cash Equivalents);
- (3) debt securities or debt instruments with a rating of “A-” or higher from S&P or “A3” or higher by Moody’s or the equivalent of such rating by such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and
- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

“*Investment Grade Status*” shall occur when the Notes receive both of the following:

- (1) a rating of “BBB-” or higher from S&P; and
- (2) a rating of “Baa3” or higher from Moody’s;
- (3) or the equivalent of such rating by either such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

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

“Issue Date” means May 5, 2017.

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

“Limited Condition Acquisition” means any acquisition, including by way of merger, amalgamation or consolidation, by the Company or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third party financing.

“Listing” means a listing of all or any part of the share capital of any member of the Group or any Parent on any recognized investment exchange or any other sale or issue by way of flotation or public offering in relation to any member of the Group or any Parent.

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

- (1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person’s purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors of the Company;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding £3 million in the aggregate outstanding at any time.

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

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

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

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

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

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

- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by its terms or by applicable law are required to be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

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

“Note Documents” means the Notes (including Additional Notes), the Indenture and the Security Documents.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or amounts payable under the documentation governing any Indebtedness.

“Offering Memorandum” means the final offering memorandum dated April 27, 2017 related to the offering of the Notes.

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

“Officer’s Certificate” means, with respect to any Person, a certificate signed by one Officer of such Person.

“Operating Facility” means any facility or financial accommodation (including, without limitation, any overdraft or other current account facility, any foreign exchange facility, any guarantee, bonding, documentary or standby letter of credit facility, any credit card or automated payments facility, any short term loan facility and any derivatives facility) provided to the Company or any Restricted Subsidiary by a lender which is notified to the Security Agent by the Company in writing as a facility or financial accommodation to be treated as an “Operating Facility” for purposes of the Intercreditor Agreement.

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

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

“Parent Expenses” means:

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

- (2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;
- (4) fees and expenses payable by any Parent in connection with the Transactions;
- (5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, by any Parent;
- (6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Company, in an amount not to exceed £2 million in any fiscal year; and
- (7) expenses incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:
 - (x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary;
 - (y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or
 - (z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Indebtedness of the Company or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Notes Guarantees, as the case may be, and, in each case, is secured by a Lien on the Collateral.

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

"Permissible Jurisdiction" means any member state of the European Union.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under *"—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."*

"Permitted Collateral Liens" means (A) Liens on the Collateral (i) that are described in one or more of clauses (3), (4) and (9) of the definition of "Permitted Liens" and (ii) that are Liens on bank accounts equally and ratably granted to cash management banks securing cash management obligations, (B) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a), 4(c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (6), (11), (15) and (16) of the second paragraph of the covenant described under *"—Certain Covenants—Limitation on Indebtedness"* and any Refinancing Indebtedness in respect of such Indebtedness; *provided, however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement, (C) Liens on the Collateral securing Indebtedness incurred under the first paragraph or

clause (12) of the second paragraph of “—*Certain Covenants—Limitation on Indebtedness*,” provided that, in the case of this clause (C), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio shall be less than 5.5 to 1.00; (D) Liens on the Collateral securing Indebtedness incurred under clause (5)(ii) of the second paragraph of “—*Certain Covenants—Limitation on Indebtedness*,” provided that, in the case of this clause (D), after giving effect to such incurrence on that date, (x) the Consolidated Secured Leverage Ratio would be less than 5.5 to 1.00 or (y) the Consolidated Secured Leverage Ratio would not be greater than it was immediately prior to giving effect to such acquisition or other transaction; and (E) Liens on the Collateral that secure Indebtedness on a basis junior to the Notes; provided that holders of such Indebtedness secured by Liens pursuant to clauses (A)(ii), (B), (C) and (D) hereof or their agent, representative or trustee will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; provided further that only Liens pursuant to clause (B) hereof securing Indebtedness incurred pursuant to clause (1), (6) or (15) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or any Refinancing Indebtedness in respect of such Indebtedness may secure Indebtedness on a basis having priority to the Notes and the Notes Guarantees under the Intercreditor Agreement or Additional Intercreditor Agreement, as the case may be.

“*Permitted Holders*” means, collectively, (1) the Principals and any Affiliate or Related Party thereof, (2) Senior Management and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

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

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) Management Advances;
- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,”
- (9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;
- (10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*,”

- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed £17.5 million; *provided that*, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—*Certain Covenants—Limitation on Liens*,”
- (13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;
- (14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);
- (15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;
- (16) guarantees, keepwells and similar arrangements not prohibited by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*,”
- (17) Investments in the Notes and the Proceeds Loans;
- (18) any payment (i) in respect of insurance relating to the Travellers Cheques Subsidiaries and (ii) for ongoing operating expenses, fees and any other expenses relating to the Travellers Cheques Subsidiaries;
- (19) at any time outstanding, in an aggregate amount not to exceed £20 million, any (i) payment of consideration paid in connection with the disposition of the Travellers Cheques Subsidiaries and (ii) any Investment in any Travellers Cheques Subsidiary made in anticipation of, or in connection with, the disposition of any Travellers Cheques Subsidiary; and
- (20) Permitted Joint Ventures not to exceed the greater of £25 million and 40% of Consolidated EBITDA plus, in each case, an amount equal to 100% of the dividends or distributions (including payments received in respect of loans and advances) received by the Company or a Restricted Subsidiary from any Permitted Joint Venture (which dividends or distributions are not included in the calculation under clause (c) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*”); *provided that* if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of “Permitted Investments” and not this clause.

“*Permitted Joint Venture*” means (a) any corporation, association or other business entity (other than a partnership) that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Similar Business and of which a portion of the Capital Stock is at the time of determination owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof and (b) any partnership, joint venture, limited liability company or similar entity that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Similar Business and of which a portion of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are at the time of determination, owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;
- (2) pledges, deposits or Liens under workmen’s compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (3) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;
- (4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (5) Liens in favor of the issuers of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of such Person in the ordinary course of its business;
- (6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;
- (7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture;
- (8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;
- (11) Liens arising by virtue of any statutory or common law provisions or standard terms and procedures relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depository, financial institution or clearing system (including Euroclear or Clearstream);
- (12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

- (13) Liens existing on the Issue Date, excluding Liens securing the Revolving Credit Facility Agreement and the Notes;
- (14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;
- (15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;
- (16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (21) Liens on cash accounts securing Indebtedness incurred under clause (10) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” with local financial institutions;
- (22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;
- (24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (25) Liens Incurred in the ordinary course of business with respect to obligations which do not exceed £15 million at any one time outstanding;
- (26) Permitted Collateral Liens;

- (27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary;
- (28) any security granted over the marketable securities portfolio described in clause (9) of the definition of “Cash Equivalents” in connection with the disposal thereof to a third party;
- (29) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;
- (30) Liens on Indebtedness permitted to be Incurred pursuant to clause (16) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*,”
- (31) any cash collateral arrangement securing the obligations of an ancillary lender, landlord, hedging counterparty or regulator in respect of ancillary facilities, leases, hedging obligations or capital, surety or other guarantee requirements under applicable regulations of the Company or its Restricted Subsidiaries; and
- (32) any Lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) or (r) any Lien given in order to comply with the requirements of Section 8a of the German *Altersteilzeitgesetz* (Act on Partial Retirement) or Sections 7b and 7e of the German *Sozialgesetzbuch IV* (Social Security Code).

“*Permitted Reorganization*” means a solvent reorganization (including, without limitation, pursuant to a liquidation or winding up) involving the business or assets of, or shares of (or other interests in), any member of the Group (other than the Company) (“*Reorganization*”) where:

- (a) all of the business, assets and shares of (or other interests in) the relevant member of the Group continue to be owned directly or indirectly by the Company in the same or a greater percentage as prior to such Reorganization, save for:
 - (i) the shares of (or other interests in) any member of the Group which has been merged into another member of the Group or which has otherwise ceased to exist (including, for example, by way of the collapse of a solvent partnership or solvent winding up of a corporate entity) as a result of such Reorganization; or
 - (ii) the business, assets and shares of (or other interests in) relevant members of the Group which cease to be owned:
 - (A) as a result of a disposal or merger permitted under the Indenture; or
 - (B) as a result of a cessation of business or solvent winding up of a member of the Group in conjunction with a distribution of all or substantially all of its assets remaining after settlement of its liabilities to its immediate shareholder(s) or other persons directly holding partnership or other ownership interests in it;
- (b) the Holders (or the Security Agent on their behalf) will continue to have the same or substantially equivalent guarantees and security (in terms of value taken as a whole and ignoring for the purpose of assessing such equivalency any limitations required in accordance with the Agreed Security Principles which do not materially and adversely affect the value or enforceability of those guarantees and security taken as a whole) over the same or substantially equivalent assets and over the shares (or other interests) in the transferee other than over any shares (or other interests) which have ceased to exist as contemplated in paragraph (i) above, in each case to the extent such assets, shares or other interests are not disposed of as permitted under the terms of the Indenture; and
- (c) following such Permitted Reorganization, the Company (or any Successor Company) shall only have one direct Subsidiary (which subsidiary must be wholly owned) (excluding any financing subsidiary (including, without limitation, Travelex Financing PLC)), and the security over the shares or other ownership interests of such Wholly Owned Subsidiary shall remain, or be granted as, part of the Collateral, in accordance with the procedures set forth in the Agreed Security Principles.

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

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

“Principals” means Dr. Bavaguthu Raghuram Shetty, Mr. Khaleefa Butti Omair Yousif Al Muhairi and His Excellency Saeed Mohamed Butti K. Al Qebaisi.

“Proceeds Loan Agreements” means those certain loan agreements made as of the Issue Date by the Company, as borrower, and the Issuer, as lender.

“Proceeds Loans” means the loans of all or a portion of the proceeds of the Notes pursuant to the Proceeds Loan Agreements and all loans directly or indirectly replacing or refinancing such loans or any portion thereof.

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

“Public Market” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Company as of the Issue Date.

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

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

“Qualified Receivables Financing” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other

obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary” means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and
- (3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the foregoing conditions.

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

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

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

- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness, tender premiums and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Notes Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Notes Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Related Parties” means

- (1) any Immediate Family member of any Principal;
- (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of the Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Related Taxes” means

- (1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:
 - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries);
 - (b) issuing or holding Subordinated Shareholder Funding;
 - (c) being a Holding Company, directly or indirectly, of the Company or any of the Company’s Subsidiaries;
 - (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company’s Subsidiaries; or
 - (e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to “—*Certain Covenants—Limitation on Restricted Payments*;” or
- (2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any consolidated or combined Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid such Taxes on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries provided that amounts in respect of an Unrestricted Subsidiary shall be permitted only to the extent that cash dividends, distributions or reductions in share capital were made by such Unrestricted Subsidiary to the Company or any of its Restricted Subsidiaries for such purpose.

“Restricted Investment” means any Investment other than a Permitted Investment.

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

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

“Revolving Credit Facility Agreement” means the revolving credit facility agreement dated April 28, 2017, among the Company, certain of the Company’s Subsidiaries, the lenders named therein and Deutsche Bank AG, London Branch, as facility agent and security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, and the facility thereunder is referred to as the “Revolving Credit Facility.”

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

“SEC” means the U.S. Securities and Exchange Commission or any successor thereto.

“Secured Indebtedness” means any Indebtedness secured by a Lien on a basis pari passu with or senior to the security in favor of the Notes.

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

“Security Documents” means the Intercreditor Agreement and each debenture, share charge, security agreement or other document under which Collateral is pledged to secure the Notes.

“Senior Management” means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of £100,000.

“Shareholder Instruments” means Indebtedness represented by borrowings of the Company or any Restricted Subsidiary owing to and held by any Parent in existence as of the Issue Date.

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

- (1) the Company’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of Total Assets as of the end of the most recently completed fiscal year;
- (2) the Company’s and its Restricted Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of Total Assets on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Company’s and its Restricted Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

“Similar Business” means (a) any businesses, services or activities engaged in or contemplated by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) foreign currency exchange for retail, wholesale and business customers, the provision and sale of travel insurance, prepaid cards, travelers checks, VAT refunds, consumer and business payment services and other services in relation thereto and (c) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

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

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

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

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

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and
- (5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

“Subsidiary” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and
 - (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity,

and, for the avoidance of doubt, with respect to the Company, shall include Travelex Emirates Exchange LLC.

“Successor Parent” with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, “beneficially own” has the meaning correlative to the term “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

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

“Tax Sharing Agreement” means any group relief, tax sharing or profit and loss pooling or similar agreement with customary or arm’s-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

“Temporary Cash Investments” means any of the following:

- (1) any investment in
 - (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or
 - (b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:
 - (a) any lender under the Revolving Credit Facility Agreement;
 - (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub clause (1)(a) above; or
 - (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or “A-2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;
- (4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America,

Canada, any Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least “BBB” by S&P or “Baa3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

- (6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least “A” by S&P or “A2” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;
- (8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and
- (9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“*Total Assets*” means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with IFRS as shown on the most recent balance sheet of the Company.

“*Transaction Documents*” means the Indenture, the Notes, the Intercreditor Agreement, the Revolving Credit Facility Agreement, any documents in connection with any Indebtedness permitted to be Incurred pursuant to the Indenture (including the Revolving Credit Facility Agreement), the memorandum and articles of association of the Company and any subscription agreement for shares of the Company.

“*Travellers Cheques Subsidiaries*” means (a) as of the Issue Date, each of the entities listed below and (b) following the Issue Date, any Subsidiary whose principal business activities directly or indirectly relate to the processing, encashment or servicing of travelers cheques and similar activities, which is designated a “Travellers Cheques Business” by the Board of Directors of the Company.

Entity	Jurisdiction of Organization
Travelex Global and Financial Services Limited	England & Wales
Travellers Cheques Encashment Services Limited	England & Wales
Interpayment Services Limited	England & Wales
Interpayment Australia Limited	Australia
Travelex TC Australia Proprietary Limited	Australia
Travelex Rand Travellers Cheques Limited	England & Wales
Euro Travellers Cheque Nederland Limited	England & Wales
Travelex Financial Services Limited	England & Wales
Hong Kong and Shanghai Travelex Limited	Hong Kong
US Deposits LLC	Delaware
US Deposits Holdings LLC	Delaware
TCI, US, LLC	New York

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*U.S. GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time.

“*Uniform Commercial Code*” means the New York Uniform Commercial Code.

“*Unrestricted Subsidiary*” means:

- (1) any of the Travellers Cheques Subsidiaries;

- (2) any Subsidiary of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and
- (3) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Company in such Subsidiary complies with “*Certain Covenants—Limitation on Restricted Payments.*”

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company or a Restricted Subsidiary could Incur at least £1.00 of additional Indebtedness pursuant to the first paragraph of the “Limitation on Indebtedness” covenant or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such designation, in the case of each of clauses 2(x) and 2(y), on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

As of the Issue Date, each of the Travellers Cheques Subsidiaries will be Unrestricted Subsidiaries.

“*Voting Stock*” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary of the Company, all of the Voting Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

TAXATION

Certain U.S. Federal Income Tax Consequences to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. This summary deals only with Notes that are held as capital assets by a U.S. holder (as defined below) who acquires our Notes upon original issuance at their “issue price” (the first price at which a substantial amount of Notes is sold to investors for cash, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

For purposes of this summary, a “U.S. holder” means a beneficial owner of the Notes that is for U.S. federal income tax purposes any of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation created or organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations (“Treasury Regulations”) to be treated as a U.S. person.

This summary is based upon provisions of the United States Internal Revenue Code of 1986, as amended, and Treasury Regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxes, does not address any U.S. federal taxes other than U.S. federal income taxes (such as estate or gift taxes or the Medicare tax on certain investment income), does not deal with any foreign, state, local or other tax considerations and does not address all tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to U.S. holders whose “functional currency” is not the U.S. dollar; or
- alternative minimum tax consequences, if any.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership considering an investment in the Notes, you should consult your own tax advisors.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular U.S. federal tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Payments of Stated Interest

Subject to the foreign currency rules discussed below, stated interest on a Note generally will be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular

method of accounting for U.S. federal income tax purposes. In addition to stated interest on the Notes (without reduction for any foreign tax withheld from the stated interest payments you receive), you will be required to include in income any additional amounts paid in respect of such tax withheld.

You may be entitled to deduct or credit any foreign tax withheld, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Stated interest (including any additional amounts) on a Note generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. You generally will be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your own tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

If you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income (as ordinary income) the U.S. dollar value of the euro stated interest payments, determined by translating the euros received at the spot rate in effect on the date of receipt regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize foreign currency exchange gain or loss with respect to the receipt of such stated interest, but you may have exchange gain or loss attributable to the actual disposition of the euros so received.

If you use the accrual method of accounting for U.S. federal income tax purposes, you may determine the amount of income recognized with respect to the euro stated interest payments in accordance with either of two methods. Under the first method, you will be required to include in income (as ordinary income) for each taxable year the U.S. dollar value of the euro denominated stated interest that has accrued during such year, determined by translating such stated interest into U.S. dollars at the average spot rate of exchange for the period or periods (or portions thereof) in such taxable year during which such stated interest accrued. Under the second method, you may elect to translate stated interest income into U.S. dollars at the spot rate on:

- the last day of the accrual period,
- the last day of the taxable year for any portion of any accrual period ending on the last day of such taxable year, or
- the date the stated interest payment is received if such date is within five business days of the end of the accrual period.

This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the United States Internal Revenue Service ("IRS"). You should consult your own tax advisor as to the advisability of making the above election.

In addition, upon receipt of a stated interest payment on a Note (including, upon the sale or other taxable disposition of a Note, amounts attributable to accrued but unpaid stated interest), if you are a U.S. holder using the accrual method you will recognize foreign currency exchange gain or loss in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate in effect on the date of receipt) and the U.S. dollar value of the stated interest income you previously included in income with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars at such time. Any such foreign currency exchange gain or loss generally will be treated, for U.S. foreign tax credit purposes, as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Sale, Exchange, Retirement, Redemption and Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, you generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such sale, exchange, retirement, redemption or other taxable disposition (less any amounts attributable to accrued but unpaid stated interest, which will be taxable as interest income as described above in "*—Payments of Stated Interest*") and your adjusted tax basis in the Note.

Your adjusted tax basis in a Note, in general, will be your U.S. dollar cost for that Note. If you purchased your Note with euros, your U.S. dollar cost generally will be the U.S. dollar value of the

euros paid for such Note, determined at the spot rate at the time of purchase. If your Note is sold, exchanged, retired, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be the U.S. dollar value of such euros received based on the spot rate in effect on the date of such sale, exchange, retirement, redemption or other taxable disposition. However, if you are a cash method taxpayer and the Notes are traded on an established securities market, euros paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase or sale of Notes traded on an established securities markets; provided that the election is applied consistently to all debt instruments held by such U.S. holder. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, any gain or loss recognized generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement, redemption or other taxable disposition, you have held the Note for more than one year. Capital gains of non-corporate U.S. holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss realized by you on the sale, exchange, retirement, redemption or other taxable disposition of a Note generally would be treated as U.S. source gain or loss.

A portion of any gain or loss with respect to the principal amount of a Note may be treated as exchange gain or loss. Any exchange gain or loss generally will be treated as ordinary income or loss and generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference, if any, between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement, redemption or other taxable disposition of the Note and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the Note (or, possibly, in the case of a cash basis or electing accrual basis taxpayer, the settlement dates of such purchase and taxable disposition, if the Note is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of exchange gain or loss (including with respect to any accrued stated interest) will be limited to the amount of overall gain or loss realized on the disposition of the Note.

Exchange Gain or Loss with Respect to Euros

Your tax basis in the euros received as interest on, or on the sale, exchange, retirement, redemption or other taxable disposition of, a Note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. As discussed above, if the Notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the euros by translating the euros received at the spot rate of exchange on the settlement date of the sale, exchange, retirement, redemption or other taxable disposition. Accordingly, your tax basis in the euros received would be equal to the spot rate of exchange on the settlement date.

Any gain or loss recognized by you on a sale, exchange or other disposition of the euros generally will be ordinary income or loss and generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes.

Reportable Transactions

Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement, redemption or other taxable disposition of a Note or euros received in respect of a Note to the extent that such sale, exchange, retirement, redemption or other taxable disposition results in a tax loss in excess of a threshold amount. You should consult your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement) as part of your U.S. federal income tax return.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments of principal and interest on a Note, and the proceeds from a sale, exchange, retirement, redemption or other disposition of, a Note, unless you are an exempt recipient (such as a corporation). Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to certify that you are not subject to backup withholding, you may be subject to backup withholding with respect to the foregoing amounts.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the Notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the Notes, including the significant penalties for non-compliance.

Certain UK Taxation Considerations

The following is a summary of the Issuer's understanding of certain United Kingdom withholding and other tax considerations at the date hereof in relation to the Notes. It is based on current United Kingdom law and published practice of HMRC, which may be subject to change, sometimes with retrospective effect. The comments do not deal with all United Kingdom tax aspects of acquiring, holding or disposing of, or otherwise relating to, the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons, such as dealers, certain professional investors or persons connected with the Issuer to whom special rules may apply. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective holder of Notes. The United Kingdom tax treatment of prospective holders of the Notes depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be liable to taxation in jurisdictions other than the United Kingdom should consult their professional advisers. Prospective holders of Notes should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes, even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Notes

The Notes issued by the Issuer will carry a right to interest and will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 (the “Act”) provided they are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Act. While the Notes are and continue (including at the time of payment) to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

The Notes will be “listed on a recognised stock exchange” for this purpose if they are admitted to trading on an exchange designated as a recognized stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom Official List (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Irish Stock Exchange is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Global Exchange Market of that Exchange may be regarded as “listed on a recognised stock exchange” for these purposes.

In cases falling outside the exemption described above, interest on the Notes that has a United Kingdom source may fall to be paid following withholding or deduction on account of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, and except that the withholding obligation is disappplied in respect of payments to holders of Notes who the Issuer reasonably believes are either a UK resident company or a non-UK resident company carrying on a trade in the United Kingdom through a permanent establishment which brings into account the interest in computing its United Kingdom taxable profits, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HMRC direct otherwise).

Where Notes are issued on terms under which a premium is, or may be, payable on redemption it is possible such element of premium will constitute a payment of interest and be subject to withholding or deduction for or on account of United Kingdom income tax (depending on the availability of any exemption or relief) as outlined in the preceding paragraphs.

Interest on the Notes that constitutes United Kingdom source income for tax purposes may be chargeable to United Kingdom tax by direct assessment even where paid without withholding or deduction. However, interest with a United Kingdom source received without withholding or deduction on account of United Kingdom income tax will generally not be assessed to United Kingdom tax in the hands of a holder of Notes who is not resident for tax purposes in the United Kingdom unless the holder of Notes carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency, or for holders who are companies, through a United Kingdom permanent establishment, in connection with which the interest is received or to which the Notes are attributable.

Holders of Notes should note that the provisions relating to additional amounts referred to in “Description of the Notes—Withholding Taxes” above would not apply if HMRC sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution. Any references to “interest” in this section are to “interest” as understood in United Kingdom tax law. The statements herein do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by or used in the terms of the Notes or any related documentation.

Notes Guarantee Payments

If a Guarantor makes any payments in respect of interest on the Notes which have a United Kingdom source (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) it is possible (depending on the correct legal analysis of such payments as a matter of United Kingdom tax law, which is uncertain) that such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20%), subject to any applicable exemptions or reliefs (and noting that not all of the exemptions and reliefs set out above would necessarily be applicable).

Taxation on Disposal (including Redemption) and Return (including Interest)

Corporate Holders of Notes

In general, holders of Notes within the charge to United Kingdom corporation tax will be subject to United Kingdom corporation tax on all profits, gains and losses in respect of the Notes and fluctuations in the value of the Notes (whether attributable to currency fluctuations or otherwise) in accordance with the “loan relationship” rules in Part 5 of the Corporation Tax Act 2009 on a basis broadly in accordance with the treatment in their statutory accounts, so long as that accounting treatment is in accordance with generally accepted accounting practice as that term is defined for tax purposes. Such holders of Notes will generally be charged to tax in each accounting period by reference to interest and other amounts (or where the functional currency of the holder of Notes is not pounds sterling, then the pounds sterling equivalent of such amounts as computed in the functional currency of the holder of Notes) which, in accordance with generally accepted accounting practice, are recognised in determining their profit or loss for that period.

Other Holders of Notes

Holders of Notes who are individuals and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency in connection with which interest is received or to which the Notes are attributable will generally be liable to United Kingdom income tax on the amount of any interest received in respect of the Notes and any premium payable on redemption of the Notes to the extent it constitutes a payment of income for tax purposes.

Dependent on the discount (if any) at which the Notes are issued (which for these purposes may include a premium payable on redemption), the Notes may be deemed to constitute “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are deemed to be deeply discounted securities, any profit made on a disposal (including redemption) of a Note by an individual who is resident for tax purposes in the United Kingdom or who is subject to United Kingdom income tax by virtue of carrying on a trade, profession or vocation in the United Kingdom through a branch or agency in connection with which interest is received or to which the Notes are attributable will be taxed as income.

Where the Notes are not deemed to constitute deeply discounted securities, the disposal (including a redemption) of a Note by a holder who is resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable and who is not subject to United Kingdom corporation tax in respect of the Note, may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom tax on chargeable gains (including currency exchange rate differences calculated by ascertaining the difference between pounds sterling equivalent at the date of acquisition of the consideration given for the Note and pounds sterling equivalent at the date of disposal of the proceeds received on disposal of the Note), depending on individual circumstances and subject to any exemption or relief which may be due.

On a disposal of Notes by a holder of Notes who is resident for tax purposes in the United Kingdom or who is subject to United Kingdom income tax by virtue of carrying on a trade, profession or vocation in the United Kingdom through a branch or agency in connection with which interest is received or to which the Notes are attributable, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Act.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax should be payable on the issue of the Notes or on the transfer of the Notes, in each case as contemplated in these listing particulars.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a “participating Member State”). However, Estonia has since ceased to participate. The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the

timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Certain Dutch Taxation Considerations

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes and does not purport to describe every aspect of taxation that may be relevant to a particular holder. Tax matters are complex, and the tax consequences of the Offering to a particular holder of Notes will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the tax consequences of the Offering to him, including the applicability and effect of Dutch tax laws.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this summary the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary assumes that the Issuer and Guarantors are organised, and that their business will be conducted, in the manner outlined in these listing particulars. A change to such organisational structure or to the manner in which the Issuer or one or more of the Guarantors conduct their business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the Issue Date. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary in this Certain Dutch Taxation Considerations paragraph does not address the Dutch tax consequences for a holder of Notes who:

- (i) is a person who may be deemed an owner of Notes for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;*
- (ii) is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Notes;*
- (iii) is an investment institution as defined in the Dutch Corporation Tax Act 1969;*
- (iv) owns Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role; or*
- (v) has a substantial interest in the Issuer or one or more Guarantors, or a deemed substantial interest in the Issuer or one or more Guarantors, for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5% or more of the shares or of any class of shares of the Issuer or of one or more Guarantors, or rights to acquire, directly or indirectly, such an interest in the shares of the Issuer or of one or more Guarantors, or profit participating certificates relating to 5% or more of the annual profits or to 5% or more of the liquidation proceeds of the Issuer or of one or more Guarantors, or (b) such person's shares, rights to acquire shares or profit participating certificates in the Issuer, or in one or more Guarantors, are held by him following the application of a non-recognition provision.*

Withholding tax

All payments under the Notes or Notes Guarantees may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands.

Taxes on income and capital gains

Resident holders of Notes

A holder of Notes who is resident or deemed to be resident in the Netherlands for Dutch tax purposes is fully subject to Dutch income tax if he is an individual or fully subject to Dutch corporation tax if it is a

corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, as described in the summary below.

Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived from or in connection with Notes or Notes Guarantees that are attributable to an enterprise from which an individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates up to 52%.

Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived from or in connection with Notes or Notes Guarantees that constitute benefits from miscellaneous activities by an individual are generally subject to Dutch income tax at progressive rates up to 52%.

An individual may, inter alia, derive or be deemed to derive benefits from or in connection with Notes or Notes Guarantees that are taxable as benefits from miscellaneous activities if his investment activities go beyond regular active portfolio management.

Other individuals

If a holder of Notes is an individual whose situation has not been discussed before in this section “Certain Dutch Taxation Considerations—Taxes on income and capital gains—Resident holders of Notes”, the value of his Notes and Notes Guarantees forms part of the yield basis for purposes of tax on benefits from savings and investments. A deemed benefit, which is determined on the basis of progressive rates starting from 2.87% up to 5.39% per annum of this yield basis, is taxed at the rate of 30%. Actual benefits derived from or in connection with his Notes or Notes Guarantees are not subject to Dutch income tax.

Corporate entities

Any benefits derived or deemed to be derived from or in connection with Notes or Notes Guarantees that are held by a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, are generally subject to Dutch corporation tax.

General

A holder of Notes will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issuance of Notes or the performance by the Issuer or one or more Guarantors of their obligations under such documents or under the Notes or Notes Guarantees.

Non-resident holders of Notes

Individuals

If a holder of Notes is an individual who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax, he will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Notes or Notes Guarantees, except if:

- (i) he derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes or Notes Guarantees are attributable to such permanent establishment or permanent representative; or
- (ii) he derives benefits or is deemed to derive benefits from or in connection with Notes or Notes Guarantees that are taxable as benefits from miscellaneous activities performed in the Netherlands.

Corporate entities

If a holder of Notes is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporation tax, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Notes or Notes Guarantees, except if:

it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and to which permanent establishment or permanent representative its Notes or Notes Guarantees are attributable; or

it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Notes or Notes Guarantees are attributable.

General

If a holder of Notes is neither resident nor deemed to be resident in the Netherlands, such holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issuance of Notes or the performance by the Issuer or one or more Guarantors of their obligations under such documents or under the Notes or Notes Guarantees.

Gift and inheritance taxes

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Notes by way of gift by, or upon the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Notes becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

Registration taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including by legal proceedings and including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issuance of Notes, the performance by the Issuer or one or more Guarantors of their obligations under such documents or under Notes or Notes Guarantees, or the transfer of Notes, except that Dutch real property transfer tax may be due upon an acquisition, in connection with Notes, of real property situated in the Netherlands, (an interest in) an asset that qualifies as real property situated in the Netherlands, or (an interest in) a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax.

Certain Australian Taxation Considerations

Prospective holders of the Notes should consult their own tax advisers concerning the consequences, in their particular circumstances, under Australian tax laws, and under the laws of any other taxing jurisdiction, of the ownership of or any dealing in the Notes. Any such dealing would need to comply with the selling restrictions and securities laws generally.

Interest withholding tax

The Issuer does not intend to issue Notes as agent of any Australian resident entities or in respect of any permanent establishments in Australia. It is intended that no interest is to be paid from Australia on the Notes. On that basis Australian interest withholding tax ("IWT") should not be payable on the interest paid by the Issuer.

It is unclear whether payments under the guarantees by Travelex Australia Holdings Proprietary Limited and Travelex Limited (“Australian Guarantors”) will constitute payments of interest so defined, but the better view is that such payments are not payments of interest or amounts in the nature of interest and, as such, no IWT should be payable in respect of such payments. The Commissioner of Taxation in Australia has issued public guidance that such payments may be interest for IWT purposes. If the guarantee payments are treated as interest for IWT purposes, a rate of 10% IWT should apply.

Income tax

Payment of principal and interest to a holder of the Notes who is a non-Australian resident and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“Offshore Holders”), will not be subject to Australian income taxes. Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“Australian Holders”) may be assessed for Australian tax purposes on income either received or accrued to them in respect of the Notes. Whether income will be recognized on a cash receipts or accruals basis will depend upon the tax status of the particular holder of the Notes and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia, which vary depending on the country in which that permanent establishment is located.

Gains on disposal or redemption of Notes

Offshore Holders will not be subject to Australian income tax on gains realized during that year on the sale or redemption of the Notes provided such gains do not have an Australian source or if the non-Australian resident is a resident of a country with which Australia has entered into a double tax treaty. A gain arising on the sale of Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed outside Australia, would not generally be regarded as having an Australian source.

Deemed interest

There are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian Holder. If the Notes are not issued at a discount and do not have a maturity premium then these rules should not apply to the Notes.

Stamp duty and other taxes

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes. Neither the issue nor receipt of the Notes will give rise to a liability for goods and services tax (“GST”) in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Company, nor the disposal or redemption of the Notes, would give rise to any GST liability in Australia.

Taxation of foreign exchange gains and losses

Divisions 775 and 960 of the Income Tax Assessment Act 1997 of Australia (the “Australian Tax Act”) contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of the Notes that hold Notes that are not denominated in Australian dollars. Any such holder of Notes should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Notes.

Taxation of financial arrangements (“TOFA”)

Division 230 of the Australian Tax Act contains a code for the tax-timing and character treatment of gains and losses in relation to financial arrangements. The regime contains a number of different methods for bringing to account for tax purposes gains and losses in relation to “financial arrangements”. These rules may affect the time at which any Australian tax is applied in respect of the Notes.

Certain Brazilian Taxation Considerations

The following is a summary of certain Brazilian withholding and other tax considerations at the date hereof in relation to payments made by the Brazilian Guarantor. The following is a general description for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Holders of Notes should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the holder is domiciled. Holders of Notes should also note that there is no tax treaty between Brazil and the United States. Prospective purchasers of Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

There is no clear guidance in the Brazilian legislation, or precedents from Brazilian courts, regarding the income tax treatment applicable for the payment under the Notes Guarantee by the Brazilian Guarantor, in the event of an occasional remittance in connection with the enforcement of a Notes Guarantee. The Brazilian tax authorities may consider such payments are subject to withholding income tax in Brazil ("Brazilian WHT"), although there are legal grounds to sustain that Brazilian WHT is not due or should not be levied on the amount that correspond to the principal amount.

As there is no specific rule in Brazil to remittances carried out under the enforcement of guarantees, there is a risk of tax authorities demanding the collection of Brazilian WHT under the general rule that income, capital gains and any other revenues delivered, credited, used or remitted by a Brazilian source to an individual or legal entity resident abroad would be subject to Brazilian WHT.

For capital gains purposes and where the beneficiary is not located in a low tax jurisdiction ("LTJ"), the applicable rates would be: (i) 15% for the part of the gain that does not exceed R\$5 million, (ii) 17.5% for the part of the gain that exceeds R\$5 million but does not exceed R\$10 million, (iii) 20% for the part of the gain that exceeds R\$10 million but does not exceed R\$30 million and (iv) 22.5% for the part of the gain that exceeds R\$30 million. On March 16, 2016, the Brazilian federal government enacted Law 13,259/16 ("Law 13,259"), which introduced progressive income taxation for Brazilian individuals' capital gains and became effective on January 1, 2017. These new progressive rates do not apply to foreign investors benefiting from the special tax regime currently ruled by Resolution 4,373 (previously known as 2,689 Investors). However, it is debatable whether they apply to foreign investors that do not benefit this regime. This is so because Brazilian tax law treats such foreign investors as Brazilian individuals for capital gain purposes. The risk described above for foreign investors is a potential interpretation of Law 13,259, as Law 13,259 does not expressly mention foreign investors. Should this interpretation be confirmed, capital gains assessed by those foreign investors would be subject to rates ranging from 15% to 22.5%, depending on the amount of capital gain.

Regarding other income derived from a Brazilian source, including the remittance of interest, the Brazilian WHT rate would be 15%. For both capital gains and other income, if the beneficiary is domiciled in a LTJ, then the Brazilian WHT would be levied at a 25% rate. Other income tax rates may apply in case of a tax treaty between Brazil and the country of residence of the beneficiary.

According to Brazilian tax laws, a LTJ is deemed to be a jurisdiction that does not tax the income or taxes it at a maximum rate lower than 17%, provided that the requirements set forth by Normative Ruling No. 1,530 dated December 19, 2014 are met. After the enactment of Law No. 11,727, of June 22, 2008, the concept of LTJ established by section 24 of Law No. 9,430/96 also encompasses those jurisdictions in which local law does not allow access to shareholding structure of entities, ownership of such shareholding or the identification of the effective beneficiary of the income attributable to the non-resident (Law No. 9,430/96, Section 24, paragraph 4). Based on these laws, in 2010 the Brazilian Internal Revenue Service enacted Normative Instruction No. 1,037/10, which lists all countries and locations deemed LTJs.

In addition, the foreign exchange transactions in connection with payments made by the Brazilian Guarantor under the Guarantee to a non-resident holder of the Notes are subject to IOF/Exchange currently levied at a rate of 0.38%. Please note that the Brazilian Government can change IOF/Exchange rates at any time.

CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to Title I of ERISA’s general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under “*Risk Factors*.”

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the “Plans”)) and certain persons (referred to as “parties in interest” or “disqualified persons”) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the Initial Purchasers or any other party to the transactions referred to in these listing particulars may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan, including but not limited to where the Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the Initial Purchasers or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the Plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption (“PTCE”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), (collectively, “Non-ERISA Plans”) while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to other federal, state, local, non-U.S. or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or the prohibited transaction provisions of Section 4975 of the Code (collectively, “Similar Law”).

Fiduciaries of any such Non-ERISA Plans should consult with their counsel before acquiring the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any applicable Similar Law.

Accordingly, each purchaser and subsequent transferee of any Notes will represent and warrant, on each day from the date on which the purchaser or transferee acquires such Notes (or any interest

therein) through and including the date on which the purchaser or transferee disposes of such Notes (or any interest therein), either that (a) it is not, and no portion of the assets used to acquire any Notes (or interest therein) constitute the assets of, any Plan or Non-ERISA Plan or (b) its acquisition, holding and disposition of such Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

Each Plan and Non-ERISA Plan proposing to invest in such Notes should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code, if applicable (or, in the case of a Non-ERISA Plan, any applicable Similar Law).

The sale of any Notes to a Plan or Non-ERISA Plan is in no respect a representation by the Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the Initial Purchasers or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans or Non-ERISA Plans generally or any particular Plan or Non-ERISA Plan, or that such an investment is appropriate for Plans generally or any particular Plan or Non-ERISA Plan.

CERTAIN LIMITATIONS ON VALIDITY AND ENFORCEABILITY

Set out below is a summary of certain limitations on the enforceability of the Notes Guarantees and the security interests relating to the Notes, and of certain insolvency law considerations in each of the jurisdictions in which the Issuer, the Guarantors and the providers of Collateral (as of the date hereof) are organized or incorporated. It is a summary only. Bankruptcy or insolvency proceedings or a similar event could be initiated in any of these jurisdictions and or in the jurisdiction of organization or incorporation of a future guarantor under the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Notes Guarantees and any Collateral securing the Notes.

European Union

The Issuer and several of the Guarantors are organized under the laws of Member States of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings as amended (the “EU Insolvency Regulation”), to be replaced by Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings from 26 June 2017, the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its “centre of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation).

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings as amended (the “EU Insolvency Regulation”), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its “centre of main interests” (as that term is used in Article 3(1) of the EU Insolvency Regulation).

The determination of where any such company has its “centre of main interests” is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

The term “centre of main interests” is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its “centre of main interests” in the EU Member State in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the “centre of main interests” of a company should correspond to the place where the company conducts the administration of its interests on a regular basis and “is therefore ascertainable by third parties.” In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business, the location where the company has its principal offices, the location where the large majority of the company’s creditors are established and the perception of the company’s creditors as regards where the center of the company’s business operations is established may all be relevant in the determination of the place where the company has its “centre of main interests.”

If, at the time an insolvency application is made, the “centre of main interests” of a company is located in an EU Member State, main insolvency proceedings under the EU Insolvency Regulation in respect of the company may be commenced in that EU Member State and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Article 1(1) and listed in Annex A to the EU Insolvency Regulation with these proceedings being governed by the *lex fori concursus*, i.e. the local laws of the court opening such main insolvency proceedings, subject to a number of reserved matters and exceptions. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are automatically to be recognized in the other EU Member States (other than Denmark) and all assets of the debtor located in the EU Member States (other than Denmark) will fall in the bankrupt estate, although secondary proceedings may be opened in another EU Member State. If the “centre of main interests” of a debtor is in one EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open “territorial proceedings” only in the event that such company has an “establishment” in the territory of such other EU Member State. An “establishment” is defined to mean a place of operations where the company carries on non-transitory

economic activity with human means and goods. This means a fixed place of business and dealings with third parties (as opposed to purely internal administration). If main insolvency proceedings have been opened by the court of the EU Member State where the centre of main interest of the debtor is situated and are outstanding, then the territorial proceedings (entitled “secondary” proceedings”) can only be winding up proceedings. Where main proceedings in the EU Member State in which the company has its centre of main interests have not yet been opened, territorial insolvency proceedings can only be opened in another EU Member State where the company has an establishment where either (a) insolvency proceedings cannot be opened in the EU Member State in which the company’s centre of main interests is situated under that EU Member State’s law or (b) the territorial insolvency proceedings are opened at the request of a creditor which is domiciled, habitually resident or has its registered office in the other EU Member State or whose claim arises from the operation of the establishment. The effects of those territorial proceedings are restricted to the assets of the debtor located in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

The courts of all EU Member States (other than Denmark) must recognize the judgment of the court opening main proceedings and give the same effect to the order in the other relevant EU Member State so long as no secondary proceedings have been opened there. The insolvency officeholder appointed by a court in an EU Member State that has jurisdiction to open main proceedings (because the company’s centre of main interests is there) may exercise the powers conferred on him by the law of that EU Member State in another EU Member State (such as to remove assets of the company from that other EU Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other EU Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other EU Member State where the company has assets.

In the event that any one or more of the Issuer, the Guarantors or any of the Guarantors’ subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations (including the Notes and Notes Guarantees) of, and the Collateral granted by, the Issuer and the Guarantors.

England and Wales

The Issuer and a number of the Guarantors are companies incorporated under the laws of England and Wales. Any main insolvency proceedings in respect of an English Obligor would be commenced in England and conducted in accordance with the requirements of English insolvency laws, but only if the relevant English Obligor had its centre of main interests in England. Pursuant to the EU Insolvency Regulation, where an English company conducts business in another member state of the EU, the jurisdiction of the English courts may be limited if the company’s centre of main interests is found to be in that other Member State. See “—*European Union*.”

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company or a creditor making an application for administration in court, the company or the holder of a “qualifying floating charge” (discussed below) making an application for the appointment of an administrator out of court, or by a creditor filing a petition to wind up the company or the company itself resolving to do so (in the case of liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely to become, unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes.

Under the UK Insolvency Act 1986 (as amended), a company is insolvent if it is unable to pay its debts. A company is deemed unable to pay its debts if it is insolvent on a “cash flow” basis (unable to pay its debts as they fall due), if it is insolvent on a “balance sheet” basis (the value of the company’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities). Inability to pay debts may be proved if, among other matters, the company fails either to satisfy a creditor’s statutory demand for a debt exceeding £750 or to satisfy in full a judgment debt (or similar court order).

The English Obligors' obligations in respect of the Notes are secured by security interests over the Collateral. English insolvency laws and other limitations could limit the enforceability of the Notes Guarantee against the English Obligors and the enforceability of security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the Notes Guarantee and the security interests over the Collateral. The application of these laws could adversely affect investors, their ability to enforce (i) their rights under the Notes or the Notes Guarantee and/or (ii) the Collateral securing the Notes and the Notes Guarantee against the English Obligors and therefore may limit the amounts that investors may receive in an insolvency of an English Obligor.

Fixed and floating charges

There are a number of ways in which fixed charge security has an advantage over floating charge security although some of these may not be relevant where the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) apply: (a) an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets (provided the fixed charge holder has no notice of any restrictions); (c) general costs and expenses (including the liquidator's remuneration) properly incurred in a winding-up are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge; (e) floating charge security is subject to certain challenges under English insolvency law; See "*—Grant of floating charge*"; and (f) floating charge security realizations are distributed in discharge of the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees (up to a cap)) and, in respect of a certain 'ring-fenced' amount, to unsecured creditors in priority to the floating charge holders. See "*—Administration and floating charges*,"

Under English law there is a possibility that a court could recharacterise fixed security interests purported to be created by a security document as floating charges; the description given to security interests by the parties is not determinative. Whether security interests labeled as fixed will be upheld as fixed security interests rather than floating security interests will depend on, among other things, whether the chargee has the requisite degree of control over the relevant chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the chargee in practice. Where the chargor is free to deal with the secured assets without the consent of the chargee prior to crystallization, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge in the security documents.

Administration and floating charges

The UK Insolvency Act 1986 (as amended) empowers English courts to make an administration order in respect of a company with its centre of main interests in England in certain circumstances. An administration order can be made if the court is satisfied that the relevant company is or is likely to become "unable to pay its debts" and that the administration order is reasonably likely to achieve the purpose of administration. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor. The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than if the company went into an immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors. During the administration, in general no proceedings or other legal process may be commenced or continued against the company in administration, or security enforced over that company's property, except with leave of the court or the consent of the administrator. Certain creditors of a company in administration may be able to realize their security

over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the administration moratorium in relation to a "security financial collateral agreement" (generally, cash or financial instruments such as shares, bonds or tradable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended). If an English Obligor were to enter into administration, it is likely, to the extent that it is not a financial collateral arrangement, that the security granted by it or the guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor in preference to an administrator, and any already appointed receiver must resign if requested to do so by the administrator subject to the application of the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended). Where the company is already in administration no other receiver may be appointed.

In order to empower the Security Agent to appoint an administrative receiver or an administrator to the company, the floating charge granted by the relevant English Obligor must constitute a "qualifying floating charge" for the purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must fall within one of the exceptions in the UK Insolvency Act 1986 (as amended) to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the UK Insolvency Act 1986 (as amended). The Security Agent will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with the fixed charge security interests, relate to the whole or substantially the whole of the relevant English Obligor's property and at least one such security interest is a qualifying floating charge. The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the UK Insolvency Act 1986, as amended), which will apply if an English Obligor creates a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the UK Insolvency Act 1986, as amended, but is generally a rated, listed or traded debt instrument).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying charge using the out of court procedure), and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is invalid. If an administrator is appointed, any administrative receiver will vacate office, and any receiver of part of the company's property must resign if required to do so by the administrator.

Prescribed part

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security (after making full provision for preferential creditors and expenses) for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of such floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000. Whether the floating charges and other security were taken over assets which constitute the whole or substantially the whole of the relevant English Obligor's assets at the time that the floating charges are enforced is a question of fact.

Liquidation/Winding Up

Liquidation is a company dissolution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the UK Insolvency Act 1986 (as amended). At the end of the liquidation process the company will be dissolved. In the case of a liquidation commenced by way of a court order, no proceedings or other actions may be commenced or continued against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected).

Under the UK Insolvency Act 1986 (as amended), a liquidator has the power to disclaim any onerous property, which is any unprofitable contract and any other property of the company that cannot be sold,

readily sold or may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on the company that may be detrimental to creditors. However, this power does not apply to a contract all the obligations under which have been performed nor can it be used to disturb accrued rights and liabilities.

One of the primary functions of liquidation (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under United Kingdom law is to realize the assets of the insolvent company and to distribute the cash realizations made from those assets to its creditors. Under the UK Insolvency Act 1986 (as amended), creditors are placed into different classes and, with the exceptions and adjustments noted below, the proceeds from the realization of the insolvent company's property are applied in a descending order of priority, as set out below. With the exception of the prescribed part (see "*—Prescribed Part*"), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been repaid in full. Unless creditors have agreed otherwise, distributions are made on a *pari passu* basis, that is, the cash is distributed in proportion to the debts due to each creditor within a class.

The general priority of claims on insolvency is as follows (in descending order of priority):

First ranking claims: holders of fixed charge security and creditors with a proprietary interest in specific assets in the possession (but not full legal and beneficial ownership) of the debtor but only to the extent of the realizations from those secured assets or with respect to the asset in which they have a proprietary interest.

Second ranking claims: expenses of the insolvent estate incurred during the relevant insolvency proceedings (there is a further statutory order of priority setting out the order in which expenses are paid).

Third ranking claims: preferential creditors. Preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date.

Fourth ranking claims: holders of floating charge security to the extent of the realizations from those secured assets, according to the priority of their security. However, before distributing asset realizations to the holders of floating charges, the prescribed part must be set aside for distribution to unsecured creditors (see "*—Prescribed Part*").

Fifth ranking claims: general unsecured creditors. Any secured creditor not repaid in full from the realization of assets subject to its security can also claim the remaining debt due to it (a shortfall) from the insolvent estate as an unsecured claim.

Sixth ranking claims: subordinated creditors. Creditors whose claims are subordinated to the payment of all of the company's other creditors.

Seventh ranking claims: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases this will only arise if the company is placed into administration or liquidation within a specified period (as set out in more detail below) of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he may challenge the validity of the guarantee or security given by such company.

The following potential grounds for challenge may apply under English law to guarantees and security interests:

Transaction at an undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. There will only be a transaction at an undervalue if, at the time of the transaction or as a consequence of the transaction, the English company was unable to pay its debts or became unable to pay its debts (as defined in the UK Insolvency Act 1986, as amended). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years from the date the English company grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a connected person (as defined in the UK Insolvency Act 1986, as amended), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. There will only be a preference if, at the time the transaction was entered into, the English company was unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) or the English company becomes unable to pay its debts (as defined in the UK Insolvency Act 1986 (as amended)) as a consequence of giving the preference. The giving of the preference can be challenged if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person) from the date the English company takes the decision to grant the security interest or the guarantee. A transaction will constitute a factual preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given, which could, in this case, include reducing payments under the Notes and the Notes Guarantees. However, for the court to do so, it must be shown that in deciding to give the factual preference the English company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction

may be made by an administrator, a liquidator and, subject to certain conditions, the UK Financial Conduct Authority and the UK Pensions Regulator. In addition, any person who is, or who is capable of being, prejudiced by the transaction may (with the leave of the court in the case of a company in administration or liquidation) also bring an application to set aside such transaction. There is no time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of, or become insolvent as a result of, the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Extortionate Credit Transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English obligor in the period up to three years before the day on which the English obligor entered into administration or went into liquidation. A transaction is “extortionate” if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Grant of floating charge

Under English insolvency law, if an English Obligor is unable to pay its debts (or becomes unable to pay its debts) at the time of granting the floating charge as a consequence of the transaction under which the charge is created, and the floating charge was granted within the specified period referred to below, then such floating charge can be avoided except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge (plus certain interest).

The requirement for the English Obligor to be insolvent at the time of (or as a result of) granting the floating charge or becoming so as a consequence of the transaction under which the charge is created does not apply where the floating charge is granted to a connected person. If the floating charge is granted to a connected person, and the floating charge was granted within the specified period referred to below, then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English Obligor is solvent or insolvent at the time of grant.

The granting of the floating charge can be challenged only if the relevant English Obligor enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant English Obligor grants the floating charge. However, if the Floating Charge qualifies as a “security financial collateral agreement” under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended), the floating charge will not be subject to challenge as described in this paragraph. An administrator, or a liquidator (as applicable), does not need to apply to court for an order declaring that a floating charge is invalid. Any floating charge created during the relevant time period is automatically invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt owed by, the relevant English Obligor at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English Obligor is solvent or insolvent at the time of grant.

Post-insolvency interest

Any interest accruing under or in respect of amounts due under the Notes or the Notes Guarantee given by an English Obligor in respect of any period after the commencement of administration or

liquidation proceedings would only be recoverable by the holders of the Notes from any surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings provided that such interest may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries.

Limitation on Enforcement

The grant of a guarantee or security by any of the English Obligor in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that the above do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English Obligor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the English Obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found to be abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Dispositions in Winding-up

Under Section 127 of the UK Insolvency Act 1986 (as amended), any dispositions of a company's property made after a winding-up has commenced is, unless the court orders otherwise, void. The compulsory winding-up of a company is deemed to start when a winding-up petition is presented by a creditor against the company, rather than the date that the court makes the winding-up order (if any). However this restriction will not prevent the enforcement of security nor prevent a close-out netting provision taking effect in accordance with its terms.

Foreign Currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, any debt of a company payable in a currency other than British Pounds (such as euro in the case of Notes denominated in euro) must be converted into British Pounds at the "official exchange rate" prevailing at the date when the company went into liquidation or administration. This provision overrides any agreement between the parties. The "official exchange rate" for these purposes is the middle market rate in the London Foreign Exchange Market at close of business as published for the date in question or, if no such rate is published, such rate as the court determines.

Jersey

Insolvency

There are two principal regimes for corporate insolvency in Jersey: *désastre* and winding up.

The principal type of insolvency procedure available to creditors under Jersey law is an application for an Act of the Royal Court of Jersey (the "Royal Court") under the Bankruptcy (*Désastre*) (Jersey) Law 1990, as amended (the "Jersey Bankruptcy Law") declaring the property of a debtor to be "*en désastre*" (a "declaration"). On a declaration of *désastre*, title and possession of the property of the debtor vest automatically in the Viscount, an official of the Royal Court (the "Jersey Viscount"). With effect from the date of declaration, an unsecured creditor has no remedy against the property or person of the debtor, and may not commence or continue any legal proceedings to recover the debt, but may prove in the *désastre*.

Additionally, the shareholders of a company (but not its creditors) can instigate a winding-up of an insolvent company which is known as a "creditors' winding up" pursuant to Chapter 4 of Part 21 of the Companies (Jersey) Law 1991, as amended (the "Jersey Companies Law") (a "creditors' winding up"). On a creditors' winding up, a liquidator is appointed, and the creditors may determine who should be appointed. The liquidators will stand in the shoes of the directors and administer the winding up, gather in assets, settle claims and distribute assets as appropriate. After the commencement of the winding

up, no action can be taken or continued against the company except with the leave of the court. The corporate state and capacity of the company continues until the end of the winding up procedure, when the company is dissolved. The Jersey Companies Law requires a creditor of a company (subject to appeal) to be bound by an arrangement entered into by the company and its creditors immediately before or in the course of its winding up if (*inter alia*) three quarters in number and value of the creditors acceded to the arrangement.

Floating charges

Under the laws of Jersey, a person incorporated, resident or domiciled in Jersey is deemed to have capacity to grant security governed by foreign law over property situated outside the Island of Jersey, but to the extent that any floating charge is expressed to apply to any asset, property and undertaking of a person incorporated, resident or domiciled in Jersey such floating charge is not likely to be held valid and enforceable by the courts of Jersey in respect of Jersey situs assets.

Administrators, receivers and statutory and non-statutory requests for assistance

The Insolvency Act 1986 (either as originally enacted or as amended, including by the provisions of the Enterprise Act 2002) does not apply in Jersey and receivers, administrative receivers and administrators are not part of the laws of Jersey. Accordingly, the courts of Jersey may not recognize the powers of an administrator, administrative receiver or other receiver appointed in respect of Jersey situs assets.

However, under Article 49(1) of the Jersey Bankruptcy Law, the Jersey courts may assist the courts of prescribed countries and territories in all matters relating to the insolvency of any person to the extent that the Jersey courts think fit. These prescribed jurisdictions include the United Kingdom. Further, in doing so, the Royal Court may have regard to the UNCITRAL model law, even though the model law has not been (and is unlikely to be) implemented as a separate law in Jersey.

If (i) a request comes from a prescribed country but not by a court of such country or (ii) from a non-prescribed country, then the application will be considered by the Royal Court by virtue of its inherent jurisdiction having regard to principles of comity. If insolvency proceedings are afoot in another jurisdiction in relation to the company, the nature and extent of the cooperation from Jersey is likely to depend on the nature of the requesting country's insolvency regime. If the requesting country adheres to principles of territoriality, as opposed to universality, and, for instance, ring-fences assets for local creditors, full cooperation is highly unlikely. If, however, the jurisdiction applies similar fundamental principles as Jersey, the Royal Court's approach is more likely to be similar to the position where prescribed countries are involved.

In the case of both statutory and non-statutory requests for assistance, it should not be assumed that the UNCITRAL provisions will automatically be followed. That is a matter for the discretion of the Royal Court. It would also be wrong to assume for European countries that the position will be in accordance with EU Council Regulation 1346/2000. Jersey does not form part of the European Community for the purposes of implementation of its directions. Accordingly, the EU Council Regulation 1346/2000 does not apply as a matter of Jersey domestic law and the automatic test of Centre of Main Interests (COMI) does not apply as a result.

Transactions at an undervalue

Under Article 17 of the Jersey Bankruptcy Law and Article 176 of the Jersey Companies Law the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared "en désastre") or liquidator (in the case of a creditors' winding up), set aside a transaction (including any guarantee or security interest) entered into by a company with any person (the "other party") at an undervalue. There is a five-year look-back period from the date of commencement of the winding up or declaration of "désastre" during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction at an undervalue, the determination of the relevant time and the effect of entering into such a transaction with a person connected with the company or with an associate of the company. If the court determines that the transaction was a transaction at an undervalue, the court can make such

order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into. In any proceedings, it is for the Jersey Viscount or liquidator to demonstrate that the Jersey company was insolvent unless a beneficiary of the transaction was a connected person or associate of the company, in which case there is a presumption of insolvency and the connected person must demonstrate the Jersey company was not insolvent when it entered the transaction in such proceedings.

Preference

Under Article 17A of the Jersey Bankruptcy Law and Article 176A of the Jersey Companies Law, the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared “en désastre”) or liquidator (in the case of a creditors’ winding up), set aside a preference (including any guarantee or security interest) given by the company to any person (the “other party”). There is a 12-month look-back period from the date of commencement of the winding up or declaration of “désastre” during which transactions are susceptible to examination pursuant to this rule (the “relevant time”). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a preference, the determination of the relevant time and the effect of entering into a preference with a person connected with the company or with an associate of the company. A transaction will constitute a preference if it has the effect of putting a creditor of the Jersey company (or a surety or guarantor for any of the company’s debts or liabilities) in a better position (in the event of the company going into an insolvent winding up) than such creditor, guarantor or surety would otherwise have been had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given (although there is protection for a third-party who enters into one of the transactions in good faith and without notice). However, for the court to do so, it must be shown that in deciding to give the preference the Jersey company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the Jersey Viscount or liquidator to demonstrate that the Jersey company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that the company was not influenced by such a desire.

Extortionate credit transactions

Under Article 17C of the Jersey Bankruptcy Law and Article 179 of the Jersey Companies Law, the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared “en désastre”) or liquidator (in the case of a creditors’ winding up), set aside a transaction providing credit to the debtor company which is or was extortionate. There is a three-year look-back period from the date of commencement of the winding up or declaration of “désastre” during which transactions are susceptible to examination pursuant to this rule (the “relevant time”). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction which is extortionate.

Disclaimer of onerous property

Under Article 15 of the Jersey Bankruptcy Law, the Jersey Viscount may within six months following the date of the declaration of désastre and under Article 171 of the Jersey Companies Law, a liquidator may within six months following the commencement of a creditors’ winding up, disclaim any onerous property of the company. “Onerous property” is defined to include any moveable property, a contract lease or other immoveable property if it is situated outside of Jersey that is unsaleable or not readily saleable or is such that it might give rise to a liability to pay money or perform any other onerous act, and includes an unprofitable contract.

A disclaimer operates to determine, as of the date it is made, the “rights, interests and liabilities of the company in or in respect of the property disclaimed” but “shall not, except so far as is necessary for the purpose of releasing the company from liability, affect the rights or liabilities of any other person.” A person sustaining loss or damage in consequence of a disclaimer is deemed to be a creditor of the company to the extent of the loss or damage and may prove for the same in the désastre or creditors’

winding up. The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) in relation to the powers of the court in respect of disclaimed property.

Fraudulent dispositions

In addition to the Jersey statutory provisions referred to above, there are certain principles of Jersey customary law (for example, a Pauline action) under which dispositions of assets with the intention of defeating creditors' claims may be set aside.

Enforcement of security and security in insolvency

The enforcement of any security interest granted under the Security Interests (Jersey) Law 1983 or the Security Interests (Jersey) Law 2012 (as applicable) would need to be in accordance with, and subject to the provisions of the relevant law, the provisions of the relevant security agreement and to all laws relating to bankruptcy, dissolution, insolvency, re-organization, liquidation, moratorium or other laws of general application affecting the rights of creditors generally.

Japan

Under Japanese law, there are four distinct types of insolvency proceedings which may be applicable to Travelex Japan KK: (i) bankruptcy (*hasan*), under the Bankruptcy Law of Japan (Law No. 75 of 2004); (ii) civil rehabilitation (*minji-saisei*), under the Civil Rehabilitation Law of Japan (Law No. 225 of 1999); (iii) corporate reorganization (*kaisha-kosei*), under the Corporate Reorganization Law (Law No. 154 of 2002, the "Corporate Reorganization Law"); and (iv) special liquidation (*tokubetsu-seisan*), under the Corporation Law of Japan. Bankruptcy proceedings and special liquidation proceedings are proceedings for winding-up of insolvents, whilst civil rehabilitation proceedings and corporate reorganization proceedings are proceedings for revitalization of insolvents. After commencement of these proceedings, creditors can only enforce their claims according to the proceedings, and such proceeding could adversely affect creditor's ability to enforce their rights and to collect payment in full under the Notes.

BOOK-ENTRY, DELIVERY AND FORM

General

On the Issue Date, the Global Notes will be deposited with, and registered in the name of the nominee of a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”). The Notes sold within the U.S. to qualified institutional buyers in reliance on Rule 144A will initially be represented by one global note in registered form without interest coupons attached (the “144A Global Notes”). The Notes sold outside the U.S. to Non-U.S. persons in offshore transactions in reliance on Regulation S will initially be represented by one global note in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”).

After the Issue Date, book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream (or its nominee) and their participants. Ownership of interests in the Global Notes (“book-entry interests”) will be limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through those participants. In addition, while the Notes are in global form, holders of book-entry interests will not be considered the owners or “holder” of Notes for any purpose.

So long as the Notes are held in global form, the nominee of the common depository for Euroclear and Clearstream will be considered the sole holder of Global Notes for all purposes under the Indenture governing the Notes. Accordingly, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of the participants through which they own book-entry interests, to transfer the interests or in order to exercise any rights of holders under the Indenture governing the Notes.

Neither we, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the nominee of the common depository for Euroclear and Clearstream nor any of our or their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests.

Issuance of Definitive Registered Notes

The book-entry interests will not be held in definitive form. Instead, Euroclear or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by that participant. The laws of some jurisdictions, including some states of the U.S., may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge book-entry interests. In addition, while the Notes are in global form, “holders” of book-entry interests will not be considered the owners or “holders” of Notes for any purpose.

Under the terms of the Indenture governing the Notes, to the extent permitted by Euroclear or Clearstream, owners of book-entry interests will receive definitive Notes in registered form (“definitive registered Notes”):

- if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act and we do not appoint a successor within 90 days; or
- if the owner of a book-entry interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the Indenture and enforcement action is being taken in respect thereof under such Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a book-entry interest described in the immediately preceding clause, their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of book-entry interests.

In such an event, the Registrar will issue definitive registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and Clearstream, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of the book-entry interests). Those definitive registered Notes will bear the restrictive legend described under “*Transfer Restrictions*” unless that legend is not required at the time by the Indenture governing the Notes or applicable law.

Redemption of Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear or Clearstream (or their respective nominees), as applicable, will redeem an equal amount of the book-entry interests in that Global Note from the amount received by it in respect of the redemption of the Global Note. The redemption price payable in connection with the redemption of the book-entry interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of the Global Note (or any portion thereof). We understand that, under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on any other basis that they deem fair and appropriate (including the pool factor); *provided, however*, that no book-entry interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes will be made by us in euros to the Paying Agent. The Paying Agent will, in turn, make payments to the common depositary for Euroclear and Clearstream, which will distribute those payments to participants in accordance with its procedures. Under the terms of the Indenture governing the Notes, we the Paying Agent, the Transfer Agent, the Registrar and the Trustee will treat the registered holder of the Global Notes as the owner of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither we nor the Trustee the Paying Agent, the Transfer Agent, the Registrar nor any of our or its agents has or will have any responsibility or liability for:

- any aspect of the records of (or maintaining, supervising or reviewing the records of) Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest;
- any other matter relating to the actions and practices of Euroclear, Clearstream or any participants or indirect participants; or
- the common depositary, Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of those participants, as is the case with securities held for the accounts of customers registered in "street name."

To the extent permitted by law, we, the Trustee, the Paying Agent, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Company, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the book-entry interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the book-entry interests in the Global Notes are credited and only in respect of the portion of the aggregate principal amount of Notes for which the participant or participants has or have given direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the relevant Global Notes for definitive registered Notes in certificated form, and to distribute those definitive registered Notes to its participants.

Transfers

The Global Notes will bear a legend as described under "*Transfer Restrictions*." Book-entry interests in the Global Notes will be subject to restrictions on transfer described under "*Transfer Restrictions*."

Book-entry interests in the Rule 144A Global Note (“restricted book-entry interests”) may be transferred to a person who takes delivery in the form of book-entry interests in the Regulation S Global Note (“unrestricted book-entry interests”) only upon delivery by the transferor of a written certification (in the form provided in the Indenture governing the Notes) to the effect that the transfer is made in accordance with Regulation S and in accordance with any applicable securities laws of any state of the U.S. or any other jurisdiction.

Prior to 40 days after the date of initial issuance of the Notes, any sale or transfer of interests to U.S. persons will not be permitted unless the resale or transfer is made pursuant to Rule 144A.

Unrestricted book-entry interests may be transferred to a person who takes delivery in the form of restricted book-entry interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture governing the Notes) to the effect that the transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule

144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the U.S. or any other jurisdiction.

Any book-entry interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a book-entry interest in the other Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note, and accordingly, will thereafter be subject to all Transfers, if any, and other procedures applicable to book-entry interest in that other Global Note for as long as that person retains the book-entry interests.

Definitive registered Notes, if any, may be transferred and exchanged for book-entry interests in a Global Note only pursuant to the terms of the Indenture governing the Notes and, if required, only after the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture governing the Notes) to the effect that the transfer will comply with the appropriate Transfers applicable to those Notes.

Global Clearance and Settlement under the Book-Entry System

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-entry interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-entry interests will be credited to the securities custody account of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

We expect that the delivery of the Notes will be made against payment therefor on or about May 5, 2017, which will be five business days following the date of pricing of the Notes (such settlement cycle being herein referred to as “T+5”). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or any of the next two succeeding business days will be required, by virtue of the fact that the Notes initially will settle T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next two succeeding business days should consult their advisors.

Secondary Market Trading

The book-entry interests will trade through participants of Euroclear and Clearstream, and will settle in same-day funds. Since the sale determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchasers’ and seller’s accounts are located to ensure that settlement can be made on the desired value date.

Trustee’s Powers

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information

provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Notes and may consider such interests as if such accountholders were the holders of the Notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture against the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of the Notes in such principal amounts.

Information Concerning Euroclear and Clearstream

We understand the following with respect to Euroclear and Clearstream:

- Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of those participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets; and
- Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear and Clearstream participant, either directly or indirectly.

TRANSFER RESTRICTIONS

The following restrictions will apply to the Notes. You are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the Notes. See “*Description of the Notes.*”

None of the Notes have been registered under the U.S. Securities Act, and they may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Notes are being offered and sold only (A) to qualified institutional buyers in compliance with Rule 144A and (B) to non-U.S. persons in offshore transactions in accordance with Regulation S. A non-U.S. person shall include any dealer or other professional fiduciary in the U.S. which is acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust) in reliance upon Regulation S. As used in this section, the terms “United States,” “U.S. person” and “offshore transaction” have the meanings given to them in Regulation S.

Each purchaser of Notes will be deemed to have acknowledged, represented and agreed with us, the Initial Purchasers as follows:

- (1) It is purchasing the Notes for its own account or for an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a qualified institutional buyer, and is aware that the sale to it is being made in reliance on Rule 144A or (B) at the time the buy order for the Notes is originated, a non-U.S. person that is outside the U.S. (or a non-U.S. person that is a dealer or other fiduciary as referred to above).
- (2) It acknowledges that the Notes are being offered for resale in a transaction not involving a public offering in the U.S. (within the meaning of the U.S. Securities Act) and have not been registered under the U.S. Securities Act or any other securities laws and may not be reoffered, resold, pledged or otherwise transferred within the U.S. or to, or for the account or benefit of, U.S. persons except as set forth below.
- (3) It shall not offer, resell, pledge or otherwise transfer the Notes except (A) to the Company or any of its subsidiaries, (B) inside the U.S. to a qualified institutional buyer in a transaction complying with Rule 144A or (C) outside the U.S. to non-U.S. persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act. It acknowledges that the exemption provided by Rule 144 for resale of the Notes may not be available.
- (4) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
- (5) It is relying on the information contained in these listing particulars in making its investment decision with respect to the Notes. It acknowledges that neither we nor the Initial Purchasers have made any representation to it with respect to us or the Offering or sale of any Notes, other than the information contained in these listing particulars which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase the Notes, including an opportunity to ask questions of and request information from us and the Initial Purchasers.
- (6) It acknowledges that prior to any proposed transfer of Notes in certificated form or of beneficial interests in a Global Note (in each case other than pursuant to an effective registration statement), the holder of Notes or the holder of beneficial interests in a Global Note, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Indenture governing the Notes.
- (7) It understands that all of the Notes will bear a legend to the following effect unless otherwise agreed by us and the holder thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND, ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM OR NOT

SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN OFFSHORE TRANSACTIONS PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND (2) AGREES NOT TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF THIS SECURITY, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES, AND THE LAST DATE ON WHICH THE ISSUER OR AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFSHORE TRANSACTIONS TO NON-U.S. PERSONS OCCURRING OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES," AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.]

BY ACCEPTANCE OF THIS SECURITY, EACH ACQUIRER AND SUBSEQUENT TRANSFEREE OF A NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (A) IT IS NOT, AND NO PORTION OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS SECURITY (OR ANY INTEREST HEREIN) CONSTITUTE THE ASSETS OF, (I) AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (II) A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAW"), OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAW.

- (8) It acknowledges that the Trustee and the Transfer Agent will not be required to accept for registration of transfer any Notes acquired by it, except upon presentation of evidence satisfactory to us, the Transfer Agent and the Trustee that the restrictions set forth above have been complied with.

- (9) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify us and the Initial Purchasers. If it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Each purchaser and subsequent transferee of a Note (or any interest therein) will be deemed to have represented and warranted that either (i) it is not, and no portion of the assets used by such purchaser or transferee to acquire or hold the Notes (or any interest therein) constitute assets of, an (a) employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) any plan, individual retirement account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Law"), or (c) any entity whose underlying assets are considered to include "plan assets" of any such employee benefit plan, plan, account or arrangement or (ii) the acquisition, holding and disposition of the Notes (or any interest therein) by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Law.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the “Purchase Agreement”) dated April 27, 2017, the Issuer has agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed severally and not jointly, to purchase the Notes from the Issuer.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to customary closing conditions.

The Initial Purchasers propose to offer the Notes to purchasers at the price indicated on the cover page of these listing particulars. After the initial Offering of the Notes, the Initial Purchasers may from time to time vary the offering price and other selling terms without notice. The Offering of the Notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers’ right to reject any order in whole or in part.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments which the Initial Purchasers may be required to make in respect of any such liabilities. The Issuer will pay the Initial Purchasers a commission and pay certain expenses of the Offering.

No action has been or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of these listing particulars or any other material relating to us or the Notes in any jurisdiction where action for the purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither these listing particulars nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. These listing particulars do not constitute an offer to purchase or a solicitation of an offer to sell. Persons into whose possession these listing particulars come are advised to inform themselves about and to observe any restrictions relating to the Offering of the Notes, the distribution of these listing particulars and resale of the Notes. See “*Notice to Investors*” and “*Transfer Restrictions*.”

The Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act. Each Initial Purchaser has agreed that it will only offer or sell the Notes (A) in the U.S. to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act, and (B) outside the U.S. to non-U.S. persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the U.S. Securities Act.

In connection with sales outside the U.S., the Initial Purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers’ distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering or the date the Notes are originally issued. The Initial Purchasers will send to each dealer to whom it sells such Notes during the 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of the Offering or the date the Notes are originally issued, an offer or sale of such Notes within the U.S. by a dealer that is not participating in the Offering may violate the registration requirements of the U.S. Securities Act.

Each Initial Purchaser has represented and agreed that 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 FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes are a new issue of securities with no established trading market. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List to trade on the Global Exchange Market. However, there can be no assurance that the prices at which the Notes will sell in the market after the Offering will not be lower than the initial offering price or that an active market for the Notes will develop and continue after the Offering.

We have been advised by the Initial Purchasers that the Initial Purchasers intend to make a market in the Notes but are not obligated to do so and may discontinue market making at any time at the sole discretion of the Initial Purchasers without notice. In addition, market-making activity will be subject to the limits imposed by applicable law, and may be limited. Accordingly, there can be no assurance as to the liquidity of or the trading market for the Notes. See “*Risk Factors—Risks related to the Notes and Our Structure—There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.*”

In connection with the Offering, the Initial Purchasers may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater number of Notes than they are required to purchase in the Offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the Offering is in progress.

The Initial Purchasers also may impose a penalty bid. This occurs when a particular Initial Purchaser repays to the Initial Purchasers a portion of the underwriting discount received by it because the Initial Purchaser or its affiliates have repurchased Notes sold by or for the account of such Initial Purchaser in stabilizing or short covering transactions.

These activities by the Initial Purchasers, as well as other purchases by the Initial Purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Initial Purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes, and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

Certain of the Initial Purchasers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Company and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or Company's affiliates (including the Notes and the Existing Notes). In addition, Barclays Bank plc has entered into a vault cash supply agreement with Travelex Banknotes Limited dated February 3, 2016. Barclays Bank plc has also entered into an agreement with Travelex UK Limited dated July 1, 2011 to supply cash to be dispensed from our ATMs. In addition, Bank of America, N.A. is a party to a banknotes supply agreement for our UK vault operation, which runs until December 31, 2017. Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Company or its subsidiaries routinely hedge their credit exposure to these entities consistent with their customary risk management policies. Typically, such Initial Purchaser and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Certain of the Initial Purchasers or certain of their affiliates have been arrangers, agents, security agent and lenders under the Existing Revolving Credit Facility, and will also be arrangers, agents, security agents and lenders under the Revolving Credit Facility.

LEGAL MATTERS

Various legal matters will be passed upon for us by Simpson Thacher & Bartlett LLP, London, United Kingdom, as to matters of U.S. federal, New York state and English law. Certain legal matters will be passed upon for the Initial Purchasers by Allen & Overy LLP, London, United Kingdom, as to matters of U.S. federal, New York state and of English law.

INDEPENDENT AUDITORS

The audited consolidated financial statements of Holdings as of and for the year ended December 31, 2014 included in these listing particulars were audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing herein. The audited consolidated financial statements of Holdings as of and for the years ended December 31, 2015 and 2016 included in these listing particulars were audited by Ernst & Young LLP, independent auditors, as stated in their reports appearing herein. Both PricewaterhouseCoopers LLP and Ernst & Young LLP are authorized and regulated by the Institute of Chartered Accountants in England and Wales.

ENFORCEABILITY OF JUDGMENTS

The Issuer, Travelex Agency Services Limited, Travelex Banknotes Limited, Travelex Central Services Limited, Travelex Europe Limited, Travellers Exchange Corporation Limited, Travelex Foreign Coin Services Limited, TCS, Travelex Group Limited, Travelex Group Investments Limited, Travelex Italia Limited, Travelex Limited and Travelex UK Limited, are organized under the laws of England and Wales. The Company is organized under the laws of Jersey. Travelex America Holdings, Inc., Travelex America, Inc., Travelex Currency Services, Inc. and Travelex Insurance Services, Inc. are organized under the laws of the State of Delaware. Travelex Australia Holdings Proprietary Limited and Travelex Limited are organized under the laws of Australia. Travelex Japan KK is organized under the laws of Japan. Travelex Netherlands is incorporated under the laws of the Netherlands. Our directors and executive officers live outside the U.S. The majority of our assets are located outside the U.S. As a result, although we have appointed an agent for service of process under the Indenture governing the Notes, it may be difficult for you to serve process on those persons or the Issuer in the U.S. or to enforce judgments obtained in U.S. courts against them or the Issuer based on civil liability provisions of the securities laws of the U.S.

England and Wales

The following discussion with respect to the enforceability of certain U.S. court judgments in England and Wales is based upon advice provided to the Issuer and the Guarantors by their English counsel. The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the New York Convention on Arbitral Awards). Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in England and Wales. In order to enforce any such judgment in England and Wales, proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not (subject to the matters identified below) reinvestigate the merits of the original matter decided by a U.S. court if:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment; and
- the judgment is final and conclusive on the merits of the claim and is for a definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or otherwise based on a U.S. law that an English court considers to be a penal, revenue or other public law).

An English court may refuse to enforce such a judgment on a number of grounds, including, if it is established that:

- the relevant U.S. court lacked jurisdiction (under English rules of private international law) or the judgment is not final and conclusive;
- the enforcement of such judgment would contravene public policy or statute in England and Wales;
- the enforcement of the judgment is prohibited by statute (including, without limitation, if the amount of the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained);
- the English proceedings were not commenced within the relevant limitation period;
- before the date on which the U.S. court gave judgment, the issues in question had been the subject of a judgment of an English court or of a court of another jurisdiction whose judgment is enforceable in England;
- the judgment has been obtained by fraud or in proceedings in which the principles of natural justice or the principles of the European Convention on Human Rights were breached;
- the bringing of proceedings in the relevant U.S. court was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit), for example by way of arbitration or proceedings in a different court;

- the bringing of proceedings in the relevant U.S. court was contrary to an agreement that any dispute would be settled by reference to a different governing law than that applied by the U.S. court; or
- an order has been made and remains effective under section 9 of the UK Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. It may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above.

It is, however, uncertain whether an English court would impose liability on us in an action predicated upon the U.S. federal securities law brought in England and Wales.

Jersey

The following matters relate to the enforceability of certain foreign and U.S. court judgments in Jersey.

Recognition of Foreign Judgments

As a general rule, foreign judgments, including judgments obtained in courts outside of Jersey predicated upon civil liabilities and any judgment obtained in courts outside of Jersey predicated upon United States federal securities laws, cannot be directly enforced in Jersey, although an exception to this rule occurs where the Judgments (Reciprocal Enforcement) (Jersey) Law 1960, as amended (the “1960 Law”), applies.

The 1960 Law provides for the registration and enforcement in Jersey of judgments given in the superior courts of countries which accord reciprocal treatment to judgments given in Jersey. Presently, the reciprocating countries and their superior courts are as follows:

- High Court of Justice, Court of Appeal, or the Supreme Court of England and Wales;
- Scotland Court of Session, Sheriff Court;
- Northern Ireland Court of Judicature;
- Isle of Man Her Majesty’s High Court of Justice (including the Staff of Government Division); and
- Guernsey Royal Court, Court of Appeal.

Not all judgments given by such superior courts can be registered. The registration procedure set out in Part 2 of the 1960 Law applies only to judgments or orders given or made in civil proceedings, or in criminal proceedings for the payment of a sum of money in respect of compensation or damages to an injured party. It does not apply to judgments given by such superior courts on appeal from an inferior court nor, for example, to an English County Court judgment given in proceedings later transferred to the High Court for enforcement. In addition, the judgment must:

- be final and conclusive as between the parties (whether or not an appeal in the foreign court is pending or possible);
- provide for the payment of a sum of money, but not in respect of taxes or similar charges, or a fine or other penalty;
- be for a sum of moneys which has not been wholly satisfied; and
- be able to be enforced by execution.

Further detailed provisions in relation to the enforcement of foreign judgments in Jersey are contained in the 1960 Law. If a foreign judgment falls within Part 2 of the 1960 Law, the judgment creditor must use the registration procedure, as further described in the 1960 Law.

Where registration under the 1960 Law is not available, it will be necessary for a holder of a foreign judgment to commence fresh proceedings in Jersey, which proceedings might, *inter alia*, involve a re-examination of the merits of the case.

Brazil

A judgment obtained outside Brazil would be enforceable in Brazil in order to be upon confirmation of that judgment by the Brazilian Superior Court of Justice (Superior Tribunal de Justiça), or STJ. Such confirmation would occur if the foreign judgment:

- is effective in the country where it was issued and it fulfills all formalities required for its enforceability under the laws of the jurisdiction where the foreign judgment is granted;
- is issued by a competent court after due service of process, in accordance with Brazilian law, on us or sufficient evidence of our absence has been given as required under applicable law;
- is final and therefore not subject to appeal;
- is authenticated by a Brazilian consular office with jurisdiction over the location where the foreign judgment is issued, or is apostilled in accordance with the Convention Abolishing the Requirement of Legalization for Foreign Public Documents dated as of October 5, 1961, except if such procedure was exempted by an international treaty to which Brazil is signatory, and is accompanied by a sworn translation into Portuguese;
- is not contrary to Brazilian national sovereignty, public policy or public morality;
- does not violate the exclusive jurisdiction of the Brazilian judiciary; and
- does not violate a final and unappealable decision issued by a Brazilian Court.

There can be no certainty that the confirmation will be obtained, that the process described above will be conducted in a timely manner or that Brazilian courts will enforce a judgment for violation obtained outside Brazil, enforceable outside Brazil, with respect to the Notes offered.

Our Brazilian counsel has further advised us that: (i) original actions based on foreign laws may be brought in Brazilian courts and that, subject to applicable law, Brazilian courts may enforce civil liabilities in such actions against the party in whose such judgment was rendered; and (ii) the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the Brazilian Guarantor is limited by provisions of Brazilian law, given its assets are located in Brazil.

In the event that any suit is brought against the Brazilian Guarantor, service of process upon it, if made in Brazil, must be effected in accordance with Brazilian law. A plaintiff (whether or not Brazilian) residing outside Brazil during the course of litigation in Brazil must provide a bond to guarantee court costs and legal fees if the plaintiff owns no real property in Brazil that could secure such payment, unless there is an international treaty between Brazil and the country from which the judgment was obtained dispensing this bond. The bond must have a value sufficient to satisfy the payment of court fees and defendant's attorney fees, as determined by a Brazilian judge. According to case law, this requirement does not apply to (i) the enforcement of foreign judgments that have been duly confirmed by the STJ; (ii) an enforcement action (*ação de execução*) of a net and certain executive title (debt mentioned in a formal document); nor to (iii) counterclaims (*reconvenção*).

Any judgment obtained against the Brazilian Guarantor in the courts of Brazil in respect of any sum payable by it will be expressed in the Brazilian currency equivalent to the amount payable in the currency designated in the Notes, converted at the exchange rate of the date at which such judgment is obtained or other exchange rate determined in the judgment.

Enforcement in Brazil may otherwise be limited by (a) bankruptcy, insolvency, moratorium, liquidation, reorganization (*recuperação judicial e extrajudicial*) and other laws of general application relating to or

affecting the rights of creditors generally (in case of liquidation, claims for salaries, wages, social security and taxes, among others, will have preference over any claims, including secured ones), and (b) concepts of materiality, reasonableness, good faith and fair dealing, such as contractual conditions providing that a certain act or fact shall be determined solely by one party (*condição potestativa*).

Under Brazilian foreign exchange regulations, Brazilian companies are not required to obtain authorization from the Central Bank or any other governmental authority, in order to make payments outside Brazil under the Guarantee in favor of foreign persons, such as the holders of the Notes. There can be no certainty that these regulations will continue to be in force at the time the Brazilian Guarantor may be required to perform its payment obligations under the guarantee, or, in case any authorization be required, that the Brazilian Guarantor will obtain it.

The Netherlands

The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any court in the United States, whether or not predicated solely upon U.S. securities laws, would not be enforceable in the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim must be re-litigated before a competent Dutch court. A Dutch court will, under current practice, generally grant the same judgment without relitigation on the merits if (a) that judgment results from proceedings compatible with the Dutch concept of due process, (b) that judgment does not contravene public policy (*openbare orde*) of the Netherlands, (c) the jurisdiction of the court has been based on an internationally acceptable ground and (d) the judgment by the court is not incompatible with a judgment rendered between the same parties by a Dutch court, or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands.

Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce in the Netherlands, judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that such judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. federal securities laws.

Japan

Under the laws and regulations of Japan currently in effect, the Japanese courts would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims in the nature of criminal or administrative sanctions, such as punitive damages, even though they take the form of civil claims) obtained in a U.S. court of competent jurisdiction against the Issuer, provided that, (i) the jurisdiction of such U.S. court is not denied under Japanese law or treaties, (ii) service of a complaint filed with such U.S. court has been properly effected on the Issuer in a manner regarded as valid service of process under Japanese law, that is, the Issuer has received service of process otherwise than by public notice or any method comparable thereto or has appeared before the U.S. court, (iii) such judgment or proceeding is not repugnant to public policy as applied in Japan, and (iv) the U.S. court would recognize as a valid judgment without retrial or reexamination of the merits any final and conclusive civil judgment of a Japanese court against a party (located in the U.S.). It should be noted that the Supreme Court of Japan has held that awards of punitive damages are contrary to the public policy of Japan and thus may not be enforceable in Japanese courts. In addition, there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the federal or state securities laws of the U.S.

Australia

The United States and Australia do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and Australia are both parties to the New York Convention on Arbitral Awards). As at the Issue Date, a judgment from a superior court of the United States is not registrable under the Foreign Judgments Act 1991 of Australia.

Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in Australia.

To enforce a conclusive and unsatisfied judgment for a sum of money which is enforceable by execution in a jurisdiction in the United States and obtained in a superior court of the United States having jurisdiction to give that judgment, it is necessary for the judgment creditor to bring separate proceedings in the appropriate courts of Australia founded on the judgment. In this type of action, an Australian court generally will not reinvestigate the merits of the original matter decided by such court in the United States.

However, a court in Australia will not recognize such a judgment of a United States court in certain circumstances, including, among others where:

- the judgment is not for a fixed or readily ascertainable sum of money;
- the judgment is subject to appeal, dismissal, reversal, setting aside or stay of execution or otherwise not final and conclusive;
- such judgments are contrary to local public policy, rules of natural justice or general principles of fairness or are obtained by fraud, are obtained in circumstances where the judgment debtor did not receive actual notice of the proceedings in sufficient time to enable the judgment debtor to defend;
- the judgment and the Australian proceedings are not between identical parties and in the same interest;
- the court in the United States did not have jurisdiction according to the private international law rules of the Australian court;
- the judgment involves multiple or punitive damages, are in respect of taxes or any revenue law (including for any fiscal penalty) or fine or other penalty or foreign governmental interests; or
- there has been a prior judgment in another court between the same parties concerning the same issues as are dealt with in the judgment.

In addition there is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon U.S. federal or state securities laws.

WHERE YOU CAN FIND MORE INFORMATION

Each person receiving these listing particulars and any related amendments or supplements to these listing particulars acknowledges that:

- (1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us and the Initial Purchasers.

For so long as any of the Notes are “restricted securities” within the meaning of the Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See “*Description of the Notes—Certain Covenants—Reports.*”

For so long as the Notes are listed on the Official List of the Irish Stock Exchange for trading on the Global Exchange Market and the rules of that exchange so require, copies of the Issuer’s organizational documents and the Indenture governing the Notes and our consolidated financial statements for the most recent two financial years may be inspected and obtained at the office of the Registrar. See “*Listing and General Information.*”

LISTING AND GENERAL INFORMATION

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trade on the Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

For so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of that exchange require, electronic and/or physical copies of the following documents may be inspected and obtained at the specified office of the Registrar during normal business hours on any weekday:

- the organizational documents of the Issuer;
- our most recent consolidated financial statements, and any interim financial statements published by us; and
- the Indenture governing the Notes (which includes the form of the Notes).

We have appointed Matheson, as Irish listing agent. We reserve the right to change this appointment and we will publish notice of such change of appointment in a newspaper having a general circulation in Dublin (which is expected to be the Irish Times or, to the extent and in the same manner permitted by such rules, posted on the official website of the Irish Stock Exchange www.ise.ie).

Clearing Information

The Notes sold pursuant to Regulation S under the U.S. Securities Act and the Notes sold pursuant to Rule 144A under the U.S. Securities Act have been accepted for clearance through the facilities of Euroclear and Clearstream under common codes 157796330 and 157796488, respectively. The international securities identification number for the Notes sold pursuant to Regulation S under the U.S. Securities Act is XS1577963306 and the international securities identification number for the Notes sold pursuant to Rule 144A under the U.S. Securities Act is XS1577964882.

Legal Information

The Issuer is a public limited company organized under the laws of England and Wales. Its registered office is at 4th Floor, Kings Place, 90 York Way, London N1 9AG, United Kingdom registered with the Registrar of Companies for England and Wales under number 8566601, and its telephone number at that address is +44 (0) 202 7400 4000. Travelex Holdings Limited is a private limited company organized under the laws of England and Wales. Its registered office is at 65 Kingsway, London WC2B 6TD, United Kingdom, registered with the Registrar of Companies for England and Wales under number 5356574.

The directors of the Issuer, their business address and their functions within the Group are in the chart below. As the Issuer is a finance subsidiary of the Company, the directors do not have operational roles within the Issuer.

James Edward Sullivan Birch	Kings Place 4th Floor, 90 York Way, London N1 9AG	Director
Anthony Francis D'Souza	Kings Place 4th Floor, 90 York Way, London N1 9AG	Director
Sylvain Marc Pignet	Kings Place 4th Floor, 90 York Way, London N1 9AG	Director

There are no potential conflicts of interest between any duties of the Issuer's Board of Directors and their private interests and/or other duties.

Except as otherwise disclosed in these listing particulars or as otherwise publicly disclosed:

- there has been no significant or material adverse change in the Issuer's or the Group's financial or trading position or in the Issuer's or the Group's prospects since December 31, 2016;
- the Issuer and/or Group have not been involved in any governmental, legal or arbitration proceedings that could have a significant effect on the Issuer and/or Group financial position or profitability in the twelve months preceding the date of these listing particulars. The Issuer and/or Group is not aware of any governmental, legal or arbitration proceedings involving it/them which are pending or threatened; and

The Issuer accepts responsibility for the information contained in these listing particulars.

Responsibility for the contents of these listing particulars

We accept responsibility for the information contained in these listing particulars. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in these listing particulars is accurate and does not omit anything likely to affect the importance of such information.

The Issuer and the Guarantors have obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Notes. The creation and issuance of the Notes were authorized by the Issuer's board of directors prior to the closing of the offering of the Notes.

The Issuer estimates the total expenses related to the admission to trading to be approximately €[5,200.00].

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report and consolidated financial statements for the year ended December 31, 2016	F-2
Directors' report	F-3
Independent Auditors' report	F-6
Consolidated income statement	F-8
Consolidated statement of other comprehensive income	F-9
Consolidated statement of changes in equity	F-10
Consolidated balance sheet	F-11
Consolidated cash flow statement	F-12
Notes to the financial statements	F-13
Report and consolidated financial statements for the year ended December 31, 2015	F-56
Directors' report	F-57
Independent Auditors' report	F-60
Consolidated income statement	F-62
Consolidated statement of other comprehensive income	F-63
Consolidated statement of changes in equity	F-64
Consolidated balance sheet	F-65
Consolidated cash flow statement	F-66
Notes to the financial statements	F-67
Report and consolidated financial statements for the year ended December 31, 2014	F-112
Directors' report	F-113
Independent Auditors' report	F-116
Consolidated income statement	F-118
Consolidated statement of other comprehensive income	F-119
Consolidated statement of changes in equity	F-120
Consolidated balance sheet	F-121
Consolidated cash flow statement	F-122
Notes to the financial statements	F-123

Travelex Holdings Limited

Report and consolidated financial statements
for the year ended 31 December 2016

Travelex Holdings Limited

Directors report

for the year ended 31 December 2016

The Directors present their report and the audited consolidated financial statements of Travelex Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 31 December 2016. The Group financial statements comprise the consolidated financial statements of the Company, including its subsidiary and associated undertakings as defined by International Financial Reporting Standards as adopted by the European Union (EU IFRS).

Controlling interest

The Group is owned by UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty.

Directors

The following were Directors during the year and held office throughout the year, unless otherwise indicated:

Executive Directors	A Wagerman	Chief Executive Officer
	M D Ball	Chief Financial Officer (resigned 31 March 2016)
	A F D'Souza	Chief Financial Officer (appointed 31 March 2016)
	J E S Birch	General Counsel
Other Directors	G C Laws	
	K B O Y Al-Muhairi	
	B R Shetty	
	H Buttikhi	
	B R Shetty	
	A S S Basaddiq	
	J Bomford	
	K A A S Salama	

Dividends

No interim dividends were declared during the current or prior years and the Directors do not recommend the payment of a final dividend (2015: £nil).

Outlook

The outlook for the Group is discussed in the Strategic Report.

Employee involvement

Employee involvement and equal opportunities is discussed in the Strategic Report.

Financial instruments

Financial instruments are discussed in note 18.

Post balance sheet events

Post balance sheet events are discussed in note 30.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the date of the approval of the financial statements and take into account the facts and circumstances during that period. In making this assessment the Directors considered:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;

- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support from the shareholder;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios and actions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. This assessment has been based on projected cash flows including liquidity improvements as a result of management's actions, and continuous support from the ultimate controlling party. The Group has therefore prepared the financial information on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP), including Financial Reporting Standard 102, "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006, under the historical cost convention. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware. In

addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ernst & Young LLP have expressed their willingness to be re-appointed as auditors. This will be considered at the AGM to be held during the course of the year.

By order of the Board

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

S M Pignet
Company Secretary
24 March 2017

Registered office
4th Floor, Kings Place
90 York Way
London
N1 9AG

Company registration number
5356574

Travelex Holdings Limited

Independent Auditors' report

to the members of Travelex Holdings Limited
for the year ended 31 December 2016

We have audited the group financial statements of Travelex Holdings Limited and its subsidiaries (the group) for the year ended 31 December 2016 which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 22 and 23, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

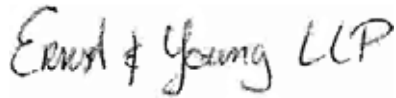
In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters

We have reported separately on the parent company financial statements of the Travelex Holdings Limited Group for the year ended 31 December 2016.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

*Victor Veger (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 March 2017*

Notes:

1. The maintenance and integrity of the Travelex Holdings Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Travellex Holdings Limited

Consolidated income statement

for the year ended 31 December 2016

<i>£m</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Continuing operations			
Revenue		699.1	655.7
Cost of sales		(450.0)	(408.2)
Gross profit		249.1	247.5
Net operating expense		(144.3)	(234.5)
Analysed as:			
Underlying net operating expense		(208.9)	(180.7)
Net gain on acquisitions and disposals	2	111.3	4.8
Net gain on reclassification of pension scheme	2	—	4.0
Other exceptional items and non-underlying adjustments	2	(46.7)	(62.6)
Net operating expense		(144.3)	(234.5)
Operating profit before depreciation, amortisation, interest and tax		104.8	13.0
Analysed as:			
Underlying EBITDA		40.2	66.8
Net gain on acquisitions and disposals	2	111.3	4.8
Net gain on conversion of pension scheme	2	—	4.0
Other exceptional items and non-underlying adjustments	2	(46.7)	(62.6)
Operating profit before depreciation, amortisation, interest and tax		104.8	13.0
Depreciation	8	(14.6)	(14.1)
Amortisation	7	(18.3)	(11.2)
Operating profit/(loss)		71.9	(12.3)
Finance income	3	20.8	9.2
Finance costs	3	(113.4)	(114.5)
Share of profit in equity accounted investments	9	3.8	3.4
Loss before tax		(16.9)	(114.2)
Tax charge	6	(19.3)	(8.3)
Loss for the year from continuing operations		(36.2)	(122.5)
Discontinued operations			
Exceptional items from discontinued operations	2	0.8	1.6
Loss for the year		(35.4)	(120.9)
Loss for the year attributable to			
Non controlling interests		3.6	2.2
Owners of the parent		(39.0)	(123.1)
		(35.4)	(120.9)

The notes form an integral part of these financial statements.

Travelex Holdings Limited

Consolidated statement of other comprehensive income

for the year ended 31 December 2016

<i>£m</i>	<u>2016</u>	<u>2015</u>
Items that may be subsequently reclassified to the income statement		
Exchange differences on overseas subsidiaries	2.9	(30.6)
Exchange differences recycled on disposal of business	3.4	1.5
Movement on unrecognised gain on available for sale investments	0.1	0.5
Deferred tax on unrecognised gain on available for sale investments	<u>—</u>	<u>(0.1)</u>
	6.4	(28.7)
Items that will not be reclassified to the income statement		
Actuarial gain on post retirement benefit obligations	—	0.9
Movement on deferred tax relating to post retirement benefit obligations	<u>—</u>	<u>(0.2)</u>
	<u>—</u>	<u>0.7</u>
Other comprehensive income/(loss) for the year	6.4	(28.0)
Loss for the year	(35.4)	(120.9)
Total comprehensive Loss for the year	(29.0)	(148.9)
 Attributable to		
Non controlling interests	3.6	2.2
Equity holders of the parent	(32.6)	(151.1)
Total comprehensive Loss for the year	(29.0)	(148.9)
 Total comprehensive Loss attributable to equity shareholders arises from		
Continuing operations	(29.8)	(150.5)
Discontinued operations	0.8	1.6
	(29.0)	(148.9)

Travelex Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2016

<i>£m</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Retained earnings</i>	<i>Other reserves</i>	<i>Translation reserve</i>	<i>Non controlling interests</i>	<i>Total equity</i>
At 1 January 2015	0.3	26.5	(956.3)	(36.1)	(54.8)	17.4	(1,003.0)
Total comprehensive loss	—	—	(122.0)	—	(29.1)	2.2	(148.9)
Share based employee remuneration	—	—	0.6	—	—	—	0.6
Acquisition of non controlling interest	—	—	(31.1)	36.1	—	(12.9)	(7.9)
Dividends paid to non-controlling interest	—	—	—	—	—	(1.7)	(1.7)
Acquisition of subsidiary from shareholder	—	—	1.0	—	—	—	1.0
Reorganisation of shareholder debt	—	315.5	304.6	—	—	—	620.1
Other changes in equity	—	—	—	—	(1.5)	1.5	—
At 1 January 2016	0.3	342.0	(803.2)	—	(85.4)	6.5	(539.8)
Total comprehensive loss	—	—	(38.9)	—	6.3	3.6	(29.0)
Acquisition of non-controlling interest (note 22)	—	—	—	—	—	9.5	9.5
Dividends paid to non-controlling interest	—	—	—	—	—	(3.1)	(3.1)
Exchange adjustment	—	—	—	—	(1.5)	1.5	—
At 31 December 2016	0.3	342.0	(842.1)	—	(80.6)	18.0	(562.4)

The notes form an integral part of these financial statements

Travelex Holdings Limited

Consolidated balance sheet

as at 31 December 2016

<i>£m</i>	<i>Note</i>	<i>2016</i>	<i>2015 Restated</i>
Non current assets			
Intangible assets	7	383.1	396.8
Property, plant and equipment	8	43.2	42.9
Investments accounted for using the equity method	9	12.5	10.9
Investments	12	21.2	22.0
Financial assets	13	90.1	96.4
Trade and other receivables	11	10.3	6.1
Deferred tax assets	20	13.2	9.5
		573.6	584.6
Assets included in disposal group held for sale		—	1.0
Current assets			
Inventories	10	1.1	0.4
Trade and other receivables	11	100.8	96.2
Investments	12	3.9	2.9
Financial assets	13	7.4	7.3
Available for sale investments	14	12.4	10.1
Tax receivable		3.3	2.1
Derivative financial assets	18	2.4	2.7
Cash and cash equivalents	15	577.9	451.3
		709.2	573.0
Current liabilities			
Trade and other payables	16	(677.1)	(615.3)
Borrowings	17	(17.7)	(44.5)
Tax payable		(19.8)	(3.4)
Provisions	19	(15.7)	(22.8)
Derivative financial liabilities	18	(3.6)	(2.6)
Net current liabilities		(24.7)	(115.6)
Non current liabilities			
Trade and other payables	16	—	(0.1)
Borrowings	17	(1,090.2)	(985.5)
Provisions	19	(16.4)	(20.6)
Deferred tax liabilities	20	(4.7)	(3.6)
Non current liabilities		(1,111.3)	(1,009.8)
Net liabilities		(562.4)	(539.8)
Equity			
Share capital	25	0.3	0.3
Share premium account		342.0	342.0
Retained earnings		(842.1)	(803.2)
Other reserves		—	—
Translation reserve		(80.6)	(85.4)
Equity attributable to owners of the parent		(580.4)	(546.3)
Non controlling interests		18.0	6.5
Total equity		(562.4)	(539.8)

The notes form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 24 March 2017 and were signed on its behalf by:



A F D'Souza (Director)

Travelex Holdings Limited

Consolidated cash flow statement

for the year ended 31 December 2016

<i>£m</i>	<i>Note</i>	<i>2016</i>	<i>2015 Restated</i>
Cash flows from operating activities			
Cash generated from operations	24	12.0	2.7
Taxation paid		(8.5)	(5.8)
		3.5	(3.1)
Cash flows from investing activities			
Interest received		0.5	0.6
Purchase of property, plant, equipment, software and development expenditure		(28.8)	(25.2)
Proceeds from sale of property, plant, equipment and software		1.0	0.2
Dividends received from equity accounted joint ventures	9	1.8	4.8
Purchase of available for sale investments		(1.6)	(5.9)
Net proceeds received on the disposal subsidiaries	21	109.8	9.6
Cash received from disposed operations		—	3.1
Acquisition of businesses net of cash acquired	22	17.4	—
Cash paid on investment in subsidiary		—	(1.6)
		100.1	(14.4)
Cash flows from financing activities			
Interest paid on senior secured notes and short term borrowings		(28.0)	(27.4)
Issue of shareholder loans		29.1	2.3
Net cash paid on acquisition of non controlling interest ¹		—	(47.4)
Repurchase of bonds		(11.1)	—
Loan from equity accounted joint venture		—	0.4
Dividends paid to non-controlling interest		(2.5)	(1.7)
Capital element of finance lease payments		(0.3)	(0.5)
		(12.8)	(74.3)
Exchange gains/(losses) on cash and cash equivalents and bank overdrafts		62.1	(12.6)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts		152.9	(104.4)
Cash, cash equivalents and bank overdrafts at the beginning of the year		407.4	511.8
Cash, cash equivalents and bank overdrafts at the end of the year		560.3	407.4
Comprising:			
Cash and cash equivalents	15	577.9	451.3
Short term bank loans and overdrafts	17	(17.6)	(43.9)
		560.3	407.4

1 Net cash paid on acquisition of non controlling interest, related to the Brazil acquisition in 2015, was reclassified from investing activities to financing activities to reflect the nature of the transaction.

The notes form an integral part of these financial statements.

Travelex Holdings Limited

Consolidated financial statements

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting policies

General information

Until 29 January 2015 Travelex Holdings Limited (the Company) was the Travelex Group's (the Group) ultimate parent company. It is incorporated and domiciled in England. The registered office and principal place of business is 4th Floor, Kings Place, 90 York Way, London, N1 9AG. On 29 January 2015, the Group was acquired by UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty. BRS Ventures & Holdings Limited, a company incorporated in the British Virgin Islands, has been the Group's ultimate parent company from that date. Both companies are private limited companies.

Basis of preparation

The consolidated financial statements of the Group have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards and the Companies Act 2006 applicable to all companies reporting under IFRS. The functional and presentational currency of the Company is Sterling. The presentational currency of the Group is Sterling. The Group accounting policies dealing with material items are set out below.

The Group financial statements comprise the consolidated financial statements of the Company including its subsidiaries and joint ventures. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the provisions of the Companies Act 2006 applicable to all companies reporting under IFRS. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, the differences have no material impact on the Group's consolidated financial statements for the years presented.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Individual non-current assets or "disposal groups" (i.e. groups of assets and liabilities) to be disposed of, by sale or otherwise in a single transaction, are classified as "held for sale" if the following criteria are met at the period end: The carrying amount will be recovered principally through a sale transaction rather than through continuing use; and the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for such sales; and the sale is highly probable. Disposal groups held for sale are carried at the lower of their carrying amount and fair value less costs to sell. The comparative statement of financial position is not restated. On classification as held for sale, the assets are no longer depreciated.

The results of businesses disposed of are included in the consolidated financial statements until the date on which control, joint control or significant influence ceases. The cash proceeds of disposals are included within "Investing activities" in the cash flow statement. Any amounts previously recognised in other comprehensive income in respect of the entity disposed of may be recycled to the income statement in proportion to the interest disposed of.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control primarily through voting rights. Equity accounting is applied for all associates and joint ventures. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Unrealised gains and losses on transactions between the Group and its subsidiaries are eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the acquired business, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. Provisional fair values allocated at a reporting date are finalised within 12 months of the acquisition date.

The Group recognises any non-controlling interest in an acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Where the Group enters into an arrangement to acquire the non-controlling interest, the Group continues to recognise the non-controlling interest until the risks and rewards of ownership of those shares have transferred to the Group.

New accounting standards interpretations and amendments to published standards

The following new accounting standards or revision or amendments to IFRS issued by the Accounting Standards Board, relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2016 have been fully adopted in these financial statements. These new standards do not have a significant impact on the financial statements.

IFRS 11 (amendment), 'Joint arrangements' (effective from 1 January 2016). The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a Joint Operation that constitutes a 'business' (as defined in IFRS 3, Business combinations).

IFRS 10 (amendment) 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'. These amendments address the inconsistencies between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 5 (amendment) 'Non-current assets held for sale' (effective from 1 January 2016). Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan.

Standards, amendments and interpretations to existing standards which are not yet effective or early adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 31 December 2016, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the group, except for the following set out below:

IFRS 9 'Financial Instruments' (effective 1 January 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 includes a logical model for classification, measurement and de-recognition of financial assets, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The standard is not applicable until 1 January 2018, but is available for early adoption.

The main changes to the classification and measurement of financial assets and liabilities are:

- Financial assets that are debt instruments will be classified based on: (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows;
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

- Debt financial instruments can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases; and
- Where the fair value option is used for financial liabilities, the changes attributable to changes in credit risk are presented in other comprehensive income, and the remaining change is presented in profit or loss.

The Group plans to adopt the new standard on the required effective date. During 2016, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment was updated based on available information as at 31 December 2016. Overall, the Group expects no significant impact on its balance sheet and equity.

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is yet to assess the impact on its financial reporting.

IFRS 16 'Leases' requires lessees to recognise assets and liabilities for most leases. Lessees are required to initially recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e. short term leases) or low-value assets. Lessees accrete the lease liability to reflect interest and reduce the liability to reflect payments made. The related right-of-use asset is depreciated in line with IAS 16. For lessors, there is little change to the existing accounting in IAS 17 Leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier adoption is permitted, provided the new revenue standard, IFRS 15 'Revenue from contracts with customers', has been applied, or is applied at the same time as IFRS 16. The Group is yet to assess the impact on its financial reporting.

IAS 7 'Amendments to Statement of Cash Flows' requires entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group has not early adopted this amendment during the current reporting period.

Investments in joint ventures

Entities whose economic activities are controlled jointly by the Group and others are initially recorded at cost and subsequently accounted for under the equity method. The investment is initially recognised at cost using the acquisition method. Any goodwill or fair value adjustments attributable to the Group's share in the entity are included in the carrying value of the investment.

All subsequent changes to the Group's share of interest in the equity of the joint venture are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the joint venture are reported in the income statement.

When the Group's share of losses in an equity accounted investment exceeds its interest in the joint venture, the Group does not recognise further losses, unless obliged to make good these losses on behalf of the entity. If the entity subsequently reports profits, the Group resumes the recognition of its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the entity. Amounts reported in the financial statements of the joint ventures have been reviewed to ensure consistency with the accounting policies of the Group.

A loss is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Revenue recognition

The Group earns fees, commissions and currency margins on its products provided to customers and currency gains and losses on its currency positions and hedging activities. The key components of revenue are described below:

Foreign currency revenue is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to fair value and commissions earned on the sale and purchase of currencies. Margin and commission revenue is recognised as earned when the transaction is made.

Revenue earned through ATM transactions comprises commission based fees on customers making ATM transactions and interchange fees and is recognised as earned when the transaction is made.

Revenue relating to outsourced travel money services for banknotes and wholesale banknote fulfilment consists of margin, commission and fees charged on the fulfilment of currency orders, net of rebates. Revenue is recognised when earned under the terms of the related contracts when the transaction is deemed to be fulfilled, which in the case of banknotes is normally on delivery.

Revenue from the sale of insurance policies is recognised at the time of sale of the insurance policy and represents the commission earned on the sale of the policy.

Revenue from travellers' cheques consists of revenue from investment activities, which is derived from the interest earned on the investment of funds generated from the issue of travellers' cheques for the period from their original issue to the date of their encashment. This is recognised in the period to which it relates. Commissions and fees are recognised when earned.

Revenue from the foreign exchange bank in Brazil includes income from investment activities, which are derived from the interest earned on overnight investment of funds waiting to be cleared. This is recognised in the period to which it relates.

Foreign currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which the entity operates. For most entities this is the currency of the country in which they are located.

Transactions denominated in other currencies are converted into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences on long term monetary assets funding overseas subsidiaries are taken to the translation reserve. Assets and liabilities of overseas subsidiaries are translated at the closing exchange rate. Income and expenditure of these subsidiaries are translated at the average rates of exchange during the year. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal or partial disposal of the foreign operation. All other exchange gains and losses, which arise from normal operating activities, are included in the income statement as incurred.

Cost of sales

Cost of sales comprises direct selling costs including direct salaries, shop rental costs and incentive commissions and is recognised as incurred.

Exceptional items and non-underlying adjustments

To monitor the financial performance of the Group, certain items are excluded from the performance measure. This measure is referred to as 'underlying' and represents the business performance excluding items that the Directors consider could distort the understanding of the performance or the comparability between periods. The face of the income statement presents underlying net operating expense and underlying EBITDA and reconciles to net operating expense and 'Operating profit before depreciation, amortisation, interest and tax', respectively. The term 'underlying' is not defined under EU IFRS and may not be comparable with similarly titled profit measures reported by other companies.

For those items which the Group excludes from ‘underlying’, two classifications exist, being ‘non-underlying’ and ‘exceptional’. Both are separated from the underlying business results. The Group defines exceptional items as those items that are separately presented by virtue of their size or incidence so as to allow a better understanding of the underlying trading performance of the Group, such as profit or loss on disposal of business.

Intangible assets

Goodwill

The excess of the fair value at the date of acquisition of the investments in subsidiaries over the fair value of net assets acquired which is not otherwise allocated to individual assets and liabilities is determined to be goodwill. Goodwill is initially measured at cost, and is reviewed at least annually for impairment. The goodwill recognised before the transition to IFRS was accounted for under UK GAAP. Any impairment is recognised immediately in the Group’s income statement and is not subsequently reversed.

Brand names

Brand names acquired in a business combination are recognised at fair value at the acquisition date. Brand names have a finite useful life and are carried at cost and amortised over their useful life.

Banking licences

Banking licences acquired in a business combination are recognised at fair value at the acquisition date. Banking licences have an indefinite useful life and are reviewed at least annually for impairment.

Other intangible assets

Computer software comprises off the shelf packages, modified to meet the Group’s requirements, software developed in house, including the development of the in house digital capabilities, and software purchased as part of business combinations. Internal and external costs are capitalised to the extent that they are directly attributable to the development of modified software provided they meet the recognition criteria under IFRS. Capitalised costs are amortised on a straight line basis over their estimated useful lives.

Customer relationships represent the cost incurred when acquiring major outsourcing agreements and relationships recognised on business combinations accounted for at fair value, which are being amortised on a straight line basis over the term or expected term of the relationships. Other intangible assets, which comprise non compete agreements and lease rights at retail locations, are measured at cost and amortised over their expected useful lives.

Amortisation is calculated on a straight line basis using the following rates:

Computer software (including software developed in-house)	10% - 33% per annum
Brand name	10% per annum
Customer relationships	5% - 19% per annum
Other	12.5% - 50% per annum

Property, plant and equipment

Property, plant and equipment are initially recorded at cost and depreciated so as to write off the cost of the asset over its estimated useful life. Cost includes expenditure which is directly attributable to bringing the asset into working condition for its intended use.

Depreciation is calculated on a straight line basis using the following rates:

Freehold land	Nil
Freehold and long leasehold property	2% per annum or over the lease term if shorter
Short leasehold property	10 - 20% per annum or over the lease term if shorter
Fixtures and fittings	10 - 50% per annum
Computer hardware	20 - 33.3% per annum
Motor vehicles	20 - 25% per annum

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some at a cash generating unit level. Goodwill is allocated to those cash generating units or group of units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the present value of future cash flows over a four year period, plus terminal value using a discount rate reflecting the Group's pre-tax unadjusted average cost of capital. The data used for the Group's impairment testing procedures are directly linked to the Group's latest approved budget.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised should be reversed.

The Group also assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the receivable counterparty, probability that the receivable will enter bankruptcy or financial reorganisation, and defaults in payment are considered an indication that the receivable balance is impaired. The carrying amount of the asset is reduced to the present value of estimated discounted future cash flows and the amount of the provision is recognised in the income statement.

Assets in the course of construction represent assets which are in development and have not yet been brought to use. These assets are reviewed at least annually for indicators of impairment.

Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax is provided in respect of fair value adjustments arising on acquisitions. Provision for deferred tax is based on the difference between the carrying value of the asset and its income tax base.

Deferred tax assets and liabilities are calculated, at tax rates that are expected to apply to their respective period of realisation, provided legislation or rulings governing such rates are enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are always provided for in full and are not discounted. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of offset against future taxable income on the Group's latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Group

operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Employee benefits

Contributions to the Group's defined contribution pension schemes are charged to the income statement as incurred.

Debt restructure

Following the sale of the Group to UTX Holdings Limited on 29 January 2015 Shareholder Debt was restructured, with a portion waived, and the remaining balance novated upward within the Group's structure and retained in favour of UTX Holdings Limited on the same interest and repayment terms.

The previous shareholders waived their right to repayment and issued ordinary shares for a part of their instruments upon sale of the Group. £209.6m of the value was waived and credited to reserves and a portion capitalised by issue of ordinary shares resulting in a £315.5m credit to the share premium account. The remaining value was realised through the sale of new loan notes.

The Directors consider that the expected maturity for all existing shareholder debt instruments approximate their contractual maturity date as no detailed exit plans exist that support a view that the shareholders will exit sooner than the contractual maturity dates. The contractual interest rate is 10%, however 14% was considered a fair market rate of interest applied on similar instruments in the market at the date of issuance. In applying the effective interest rate method a £95.0m debit adjustment against the principal of these instruments was recorded, with a corresponding credit to retained earnings, representing the fair value adjustment at the date of inception.

Acquisition of Renova

On 4 December 2015, £15.5m of subordinated loan notes were issued in favour of Dr Shetty. The contractual interest rate is 2%, however 9.2% was considered a fair market rate of interest applied on similar instruments. The Directors consider that the expected maturity for all shareholder debt instruments approximate their contractual maturity date as no detailed exit plans exist that support a view that the shareholders will exit sooner than the contractual maturity dates.

The shareholder debt was issued to fund the acquisition of 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade and assets of Renova S.A. Corretora de Câmbio (both referred to as 'Renova') and fund working capital. These subordinated loans are repayable in 2045. Where loans are issued to shareholders at a rate which is not determined to reflect market rate the principal is adjusted and measured at fair value. Furthermore, the issue of loan notes and acquisition of a subsidiary are considered by management to be a linked transaction, and therefore the fair value of the consideration equates to the fair value of the business on the date of acquisition by the Group.

This resulted in an overall fair value adjustment relating to the issue of the shareholder loan notes and the acquisition of the business results in a net adjustment to reserves, which effectively represents a shareholder contribution.

Cash and cash equivalents

Cash and cash equivalents includes all notes and coins held in tills and vaults, in transit and in distribution centres, bank accounts and term deposits which comprise deposits with financial institutions with an original maturity of less than three months.

Travellers' cheques, investments and structured deposits

In May 2013 the Group entered into a reimbursement and insurance policy with AmTrust which ensures that the encashment of properly presented travellers' cheques will be honoured in perpetuity. The agreement with AmTrust involved paying an insurance premium which has been recognised as a financial asset and is re-measured at fair value at each reporting period with any change in valuation recognised in the income statement. AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. A financial asset is recorded at fair value representing the monies paid into a reimbursement fund as part of the Reimbursement Payment Services Agreement (RPSA) with AmTrust. This reimbursement fund is used for the encashment of MasterCard branded travellers cheques and is valued as the gross liability outstanding less an actuarial valuation of travellers' cheques that will never be encashed (float write back).

Travellers' cheque float and structured deposits which relate to monies received in advance on issuance of Visa branded travellers' cheques are held as investments on the balance sheet. These are restricted to use within the travellers' cheques business. These monies received in advance are placed in a series of structured deposits with financial institutions and these are discounted to net present value using the effective interest rate method.

The travellers' cheques awaiting redemption liability was initially recorded at fair value for all travellers' cheques issued but not encashed. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004 would not be encashed, have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption as permitted by IAS 39. The liability is subsequently adjusted for travellers' cheques which have been encashed.

The travellers' cheques awaiting redemption liability is denominated in the currency of the travellers' cheque and translated at the balance sheet date. The travellers' cheques are payable on demand and hence shown within trade payables due within one year. As a consequence of the difference in accounting treatment the liability exceeds the value of the associated asset.

Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets have been classified in the financial statement as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets as they are expected to be settled with 12 months.

The Group holds a reimbursement agreement and insurance policy with AmTrust in relation to travellers' cheques. The Group recorded financial assets relating to the reimbursement fund and insurance asset within financial assets in the balance sheet. These assets are revalued to fair value each reporting date with any change in valuation recognised in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any categories. Assets in this category are classified as current assets as they are available to be settled with 12 months.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial asset or liability.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where relevant market prices are available, these have been used to determine fair values. In other cases, the fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

- The fair value of cash, short term borrowings and loans to joint ventures approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.
- The fair values of long term borrowings are calculated as the present value of the estimated future cash flows by assessing comparable instruments on active markets and an appropriate market based yield curve or expected settlement. The carrying value of the borrowings is amortised cost.
- Derivative financial assets and liabilities are carried at fair value based on quoted prices in an active market where available. Where no price information is available from a quoted market source, fair value is estimated based on the Group's view on relevant future prices using modelling techniques. The fair values of the various derivative instruments used for hedging purposes are disclosed in note 18.
- The fair value of financial assets held in relation to travellers' cheques liabilities are calculated based on actuarial assumptions.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of

whether some of these lease payments are payable up front at the date of inception of the lease. Leases of land and buildings are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised.

Subsequent accounting for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are treated as operating leases; this includes certain cash leasing arrangements. Payments on operating lease agreements are recognised as an expense on a straight line basis and as incurred for cash leasing arrangements. Associated costs, such as maintenance and insurance, are expensed as incurred.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the company's equity holders.

Significant management estimates and judgements in applying accounting policies

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. The critical judgements that have been made in arriving at the amounts recognised in the Group's financial statements and the key sources of estimation and uncertainty that have a significant risk of causing material adjustment to the carrying values of assets and liabilities within the next financial year are as follows:

Basis of consolidation

In determining whether the Group has control, joint control, or significant influence over an entity, the Group considers whether other parties hold veto rights over significant operations and financial policies. Decisions

relating to the basis of consolidation requires judgement as, in some instances, the Group has control of an entity where other parties own more than one half of the voting rights of an entity but the Group can control these voting rights through contractual arrangements. In such circumstances the Group considers in particular whether it obtains benefits including non-financial benefits, from its power to govern the financial and operating policies of the entity.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the discounted present value of future cash flows over a four year period, plus terminal value. In the process of measuring the recoverable amount of an asset or cash generating unit, management makes assumptions about future profits. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the carrying amount of the Group's assets within the next financial year. Refer to note 7 'Intangible assets' for further information.

Estimation of provisions for onerous contracts

The value of the Group's provisions for onerous contracts is based on the net present value of estimated future costs of fulfilling the contract exceeding the forecast income receivable. The provision is based on discounted cash flows to the end of the contract. Income and cost estimates can vary in response to many factors including changes in passenger numbers, average transaction values, hit rates, and changes in the relevant local/national government regulations. The selection of appropriate sources on which to base calculation of the discount rate used for this purpose also requires judgment. As a result of all of the above factors, there could be significant adjustments to the provision for onerous contracts which could affect future financial results.

Travellers' cheques insurance policy and reimbursement agreement

The Group holds an insurance policy with AmTrust to cover any shortfall resulting from any excess encashment of travellers' cheques. The insurance policy was recorded at cost as a financial asset at inception and is revalued to fair value at each reporting date with any change in valuation recognised in the income statement. The fair value of the insurance premium asset is based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed on an annual basis to determine the expected level of the float write back at each year end.

The fair value of the insurance premium asset is directly linked to the estimated level of the float write back and therefore the change in the expected float write back is used to generate the change in fair value of the insurance policy asset.

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Group records a financial asset relating to these reimbursement funds within financial assets in the balance sheet and this is revalued to fair value each reporting date with any change in valuation recognised in the income statement.

Deferred taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest budget forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit, and expectations regarding future financing costs. The tax rules in the numerous jurisdictions in which the Group operate are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. See note 20.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the balance sheet date and take into account the facts and circumstances during that period. In making this assessment the Directors considered:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support from the shareholder;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

On 20 June 2016, the Group entered into a trading relationship with BRS Personal Investments Limited, a company incorporated in the British Virgin Islands and 100% owned by our ultimate controlling party, Dr B. R. Shetty, for the supply of wholesale banknotes on market terms. This trading balance was settled in December 2016. On 14 December 2016 a subordinated loan note repayable in 2045 was issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi (see note 17).

The Group has prepared the financial information on a going concern basis.

2. Exceptional items and non-underlying adjustments

<i>£m</i>	<u>2016</u>	<u>2015</u>
Exceptional income reported within operating profit before depreciation, amortisation, interest and tax:		
Net gain on acquisitions and disposals ¹	111.3	4.8
Pension reclassification ²	—	4.0
	111.3	8.8
Non-underlying costs reported within operating profit before depreciation, amortisation, interest and tax:		
Legal and professional fees and other costs incurred in relation to the sale of the Group ³	(2.0)	(34.1)
Global reorganisation costs and corporate projects ⁴	(5.6)	(12.1)
Onerous contract provision ⁵	(4.7)	(16.4)
Impairment of intangible assets & property, plant and equipment ⁶	(31.1)	—
Other impairments	(3.3)	—
	(46.7)	(62.6)
Exceptional items and non-underlying adjustments reported within operating profit before depreciation, amortisation, interest and tax	64.6	(53.8)
Non-underlying adjustments reported within finance income:		
Redemption liability valuation adjustment	—	(0.4)
Exchange gains on intercompany loans ⁷	14.3	4.6
Non-underlying adjustments reported within finance income	14.3	4.2
Discontinued Operations:		
Residual gain on disposal of Global Payment business ⁸	0.8	1.6
Non-underlying adjustments reported within finance costs	0.8	1.6
Tax attributable to exceptional items	(16.1)	2.7
	63.6	(45.3)

1. Net gain on acquisitions and disposals comprises of an exceptional gain of £28.3m on the disposal of Travelex Outsourcing Pty Ltd, (see note 21), a fair value gain of £19.8m on the step-acquisition of Travelex Emirates Exchange LLC, (see note 22) and an exceptional gain of £63.2m on the disposal of Travelex Insurance Services Inc. (see note 21).
2. A net gain of £4.0m was recognised upon the reclassification of the Netherlands pension scheme in December 2015 from defined benefit to defined contribution.
3. Non-underlying costs primarily relate to legal and professional fees and staff retention costs associated with preparing for and completing the sale of the Group.
4. Costs associated with the global reorganisation initiatives, principally redundancy costs and costs associated with corporate transactions and efficiency projects.
5. Costs associated with onerous contract provisions and exit related costs for certain legacy airport locations.
6. Impairment in relation to software of £8.6m (see note 7), goodwill in Americas cash generating unit of £6.8m and EMEA cash generating unit of £15.3m (see note 7) and property, plant and equipment of £0.4m (see note 8). There was no impairment recognised in exceptional costs in 2015.
7. Retranslation of structural intercompany loan that finance an overseas subsidiary. The retranslation in the overseas subsidiary of the structural intercompany loan is recognised in reserves.
8. Residual income of £0.8m (December 2015: £1.6m) relates to the disposal of the Global Payments business in 2013.

3. Finance income and costs

<i>£m</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Finance income:			
Underlying finance income:			
Interest receivable		1.0	2.8
Net exchange gains		5.5	1.8
		6.5	4.6
Non underlying adjustments reported within finance income:			
Exchange gains on intercompany loan	2	14.3	4.6
		14.3	4.6
		20.8	9.2
Finance costs:			
Underlying finance costs:			
Bank loans and overdrafts		(1.9)	(1.9)
Term loans		(64.3)	(64.5)
Interest payable on senior secured notes		(25.8)	(26.0)
Finance costs on preference shares classified as liabilities		(18.2)	(16.5)
Amortisation of debt issuance costs		(2.8)	(2.5)
Net interest cost on pension scheme liabilities		—	(1.7)
Other finance costs		(0.4)	(1.0)
		(113.4)	(114.1)
Non underlying adjustments reported within finance costs:			
Redemption liability valuation adjustment	2	—	(0.4)
		(113.4)	(114.5)

In accordance with the Group's accounting policy, £1.0m (2015: £1.5m) of interest receivable on bank deposits and money market instruments from the investment of funds generated from travellers' cheque sales is classified and disclosed within revenue.

4. Loss before tax

Loss before tax is stated after charging:

<i>£m</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Depreciation of owned property, plant and equipment	8	14.6	14.1
Net loss on disposal of property, plant and equipment		0.2	—
Amortisation of intangible assets	7	18.3	11.2
Impairment of property, plant and equipment	8	0.4	—
Impairment of intangible assets	7	30.7	—
Hire of machinery and equipment		1.6	0.6
Minimum operating lease payments		179.6	126.6
Contingent operating lease payments		71.9	69.7
Auditors remuneration:			
Audit fee in respect of the Company's individual and consolidated financial statements . . .		0.5	0.2
Audit fee in respect of the Company's subsidiary financial statements		1.9	1.7
Audit-related assurance services		0.1	0.4
Tax compliance services		0.1	0.2
Tax advisory services		—	0.1
Other assurance services		—	0.5
Other non-audit services		0.4	0.1

5. Employees and Directors

<i>Average monthly number</i>	<i>2016</i>	<i>2015</i>
Retail	4,369	4,737
Wholesale & Outsourcing	515	512
Payments & Technology	166	72
Brazil	895	951
Insurance	118	83
Corporate and Shared services	1,133	775
	7,196	7,130

Employee costs

<i>£m</i>	<i>2016</i>	<i>2015</i>
Wages and salaries	169.0	155.2
Share based employee remuneration	—	0.8
Social security costs	18.5	17.2
Other pension costs	6.6	5.9
	194.1	179.1

Directors' remuneration

<i>£m</i>	<i>2016</i>	<i>2015</i>
Aggregate emoluments excluding company pension contributions	5.9	11.5
Company contributions to money purchase pension schemes	—	0.1
Aggregate emoluments	5.9	11.6

One Director had benefits accruing under defined contribution pension arrangements (2015: two). The emoluments of the highest paid Director were £2,500,967 (2015: £6,134,642). The Company made no contributions to the highest paid Director's pension arrangements (2015: £nil).

6. Income tax charge

The relationship between the expected tax credit based on the domestic effective tax rate of the Group at 20.00% (2015: 20.25%) and the reported tax charge in profit or loss can be reconciled as follows, also showing major components of the tax charge:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Loss before tax	(16.9)	(114.2)
Less share of profit in equity accounted investments	(3.8)	(3.4)
Loss before tax	(20.7)	(117.6)
Domestic tax rate for the Group	20.00%	20.25%
Expected tax credit	(4.1)	(23.8)
Tax losses not recognised	8.2	10.3
Legal/Professional/Entertainment	0.1	—
Other adjustments in respect of prior years	(0.6)	0.2
Adjustments for tax rate differences in foreign jurisdictions	6.3	1.0
Non-deductible finance costs	14.0	13.5
Equity accounted investments and goodwill	0.7	1.2
Capital losses utilised	(11.1)	—
Other non-deductible expenses	5.8	5.9
Net actual tax charge on continuing operations	19.3	8.3
Tax charge comprises:		
Current tax charge	22.4	8.2
Origination and reversal of temporary differences		
Tax losses	(0.1)	(1.4)
Fixed Assets	—	1.2
Short term temporary differences	(3.0)	0.3
Net tax charge	19.3	8.3
Tax charge on ordinary activities	3.2	11.0
Tax charge on exceptional items	16.1	(2.7)
Tax charge as shown on the income statement	19.3	8.3

7. Intangible assets

<i>£m</i>	<i>Goodwill</i>	<i>Computer software</i>	<i>Customer relationships</i>	<i>Assets in the course of development</i>	<i>Other¹</i>	<i>Total</i>
Cost						
At 1 January 2015	338.6	62.6	38.7	16.8	14.7	471.4
Additions	—	5.4	—	7.1	0.2	12.7
Acquisition of subsidiary	1.5	—	—	—	1.1	2.6
Disposals	—	(0.6)	—	—	—	(0.6)
Transfer from held for sale	3.4	—	—	—	—	3.4
Transfers	—	4.1	—	(8.9)	—	(4.8)
Exchange adjustments	(15.2)	(1.7)	(0.8)	—	(3.9)	(21.6)
At 1 January 2016	328.3	69.8	37.9	15.0	12.1	463.1
Additions	—	4.1	—	13.8	—	17.9
Acquisition of subsidiary	11.4	—	—	—	4.0	15.4
Disposal of business	(15.9)	(6.1)	—	(0.2)	—	(22.2)
Disposals	—	(0.3)	—	(9.3)	—	(9.6)
Transfers	—	5.0	—	(5.2)	—	(0.2)
Exchange adjustments	14.2	5.4	0.8	—	4.8	25.2
At 31 December 2016	338.0	77.9	38.7	14.1	20.9	489.6
Amortisation						
At 1 January 2015	24.4	15.5	4.5	9.3	4.3	58.0
Charge for the year	—	8.2	2.1	—	0.9	11.2
Disposals	—	(0.4)	—	—	—	(0.4)
Exchange adjustments	—	(1.9)	(0.1)	—	(0.5)	(2.5)
At 31 December 2015	24.4	21.4	6.5	9.3	4.7	66.3
Charge for the year	—	15.4	2.1	—	0.8	18.3
Impairment	22.1	8.6	—	—	—	30.7
Disposal of business	—	(4.7)	—	—	—	(4.7)
Disposals	—	—	—	(9.3)	—	(9.3)
Exchange adjustments	—	3.9	0.2	—	1.1	5.2
At 31 December 2016	46.5	44.6	8.8	—	6.6	106.5
Net book value						
At 31 December 2016	291.5	33.3	29.9	14.1	14.3	383.1
At 1 January 2016	303.9	48.4	31.4	5.7	7.4	396.8
At 1 January 2015	314.2	47.1	34.2	7.5	10.4	413.4

1 Other intangibles acquisitions in the year relate to Brand name arising from the acquisition of controlling interest in Travelex Emirates Exchange LLC.

Software impairment of £8.6m reflects the write off of certain software assets due to Group's investment in replacement technology used within the central IT function.

The carrying amount of goodwill is allocated to the following cash generating units:

<i>£m</i>	<i>Goodwill</i>		<i>Pre-tax discount rates</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>
UK	33.8	33.8	12.0%
Americas	24.2	31.0	11.9%
Asia Pacific	37.3	37.3	11.9%
EMEA	42.2	57.5	11.7%
Wholesale Cash	63.6	63.6	11.0%
TCS	15.8	15.8	12.2%
Insurance	—	15.9	—
Brazil	44.4	30.8	23.5%
Turkey	18.0	18.2	17.8%
UAE	12.2	—	11.4%
	<u>291.5</u>	<u>303.9</u>	

The recoverable amounts for the cash generating units identified above were determined based on the higher of fair value less costs to sell and value in use estimations.

The value in use estimations covered a four year forecast (2015: four years), followed by an extrapolation of expected cash flows at a growth rate in the range of 2.0% - 4.0% (2015: 2.0% - 3.0%). The growth rates reflect the long-term average rates for the countries in which the cash generating units operate. Cash flow projections have been discounted using discount rates listed in the table above.

Key assumptions are based on the free cash flows of each cash generating unit, which have been determined based on a combination of past experience of the markets in which the Group operates and the expected growth in the forecast period.

The fair value less costs to sell calculations are based on the 2020 forecast EBITDA, from the Group's strategic plan, and applying a multiple which reflects the product lines and industry in which the cash generating units operate. The costs to sell are estimated to be 2% (2015: 2%) of the fair value of the business.

Other than the considerations described above in determining the recoverable amount of the cash generating units, there are no other key assumptions.

UAE Goodwill has arisen as a result of the acquisition of a controlling interest in Travelex Emirates Exchange LLC, (see note 22).

Insurance Goodwill was disposed of as part of the Group's sale of its shareholdings in Travelex Insurance Services Inc., (see note 21).

Goodwill in the Americas was impaired by £6.8m as a result lower EBITDA projections for America Retail CGU as a result of sale of ATMs in North America and lower margins as a result of contract renewals and losses.

Goodwill in EMEA was impaired by £15.3m as a result of lower EBITDA projections resulting from the Group exiting Prague airport in 2016 and the impact of terrorism in Europe on trading in 2016 which has impacted the Group's expectations of growth in the forecast period.

Brazil goodwill has increased by £13.6m due to foreign exchange translation, reflecting the weakening of Sterling in 2016.

8. Property, plant and equipment

<i>£m</i>	<i>Land and buildings</i>	<i>Fixtures and fittings</i>	<i>Computer hardware</i>	<i>Assets in the course of development</i>	<i>Total</i>
Cost					
At 1 January 2015	24.2	59.8	12.1	—	96.1
Additions	1.2	10.2	1.0	0.8	13.2
Acquisition of subsidiary	—	—	0.5	—	0.5
Disposals	(0.4)	(3.2)	(1.2)	—	(4.8)
Transfers	0.9	(4.3)	8.2	—	4.8
Exchange adjustments	(1.9)	(1.5)	(0.9)	—	(4.3)
To held for sale classification	(1.0)	—	—	—	(1.0)
At 1 January 2016	23.0	61.0	19.7	0.8	104.5
Additions	2.1	9.0	1.1	0.7	12.9
Acquisition of subsidiary	—	0.9	—	—	0.9
Disposal of businesses	(0.1)	(1.0)	(1.2)	—	(2.3)
Disposals	(9.5)	(4.7)	(1.3)	—	(15.5)
Transfers	6.3	(7.5)	1.8	(0.4)	0.2
Exchange adjustments	6.8	9.3	4.4	—	20.5
At 31 December 2016	28.6	67.0	24.5	1.1	121.2
Accumulated depreciation					
At 1 January 2015	18.9	30.2	4.9	—	54.0
Charge for the year	2.2	8.4	3.5	—	14.1
Disposals	(0.4)	(2.0)	(1.2)	—	(3.6)
Exchange adjustments	(1.6)	(0.4)	(0.9)	—	(2.9)
At 31 December 2015	19.1	36.2	6.3	—	61.6
Charge for the year	2.6	7.9	4.1	—	14.6
Disposal of businesses	(0.1)	(0.5)	(0.7)	—	(1.3)
Disposals	(9.5)	(4.1)	(1.1)	—	(14.7)
Impairment	—	0.4	—	—	0.4
Transfers	5.0	(5.2)	0.2	—	—
Exchange adjustments	5.6	7.9	3.9	—	17.4
At 31 December 2016	22.7	42.6	12.7	—	78.0
Net book value					
At 31 December 2016	5.9	24.4	11.8	1.1	43.2
At 1 January 2016	3.9	24.8	13.4	0.8	42.9
At 1 January 2015	5.3	29.6	7.2	—	42.1

Motor vehicles are included within fixtures and fittings. The net book value of property, plant and equipment includes £24.8m (2015: £8.6m) in respect of assets held under finance leases and hire purchase contracts.

9. Investments accounted for using the equity method

<i>£m</i>	<i>Interest in joint ventures</i>
At 1 January 2015	13.1
Share of profit after tax	3.4
Distributions	(4.8)
Exchange adjustments	(0.8)
At 1 January 2016	10.9
Share of profit after tax	3.8
Distributions	(1.8)
Disposal	(2.1)
Exchange adjustments	1.7
At 31 December 2016	12.5

The disposal during the year relates to the conversion of Travelex Emirates LLC from an equity accounted joint venture to a subsidiary (see note 22).

The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the group.

<i>Name of entity</i>	<i>Place of business/country of incorporation</i>	<i>% ownership</i>
Travelex Africa Foreign Exchange (Pty) Limited ¹	South Africa	49% ¹
Travelex Qatar Q.S.C.	Qatar	49%
Travelex Malaysia SDN. BHD	Malaysia	70%
Fort Lauderdale Business & Currency Services, LLC	USA	45%
Pittsburgh Currency Services, LLC	USA	49%
RDU Currency and Business Services, LLC	USA	49%
Newark Currency Services LLC	USA	45%

¹ On 12 January 2017, the Group acquired the remaining 51% of Travelex Africa Foreign Exchange (Pty) Ltd (see note 30).

The addresses of the above entities are listed in note 31. These operations represent strategic partnerships for the Group, providing access to new markets for the sale of foreign currency banknotes and other foreign exchange products. These entities are unlisted.

10. Inventories

Inventories of £1.1m (2015: £0.4m) relate to non cash items sold through retail shops.

11. Trade and other receivables

<i>£m</i>	<i>2016</i>	<i>2015</i>
Current		
Trade receivables	46.9	47.0
Amounts due from travellers' cheques agents	0.7	0.8
Other receivables	30.0	32.2
Prepayments and accrued income	21.0	14.4
Amounts due from joint ventures and associates	2.2	1.8
	100.8	96.2
Non current		
Prepayments and accrued income	2.3	6.1
Other receivables	8.0	—
	111.1	102.3

Other receivables within non current assets include a bank guarantee held by the Central Bank of UAE.

12. Investments

Investments restricted for use within the non-core travellers' cheques business are as follows:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Current		
Travellers' cheques float deposits	0.4	0.3
Money on structured deposits	3.5	2.6
	<u>3.9</u>	<u>2.9</u>
Non current		
Money on structured deposits	21.2	22.0
	<u>25.1</u>	<u>24.9</u>
More than one year analysis		
Structured Deposit 1 - 2 years	2.3	3.9
Structured Deposit 2 - 5 years	4.3	4.6
Structured Deposit 5+ years	14.6	13.5
	<u>21.2</u>	<u>22.0</u>

13. Travellers' cheques

The Group's reimbursement agreement and insurance policy with AmTrust, ensures that the encashment of properly presented travellers' cheques will be honoured in perpetuity. AmTrust is an insurance company which is rated A by A.M. Best Company Inc., a leading company rating agency.

The agreement with AmTrust involved paying an insurance premium of £50.0m, made up of instalments, with the final payment made during the year ended 31 December 2015. This insurance premium has been recognised as a financial asset and is re-measured at fair value at each reporting date with any change in valuation recognised in the income statement. At 31 December 2016, the amount recognised within financial assets in the balance sheet was £40.2m.

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Group records a financial asset relating to these reimbursement funds within financial assets in the balance sheet and this is revalued to fair value each reporting date with any change in valuation recognised in the income statement. The reimbursement fund at 31 December 2016 year-end amounted to £57.3m.

AmTrust reimburses the Group for travellers' cheques encashed on a weekly basis. Structured deposits and assets held on trust are still held to support the encashment of Visa branded travellers cheques.

As at 31 December 2016 the face value of Travellers' Cheques Awaiting Redemption" ("TCAR") amounted to £383.8m. Actuarial estimates, as at 31 December 2016, suggest however that an amount of approximately £103.8m was expected to be validly presented for encashment or would require encashment. The Group's experience over the last 12 years is that actuarial predictions of the level of encashments are substantially accurate. TCAR expected to be validly presented as at 31 December 2016 were approximately £103.8m, which is still substantially below the TCAR face value amount of £383.8m as at 31 December 2016. Travellers' cheques awaiting redemption are included within trade and other payables, (see note 16). Assets held by the Group to cover travellers' cheques encashment, which include investments in float deposits and structured deposits per note 12, are in excess of expected encashments but substantially lower than TCAR.

Financial assets relating to the non-core travellers' cheques business are as follows:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Current		
Reimbursement fund	<u>7.4</u>	<u>7.3</u>
	<u>7.4</u>	<u>7.3</u>
Non-current		
Reimbursement fund	<u>49.9</u>	<u>53.1</u>
Insurance premium asset	<u>40.2</u>	<u>43.3</u>
	<u>90.1</u>	<u>96.4</u>
	<u>97.5</u>	<u>103.7</u>

Cash flow relating to instalment payments for insurance premium asset:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Insurance premium	<u>—</u>	<u>(3.1)</u>
Amount recognised in cash flows from operating activities	<u>—</u>	<u>(3.1)</u>

14. Available for sale investments

Available for sale investments represent equity shares available for sale and government and corporate bonds held in Brazil.

<i>£m</i>	<u>2016</u>	<u>2015</u>
Equity shares	<u>3.9</u>	<u>3.2</u>
Government and corporate bonds held in Brazil	<u>8.5</u>	<u>6.9</u>
	<u>12.4</u>	<u>10.1</u>

Reconciliation of equity shares available for sale:

<i>£m</i>	<u>2016</u>	<u>2015</u>
At 1 January	<u>3.2</u>	<u>2.6</u>
Revaluation	<u>0.1</u>	<u>0.5</u>
Exchange adjustments	<u>0.6</u>	<u>0.1</u>
At 31 December	<u>3.9</u>	<u>3.2</u>

The government bonds are not held for the full term and they are typically traded within 1-3 days.

15. Cash and cash equivalents

<i>£m</i>	<u>2016</u>	<u>2015</u> <i>Restated</i>
Cash at bank and in hand	<u>538.8</u>	<u>417.1</u>
Term deposits with original maturities of less than three months	<u>39.1</u>	<u>34.2</u>
	<u>577.9</u>	<u>451.3</u>

Included within the cash and cash equivalents balance of £577.9m (2015: £451.3m) are the following balances:

- £188.8m (2015: £188.2m) of cash held in tills and vaults;
- £8.7m (2015: £12.3m) of customer settlements received in advance;
- £197.2m (2015: £140.2m) of monies received from Prepaid card customers whose use is restricted to the settlement of associated liabilities;

- £44.5m (2015: £38.2m) of cash and term deposits with original maturities of less than three months which are ring fenced with their use restricted to the travellers' cheques business; and
- The remaining £138.7m (2015: £72.4m) is deposited in bank accounts throughout the Group and in certain jurisdictions and, while available to the Group, is subject to regulatory and legal restrictions as to its use.

The prior period balances for cash and bank overdraft (see note 17) have been restated to reflect the nature of the cash surplus and deficit positions in certain subsidiaries which the Group has determined do not meet the criteria for netting per IAS 32.

16. Trade and other payables

<i>£m</i>	<u>2016</u>	<u>2015</u>
Current		
Trade payables	106.1	138.5
Travellers' cheques awaiting redemption	225.9	208.5
Prepaid cards awaiting redemption	193.7	144.7
Other tax and social security	10.7	8.9
Other payables	53.9	37.2
Accruals and deferred income	86.2	77.5
Amounts due to joint ventures and associates	0.6	—
	<u>677.1</u>	<u>615.3</u>
Non current		
Accruals and deferred income	<u>—</u>	<u>0.1</u>
	<u>677.1</u>	<u>615.4</u>

Travellers' cheques and prepaid cards awaiting redemption represent travellers' cheques and balances on prepaid cards issued but not encashed. These balances are presented in accordance with their contractual maturity dates, although the expected encashment profile of travellers' cheques awaiting redemption is not reflective of this contracted maturity date.

17. Borrowings

<i>£m</i>	<u>2016</u>	<u>2015</u> <i>Restated</i>
Current		
Bank loans and overdrafts	17.6	43.9
Obligations under finance leases	0.1	0.6
	<u>17.7</u>	<u>44.5</u>
Non current		
Senior secured notes		
8% £190.6m due 2018 bond	188.4	196.9
Libor plus 6% £148.3m due 2018 bond	147.8	148.7
Borrowings from non-shareholders	336.2	345.6
Unsecured loan and PIK notes		
10% Loan and PIK notes due 2021	514.7	451.6
Other Loan notes due 2045	34.5	2.2
10% Preference certificates notes due 2035	4.8	4.2
Preference shares classified as liabilities	199.8	181.6
Borrowings from shareholders	753.8	639.6
Other loans	0.1	0.1
Obligations under finance leases	0.1	0.2
	<u>1,090.2</u>	<u>985.5</u>
	<u>1,107.9</u>	<u>1,030.0</u>

During November and December 2016 the Group acquired £11,120,000 of the Group's Senior Secured Notes (comprising £9,440,000 8% Senior Secured notes due 2018 and £1,680,000 Floating Rate Senior Secured notes due 2018). Refer to note 30 for details on further redemption of the Senior Secured Notes made subsequent to the year end.

The legal maturity of the Group's borrowings range from 2018 to 2045 (December 2015: 2018 to 2045), following a review of the debt profile the Group is in the process of extending the maturity date of the Loan and PIK notes held by UTX Holdings to 2035, see note 30. The Directors estimate the expected maturity date of the remaining unsecured loans and PIK notes to be in line with their expected maturity dates disclosed above.

The contractual interest of the unsecured and PIK loan notes due in 2021 is 10%, however 14% is considered a fair market rate of interest applied on similar instruments.

Other loan notes include a subordinated loan note of US\$23.5m (£19.0m) repayable in 2045 issued in favour of Dr Shetty on 4 December 2015 with a contractual annual compound interest rate of 2%, however 9.2% is considered a fair market rate of interest applied on similar instruments.

Other loan notes further include a subordinated loan note of £31.5m repayable in 2045 issued in favour of Dr Shetty (£28.7m), Saeed Mohamed Butti Mohamed Al Qebaisi (£1.4m) and Khaleefa Butti Omair Yousif Al Mauhairi (£1.4m) on 14 December 2016 with a contractual annual compound interest rate of 10.2%, which is considered to be a fair market rate. In parallel, the existing outstanding balance between the Group and its ultimate controlling party relating to the supply of wholesale banknotes on market terms was repaid.

Included in preference shares classified as liabilities is £138.5m (2015: £120.3m) relating to unpaid finance costs on preference shares that are not expected to be paid within one year. The nominal value of these shares is £61.3m (see note below).

Except as detailed in the following table, the directors consider that the carrying amounts of the borrowings recognised in the consolidated financial statements approximate their fair values, which are classified as level 2 under the fair value hierarchy.

<i>£m</i>	<i>2016 Book value</i>	<i>2016 Fair value</i>
8% £190.6m bond due 2018	188.4	200.5
Libor plus 6% £148.3m bond due 2018	147.8	149.0
Unsecured loan and PIK notes	554.0	146.7
Preference shares	199.8	—
	<u>1,090.0</u>	<u>496.2</u>

Fair value of current borrowings equals their market price, as the impact of discounting is insignificant. The fair values of the bonds are based on a listed redemption price of £100.3 for the fixed rate note and £99.3 for the floating rate note. The fair values of the unsecured loan and PIK notes and preference shares have been determined using estimated cash flows, discounted at an applicable risk adjusted rate.

Under a £90.0m revolving credit facility, the Group can draw down up to £68.3m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £21.7m is available to be utilised by guarantees issued on behalf of the Group. As at 31 December 2016, the facility has £nil drawn down and £21.7m has been placed as guarantees.

The Group has given guarantees and fixed and floating charges and other securities over £367.0m of its assets in relation to the debt and overdraft facilities provided by lenders to the Group. In addition, the Group is subject to financial covenant ratios involving measures such as net and gross leverage to EBITDA. If the covenants are breached, the amounts outstanding on the revolving credit facility would be reclassified as due on demand.

Preference share capital

	<i>2016 Number</i>	<i>2016 £m</i>	<i>2015 Number</i>	<i>2015 £m</i>
10.0% cumulative preference shares of £1 each	<u>61,287,636</u>	<u>61.3</u>	<u>61,287,636</u>	<u>61.3</u>

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August 2020, on sale of the Company, or at any time upon the Company giving 10 days written notice to the holders. Shareholders are entitled to dividends at 10.0% per annum on the par value of these shares on a cumulative basis. Any preference dividend that is due and remains unpaid is entitled to 10.0% interest per annum until the date of actual payment. In the event of winding up, the preference shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any dividends accrued but unpaid in respect of their shares.

In January and February 2017, the shareholders provided £32.5m and £4.5m of subordinated loan notes respectively to enable the Group to focus on the execution of strategic priorities, see note 30.

18. Financial instruments

The Group's financial instruments classified in the financial statements as at 31 December 2016 can be analysed under the following categories:

<i>£m</i>	<i>Note</i>	<i>Loans and receivables</i>	<i>Available- for-sale</i>	<i>Assets at fair value through income statement</i>
Financial assets				
Equity instruments	14	—	3.9	—
Debt instruments	14	—	8.5	—
Foreign exchange contracts		—	—	2.4
Travellers' cheques insurance premium	13	—	—	40.2
Travellers' cheques reimbursement fund	13	—	—	57.3
Investments	12	24.7	—	0.4
Cash and cash equivalents	15	577.9	—	—
Trade and other receivables		76.1	—	—
31 December 2016		<u>678.7</u>	<u>12.4</u>	<u>100.3</u>

<i>£m</i>	<i>Note</i>	<i>Other financial liabilities at amortised cost</i>	<i>Liabilities at fair value through income statement</i>
Financial liabilities			
Borrowings	17	(1,107.9)	—
Travellers' cheques and prepaid cards awaiting redemption	16	(419.6)	—
Foreign exchange contracts		—	(3.6)
Trade and other payables		(245.4)	—
31 December 2016		<u>(1,772.9)</u>	<u>(3.6)</u>

<i>£m</i>	<i>Note</i>	<i>Loans and receivables</i>	<i>Available- for-sale</i>	<i>Assets at fair value through income statement</i>
Financial assets				
Equity instruments	14	—	3.2	—
Debt instruments	14	—	6.9	—
Foreign exchange contracts		—	—	2.7
Travellers' cheques insurance premium	13	—	—	43.3
Travellers' cheques reimbursement fund	13	—	—	60.4
Investments	12	24.6	—	0.3
Cash and cash equivalents	15	451.3	—	—
Trade and other receivables		81.5	—	—
31 December 2015		<u>557.4</u>	<u>10.1</u>	<u>106.7</u>

<i>£m</i>	<i>Note</i>	<i>Other financial liabilities at amortised cost</i>	<i>Liabilities at fair value through income statement</i>
Financial liabilities			
Borrowings	17	(1,030.0)	—
Travellers' cheques and prepaid cards awaiting redemption	16	(353.2)	—
Foreign exchange contracts		—	(2.6)
Trade and other payables		(253.8)	—
31 December 2015		<u>(1,637.0)</u>	<u>(2.6)</u>

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including foreign currency and interest rate), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

Foreign currency risk

The Group has significant overseas operations conducting business in most foreign currencies. As a result, it is subject to foreign exchange exposures arising from the translation of the results and underlying net assets of its overseas subsidiaries and joint ventures into Sterling. The Group's balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings and currency swap transactions, most notably in relation to the US dollar. The largest currency liabilities are created from the sale of travellers' cheques and cash passports. All such liabilities are hedged either by ensuring investments and/or cash deposits are held in the same currencies as the liabilities or by forward foreign currency and currency swap transactions. For operational reasons, the Group decided not to designate forward foreign currency and swap currency contracts in hedge accounting relationships. Consequently, all changes in fair values of such foreign currency forward contracts are recognised in the income statement.

In certain cases where the Group has borrowed in foreign currency and lent internally to subsidiaries, but has not designated the transaction as a hedge, gains and losses will be recognised in the income statement with offsetting amounts shown through the statement of comprehensive income. There is no material net impact as a result of this particular accounting treatment. The Group holds currency stocks in the UK and elsewhere through which it is exposed to currency risk. These are monitored and maintained with modest risk limits approved by the board.

As at 31 December 2016, with all variables remaining constant, if Sterling strengthened or weakened by 10% against these currencies, this would have resulted in the following (gain)/loss to pre-tax loss as detailed in the table below:

<i>£m</i>	<i>2016 +10%</i>	<i>2016 -10%</i>	<i>2015 +10%</i>	<i>2015 -10%</i>
United States Dollar	(4.1)	5.0	(1.7)	2.1
Australian Dollar	—	0.1	0.2	(0.2)
Euro	(1.2)	1.5	1.1	(1.4)

Cash flow and fair value interest rate risk

The Group borrows and invests at both fixed and floating rates of interest and utilises interest rate swaps to manage interest rate exposures where appropriate.

The Group's interest rate risk arises primarily from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2016 with all variables remaining constant, for each 0.1% change in interest rates, this would have resulted in the following (gain)/loss to pre-tax loss and equity (other than Retained Earnings), due to movement in the finance income, finance cost and mark-to-market valuation of derivatives.

<i>£m</i>	<i>2016 Income statement impact</i>	<i>2016 Equity impact</i>	<i>2015 Income statement impact</i>	<i>2015 Equity impact</i>
0.1% increase	(0.2)	—	0.1	—
0.1% decrease	0.2	—	(0.1)	—

Credit risk

Credit risk arises from cash and cash equivalents, prepayments made in advance on acquisition, current investments, derivative financial instruments, trade receivables and to a lesser extent from other contractual financial obligations. The Group's credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. Key counterparties with whom significant concentrations of risk exist as at 31 December 2016 include Deutsche Bank AG (Baa2 rated (Moody)), Barclays Bank Plc (A1 rated (Moody)), and Bank of New York Mellon Corporation (Aa2 rated (Moody)). As at 31 December 2016, the Group had deposited cash collateral of £nil (2015: £nil) with trading bank counterparties.

Current asset investments include money market deposits and structured deposits. The Group maintains a prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. The Group monitors the credit ratings of counterparties regularly and ensures no positions are entered into with counterparties with long-term credit ratings below A-(Moody). At 31 December 2016, the Group's largest counterparty accounted for 49% (2015: 45%) of the Group's total exposure to current asset investments and cash and cash equivalents. The credit risk from other financial contractual relationships, including other receivables and amounts due from joint ventures and associates, are not considered material. The Group's exposure to credit related losses, in the event of non-payment by customers, is minimal as Group policies require new customers to be reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into. Individual credit terms are set and monitored regularly, payments are made in advance for large shipping orders. The maximum exposure to credit risk of these financial assets will not exceed the carrying amount.

Financial assets past due but not impaired do not reflect any indication that counterparties will be unable to meet their obligations. Furthermore, no indications of default are recognisable for financial assets that are neither past due nor impaired. Financial assets past due but not impaired are as follows:

<i>£m</i>	<i>0-3 months</i>	<i>3-6 months</i>	<i>Over 6 months</i>	<i>2016 Total</i>
Trade receivables	—	—	—	—
Other receivables	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

<i>£m</i>	<i>0-3 months</i>	<i>3-6 months</i>	<i>Over 6 months</i>	<i>2015 Total</i>
Trade receivables	3.4	—	—	3.4
Other receivables	0.1	—	—	0.1
	<u>3.5</u>	<u>—</u>	<u>—</u>	<u>3.5</u>

At 31 December 2016, impaired financial assets based upon the Group's expectation of the counterparties' ability to settle included trade receivables of £nil (2015: £0.3m) and other receivables of £nil (2015: £nil). There was no collateral held against impaired trade receivables and other receivables in either the current or prior year.

Liquidity risks

On 20 June 2016, the Group entered into a trading relationship with BRS Personal Investments Limited, a company incorporated in the British Virgin Islands and 100% owned by our ultimate controlling party, Dr B. R. Shetty, for the supply of wholesale banknotes on market terms. This trading balance was fully settled in December 2016. On 14 December 2016 a subordinated loan note repayable in 2045 was issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi (see note 17). In January and February 2017, two further subordinated loan notes of £32.5m and £4.5m were issued which provide further liquidity to the Group see note 30.

The Group's policy is to manage its capital requirements and liquidity through a combination of bank borrowings and other term debt, and capital markets. The Group's financing position was strengthened in August 2013 with the issuance of £350.0m Senior Secured Notes due 2018 (£200.0m 8% fixed rate and £150.0m floating rate notes) raised in capital market transaction and the refinancing of the Group's core revolving credit facility. During November and December 2016 the group acquired £11,120,000 of the Group's Senior Secured Notes, refer to note 17. In February 2017 a further £38,880,000 of the Group's senior secured notes were redeemed, see note 30.

The Group also has a committed senior credit facility available of £90.0m under which the Group can draw down up to £68.3m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £21.7m is available to be utilised by guarantees issued on behalf of the Group. Balances outstanding with key suppliers and under the revolving credit facility fluctuate significantly from day to day, primarily due to the levels of physical banknotes required for trading and value of unfulfilled customer orders. This facility is used to provide short term liquidity to meet operating cash needs. As at 31 December 2016, the facility has £nil drawn down and £21.7m has been placed as guarantees. The Group has £68.3m (2015: £30.2m) undrawn committed borrowing facility available in respect of which all conditions precedent have been met at 31 December 2016.

The daily settlement flows in respect of financial asset and liability, spot and swap contracts require adequate liquidity which is provided through uncommitted intra-day settlement facilities. These facilities are provided by a diversified set of financial institutions with which the Group has a substantial trading history. Global cash management is an important daily activity and the Group operates a policy of centralising surplus cash in order to facilitate intra-group funding and to minimise external borrowings requirements.

Travellers' cheques can be encashed at any time following issue, although the encashment profile of travellers' cheques awaiting redemption is not reflective of this contractual maturity date. The encashment profile of travellers' cheques awaiting redemption is monitored on a monthly basis to ensure the Group has the liquidity to meet encashment once made. The Directors estimate that at 31 December 2016, £13.7m (2015: £13.2m) sterling equivalent of the travellers' cheques awaiting redemption will be encashed within twelve months of the balance sheet date.

The tables below analyse the gross undiscounted contractual cash flows on the Group's financial liabilities and net settled derivative financial instruments as at 31 December to the contractual maturity date:

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2016 Total</i>
Borrowing principal and interest payments					
Bonds	24.8	361.3	—	—	386.1
Loans and PIK notes	—	—	—	1,469.8	1,469.8
Preference shares	—	—	281.5	—	281.5
Bank loans and overdrafts	17.6	—	—	—	17.6
Obligations under finance leases	0.1	0.1	—	—	0.2
Travellers' cheques awaiting redemption	396.7	—	—	—	396.7
Prepaid cards awaiting redemption	193.7	—	—	—	193.7
Trade and other payables	245.4	—	—	—	245.4
	<u>878.3</u>	<u>361.4</u>	<u>281.5</u>	<u>1,469.8</u>	<u>2,991.0</u>

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2015 Total</i>
Borrowing principal and interest payments					
Bonds	26.0	26.0	373.5	—	425.5
Loans and PIK notes	—	—	—	944.1	944.1
Preference shares	—	—	—	255.9	255.9
Bank loans and overdrafts	43.9	—	—	—	43.9
Obligations under finance leases	0.6	0.2	—	—	0.8
Travellers' cheques awaiting redemption	355.8	—	—	—	355.8
Prepaid cards awaiting redemption	144.7	—	—	—	144.7
Trade and other payables	252.5	—	—	—	252.5
	<u>823.5</u>	<u>26.2</u>	<u>373.5</u>	<u>1,200.0</u>	<u>2,423.2</u>

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1—Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2—Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3—Valuation techniques (for which the lowest level of input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The tables below present the Group's assets and liabilities that are measured at fair value as at 31 December:

<i>£m</i>	<i>Note</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2016 Total</i>
Assets					
Available for sale investments	14	8.5	—	3.9	12.4
Investments	12	0.4	—	—	0.4
Travellers' cheques insurance premium	13	—	—	40.2	40.2
Travellers' cheques reimbursement fund	13	—	—	57.3	57.3
Foreign exchange contracts		—	2.4	—	2.4
		<u>8.9</u>	<u>2.4</u>	<u>101.4</u>	<u>112.7</u>
Liabilities					
Foreign exchange contracts		—	(3.6)	—	(3.6)
		<u>—</u>	<u>(3.6)</u>	<u>—</u>	<u>(3.6)</u>
<hr/>					
<i>£m</i>	<i>Note</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2015 Total</i>
Assets					
Available for sale investments	14	6.9	—	3.2	10.1
Investments	12	0.3	—	—	0.3
Travellers' cheques insurance premium	13	—	—	43.3	43.3
Travellers' cheques reimbursement fund	13	—	—	60.4	60.4
Foreign exchange contracts		—	2.7	—	2.7
		<u>7.2</u>	<u>2.7</u>	<u>106.9</u>	<u>116.8</u>
Liabilities					
Foreign exchange contracts		—	(2.6)	—	(2.6)
		<u>—</u>	<u>(2.6)</u>	<u>—</u>	<u>(2.6)</u>

There were no transfers between levels 1 and 2 during the year.

Reconciliation of recurring fair value measurements categorised within level 3 of the fair value hierarchy:

<i>Equity shares (£m)</i>	<i>2016</i>	<i>2015</i>
At 1 January	3.2	2.6
Total gains recognised in equity	0.1	0.5
Exchange adjustments	0.6	0.1
At 31 December	<u>3.9</u>	<u>3.2</u>

<i>Travellers' cheques financial assets (£m)</i>	<u>2016</u>	<u>2015</u>
At 1 January	103.7	116.7
Movement in insurance premium	(3.1)	(4.8)
Movement in travellers' cheques reimbursement funds	(0.5)	(8.7)
Revaluation (losses)/gains recognised in Income statement	(2.6)	0.5
At 31 December	<u>97.5</u>	<u>103.7</u>

Valuation techniques

Foreign currency forwards and swap contracts

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Travellers' cheques

The valuation of the travellers' cheques reimbursement funds and insurance premium asset are based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed by Lane Clark & Peacock LLP on an annual basis to determine the expected level of the float write back at year end.

The valuation assumes that travellers' cheques will not be encashed more than 65 years after the year of sale. Sensitivity analysis has been performed to change the assumption of encashment for a period of only 50 years after sale and increasing encashment to 100 years after sale. The valuation changes by 2% and (2.6%) respectively.

The valuation of the reimbursement fund is the gross value of Travellers' Cheques Awaiting Redemption at year end less the assessed fair value of the float write back.

The fair value of the insurance premium asset is linked to the fair value of the float write back and therefore the change in fair value applied to the float write back is used to generate the change in fair value of the insurance premium asset.

Equity share investments

The Group holds convertible ordinary shares ('B' shares) in Visa Inc. The fair value of the unquoted ordinary shares has been determined using conversion rates of 1.6483 per share price of US\$78.02 ('A' quoted share price at 31 December 2016), discounted at a rate of 46%.

Sensitivity analysis has been performed to change the assumption of the share price. If the Visa share price were to change by +/- 5%, the valuation would change by US\$239k.

Offsetting derivative financial assets and liabilities

Net financial asset

<i>£m</i> <i>2016</i>	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign exchange contracts	<u>323.5</u>	<u>(321.1)</u>	<u>2.4</u>
	<u>323.5</u>	<u>(321.1)</u>	<u>2.4</u>

<i>£m</i> 2015	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign exchange contracts	201.7	(199.0)	2.7
	<u>201.7</u>	<u>(199.0)</u>	<u>2.7</u>

Net financial liability

<i>£m</i> 2016	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign exchange contracts	435.9	(439.5)	(3.6)
	<u>435.9</u>	<u>(439.5)</u>	<u>(3.6)</u>

<i>£m</i> 2015	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign exchange contracts	231.1	(233.7)	(2.6)
	<u>231.1</u>	<u>(233.7)</u>	<u>(2.6)</u>

19. Provisions

<i>£m</i>	<i>Onerous contracts</i>	<i>Employee related provisions</i>	<i>Other</i>	<i>Total</i>
At 1 January 2016	25.8	12.9	4.7	43.4
Exchange adjustments	3.7	0.4	0.4	4.5
Increase on acquisition on subsidiary	—	0.3	—	0.3
Charged to income statement	5.6	2.4	0.4	8.4
Written back to income statement	(1.6)	(0.7)	(2.5)	(4.8)
Utilised in the year	(10.7)	(8.8)	(0.2)	(19.7)
At 31 December 2016	22.8	6.5	2.8	32.1
Current	11.9	2.0	1.8	15.7
Non-current	10.9	4.5	1.0	16.4
At 31 December 2016	22.8	6.5	2.8	32.1
Current	9.2	11.0	2.6	22.8
Non-current	16.6	1.9	2.1	20.6
At 31 December 2015	25.8	12.9	4.7	43.4

Onerous contract provisions are in respect of certain airport locations and office building lease contracts. Employee related provisions include provisions in respect of redundancy costs and long term service leave. Other provisions include the individually small provisions in respect of other contractual agreements and legal matters.

20. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Deferred tax assets—non current	13.2	9.5
Deferred tax liabilities	(4.7)	(3.6)
	<u>8.5</u>	<u>5.9</u>

The movement in deferred tax is as follows:

<i>£m</i>	<u>2016</u>	<u>2015</u>
At 1 January	5.9	5.7
Exchange adjustments	(0.5)	1.2
Income statement credit (charge)	3.1	(0.3)
Tax charged direct to equity	(0.1)	(0.4)
Other movements	0.1	(0.3)
At 31 December	<u>8.5</u>	<u>5.9</u>

The movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<i>Property, plant and equipment</i>	<i>Intangible assets</i>	<i>Tax losses</i>	<i>Pension</i>	<i>Other temporary differences</i>	<i>Total</i>
Assets						
At 1 January 2015	6.4	—	1.6	0.5	7.1	15.6
Credited (charged) to the income statement	(1.2)	—	1.5	—	(0.6)	(0.3)
Credited (charged) direct to equity	—	—	0.7	(0.1)	—	0.6
Exchange adjustments	(0.3)	—	(0.1)	—	—	(0.4)
Other movements	(0.8)	—	(0.9)	(0.4)	0.6	(1.5)
At 1 January 2016	4.1	—	2.8	—	7.1	14.0
Credited (charged) to the income statement	0.2	—	0.1	—	2.2	2.5
Credited (charged) direct to equity	—	—	—	—	—	—
Exchange adjustments	0.8	—	0.5	—	0.4	1.7
Other movements	—	—	—	—	—	—
At 31 December 2016	<u>5.1</u>	<u>—</u>	<u>3.4</u>	<u>—</u>	<u>9.7</u>	<u>18.2</u>
Liabilities						
At 1 January 2015	(1.1)	(5.7)	—	—	(3.1)	(9.9)
Credited (charged) to the income statement	0.1	0.3	—	(0.4)	—	—
Credited (charged) direct to equity	—	(0.3)	—	—	(0.7)	(1.0)
Exchange adjustments	—	1.3	—	—	0.3	1.6
Other movements	0.9	(0.2)	—	0.3	0.2	1.2
At 1 January 2016	(0.1)	(4.6)	—	(0.1)	(3.3)	(8.1)
Credited (charged) to the income statement	—	0.4	—	—	0.2	0.6
Credited (charged) direct to equity	—	—	—	—	(0.1)	(0.1)
Exchange adjustments	—	(1.7)	—	—	(0.5)	(2.2)
Other movements	0.1	(0.3)	—	—	0.3	0.1
At 31 December 2016	<u>—</u>	<u>(6.2)</u>	<u>—</u>	<u>(0.1)</u>	<u>(3.4)</u>	<u>(9.7)</u>

Other net temporary differences of £6.1m (2015: £3.8m) consist primarily of deferred tax assets relating to provisions and accruals of £4.7m (2015: £5.3m), and £1.4m (2015: £1.7m) in relation to other temporary differences.

There are unrecognised deferred tax assets comprising £46.0m (2015: £59.0m) unused tax losses and other temporary differences of £40.4m (2015: £35.4m) at the year end. Tax losses which have no time limit are £39.3m, £2.7m expire in five years and £4.0m expire in 20 years.

21. Disposal of businesses

Disposal of Travelex Outsourcing Pty Ltd

On 1 April 2016 the Group sold 100% of its shareholding in Travelex Outsourcing Pty Ltd, its Dynamic Currency Conversion ('DCC') business in Australia, to Global Blue SA for gross proceeds of AUD67.5m (£36.1m).

The carrying amounts of the net assets of the business at the date of disposal were as follows:

£m

Non current assets

Intangible assets	1.6
Property, plant and equipment	0.7

Current assets

Trade and other receivables	4.4
Cash and cash equivalents	0.1
Assets	<u>6.8</u>

Non current liabilities

Trade and other payables	(0.3)
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Current liabilities

Trade and other payables	(2.3)
Liabilities	<u>(2.6)</u>

Net assets	<u>4.2</u>
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The profit on disposal of the business is set out below:

£m

Cash consideration received	36.1
Costs of disposal	(3.6)
Net assets disposed	<u>(4.2)</u>
Net gain on sale	<u>28.3</u>
Cumulative translation gain realised on disposal	0.5
Net gain on sale after cumulative translation losses	<u>28.8</u>

The table below outlines the net cash inflow on disposal of the business:

£m

Consideration received in cash and cash equivalents	36.1
Less cash impact of costs of disposal	(3.6)
Less cash and cash equivalents disposed of	<u>(0.1)</u>
	<u>32.4</u>

Disposal of Travelex Insurance Services Inc.

On 16 November 2016, the Group sold 100% of its shareholdings in Travelex Insurance Services Inc., its travel insurance brokerage business in the United States to Cover-More Group Limited for gross proceeds of US\$109.6m (£86.7m).

The carrying amounts of the net assets of the business at the date of disposal were as follows:

£m

Non current assets

Property, plant and equipment 0.3

Current assets

Trade and other receivables 1.3

Cash and cash equivalents 3.7

Assets 5.3

Current liabilities

Trade and other payables (3.4)

Liabilities (3.4)

Net assets of disposal group **1.9**

£m

Reconciliation of gain on disposal:

Cash consideration received 86.7

Costs of sale (5.7)

Net assets of disposal group (1.9)

Less goodwill held in respect of TIS (15.9)

Gain on disposal **63.2**

Cumulative translation gain realised on disposal 2.9

Net gain on disposal **66.1**

£m

Net cash inflow arising on disposal

Consideration received in cash and cash equivalents 86.7

Less cash impact of costs of sale (5.6)

Less cash and cash equivalents disposed of (3.7)

77.4

The carrying values of receivables and payables are considered to be an approximation of fair value primarily as all amounts are held for less than three months.

The disposal has not been treated as a discontinued operation as it does not represent a major line of business or geographical area of operations.

22. Acquisitions and incorporation of subsidiaries

Acquisition of controlling interest in Travelex Emirates Exchange LLC

In 2015, the Group entered into an agreement with its joint venture partner to acquire a 40% controlling shareholding in Travelex Emirates Exchange LLC. Prior to this the Group held a 49% non-controlling equity accounted share in a joint venture with joint power to access the variable returns. As part of the agreement Travelex Emirates LLC transferred trade and assets into a new entity, Travelex Emirates Exchange LLC. The trading licence is held by Travelex Emirates Exchange LLC in which Travelex Limited holds a 40% share ownership and entitlement to 55% of dividends. As consideration, the Group contributed its existing 49% share in its equity accounted investment in the UAE. The equity accounted investment comprised of two entities, a sole proprietorship held by the Group's joint venture partner and a management company which the Group owned 49% of the issued share capital.

On 1 August 2016, the Group assumed accounting control over Travelex Emirates Exchange LLC as it has the power to appoint the majority of board members and is entitled to 55% of the distributable reserves. Therefore Travelex Emirates Exchange LLC has been consolidated as a subsidiary with a non-controlling interest from this date.

In the period from acquisition to 31 December 2016, Travelex Emirates Exchange LLC contributed revenue of £11.1m and operating profit of £3.2m to the Group's results. If the acquisition had occurred on 1 January 2016, management estimates that contributed revenue and operating profit would have been £24.5m and £6.5m respectively

The following table summarises managements preliminary assessment of the fair value of assets acquired and liabilities assumed at the acquisition date:

<i>£m</i>	<i>Book value</i>	<i>Fair value adjustments</i>	<i>Fair value</i>
Non-current assets			
Intangible asset	—	4.0	4.0
Property, plant and equipment	<u>0.9</u>	<u>—</u>	<u>0.9</u>
	0.9	4.0	4.9
Current assets			
Trade and other receivables	4.1	—	4.1
Cash and cash equivalents	16.3	—	16.3
Current liabilities			
Trade and other payables	(6.0)	—	(6.0)
Provisions	<u>(0.3)</u>	<u>—</u>	<u>(0.3)</u>
Net current assets	<u>14.1</u>	<u>—</u>	<u>14.1</u>
Net assets acquired	<u>15.0</u>	<u>4.0</u>	<u>19.0</u>

<i>£m</i>	
Consideration paid in cash and cash equivalents during the year	—
Fair value of previously held interest in equity accounted investment	<u>21.9</u>
Total consideration	21.9
Non-controlling interests at proportionate share of net assets	8.5
Fair value of net assets acquired	<u>(19.0)</u>
Goodwill	<u><u>11.4</u></u>
Reconciliation of gain on consolidation:	
Fair value of previously held equity investment	21.9
Carrying amount of previously held equity investment	<u>(2.1)</u>
Net gain on consolidation	<u><u>19.8</u></u>
Net cash inflow arising on acquisition	
Consideration paid in cash and cash equivalents	—
Cash and cash equivalents acquired	<u>16.3</u>
	<u>16.3</u>

Incorporation of Travelex Thailand Limited

On 16 September 2016, the Group incorporated Travelex Thailand Limited, a joint venture with a local partner foreign exchange service. The Group contributed 62% of the paid up share capital for cash. Travelex Thailand Limited met the definition of a subsidiary in accordance with IFRS 10 and has been consolidated from the acquisition date which is 16 September 2016.

<i>£m</i>	
Consideration paid in cash and cash equivalents during the year	1.5
Non-controlling interests arising at acquisition	<u>1.0</u>
Net assets acquired	<u><u>2.5</u></u>
Net cash inflow arising on acquisition, excluding costs	
Consideration paid in cash and cash equivalents	(1.5)
Cash and cash equivalents acquired	<u>2.6</u>
	<u>1.1</u>

23. Retirement benefits

The principal pension arrangements in the United Kingdom and overseas are defined contribution schemes, the assets of which are held separately from those of the Group in independently administered funds. The cost of these schemes which amounted to £6.6m (2015: £5.9m) was charged to the income statement as incurred. At the end of the year £0.2m (2015: £0.2m) of contributions were outstanding.

24. Cash generated from operating activities

<i>£m</i>	<i>2016</i>	<i>2015</i>
Operating profit/(loss)	71.9	(12.3)
Depreciation and amortisation	32.9	25.3
Impairment charges	31.1	—
Loss on disposal of property plant and equipment	1.1	—
Revaluation of financial assets held at fair value	5.7	4.3
Provisions (including exchange differences on provisions)	8.4	27.4
Net gain on reclassification of the Netherlands pension scheme	—	(4.0)
Profit on disposal of businesses and acquisition of subsidiary	(111.3)	(4.8)
Share based remuneration charge	—	0.8
	39.8	36.7
(Increase)/Decrease in inventories	(0.7)	0.1
Decrease/ (increase) in trade and other receivables	5.8	(19.3)
(Decrease)/Increase in trade and other payables	(33.9)	17.3
Increase in Derivatives	1.4	0.8
Utilisation of provisions	(19.7)	(13.4)
Increase/(Decrease) in Prepaid cards awaiting redemption	21.4	(12.5)
Decrease in travellers' cheques awaiting redemption	(24.2)	(21.2)
Decrease in travellers' cheques structured deposits	—	2.2
Decrease in financial assets	8.5	8.3
Foreign exchange translation differences	13.6	3.7
Cash generated from operating activities	12.0	2.7

25. Share capital

The authorised share capital of the Company is all in issue and is as follows:

	<i>Number</i>	<i>2016 £m</i>	<i>Number</i>	<i>2015 £m</i>
Shares classified as equity:				
Deferred ordinary shares of 1p each	6,197,945	0.1	6,197,945	0.1
Ordinary shares of 1p each	25,794,357	0.2	25,794,357	0.2
	31,992,302	0.3	31,992,302	0.3

26. Reserves

Retained earnings include the following reserves:

<i>£m</i>	<i>Defined benefit pension reserve</i>	<i>Available for sale financial assets</i>
At 1 January 2015	9.7	2.1
Current year gain	0.9	0.5
Deferred tax	(0.2)	(0.1)
Reclassification to defined contribution scheme	(10.4)	—
At 1 January 2016	—	2.5
Current year gain	—	0.1
At 31 December 2016	—	2.6

Share capital is determined using the nominal value of shares that have been issued. The share premium account includes premiums received on the initial issuing of the share capital. Retained earnings are the accumulated retained losses of the Group. The translation reserve includes exchange differences on consolidation of foreign subsidiaries.

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with

£209.6m being waived and £315.5m settled through the issue of ordinary shares and the remaining balance novated at fair value upward within the Group's structure and retained in favour of UTX Holdings, on the same interest and repayment terms. A further fair value debit adjustment of £95.0m against the principal of these instruments was recorded on inception, with a corresponding credit to retained earnings.

27. Obligations under non-cancellable operating leases

The Group's future minimum operating lease payments under non-cancellable operating leases are as follows:

	2016		2015		2015	
<i>£m</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Total</i>
Due within one year	147.9	0.5	148.4	154.8	0.3	155.1
Due between one and five years	211.8	1.1	212.9	308.6	0.3	308.9
Due after five years	16.3	—	16.3	13.6	—	13.6
	376.0	1.6	377.6	477.0	0.6	477.6

Land and buildings held under operating leases include shops at airport locations. These arrangements typically include a fixed amount payable each year, plus a variable element payable based on revenue turnover or passenger numbers. A number of leases permit the Group to extend the lease beyond its current term based on market rates at the time of the extension. There are no purchase options contained within the operating leases held by the Group.

28. Related party transactions

Key management compensation

<i>£m</i>	2016	2015
Short term employee benefits	2.7	3.1
Post employment benefits	0.1	0.2
Total	2.8	3.3

Key management in the table above are the members of the Group's Executive Committee and exclude Directors of the Company whose emoluments are disclosed in Note 5. During the year nil was paid to key management as a prepayment of amounts accruing under share based payment schemes (2015: £nil).

Transactions with entities with significant influence over Travelex Holdings Limited

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B.R. Shetty. On completion, the existing Shareholder Debt was restructured, with £209.6m being waived and £315.5m settled through issue of ordinary shares in Travelex Holdings Limited, and the remaining balance being novated upward within the Group's structure and retained in favour of UTX Holdings Limited.

On 4 December 2015, BRS Ventures LLC, a company incorporated in the United States and owned by the Group's ultimate controlling party, Dr B.R. Shetty, transferred Renova Serviços Auxiliares em Operações Internacionais Ltda to the Group. The purchase consideration and working capital requirements were funded through subordinated loan notes issued in favour of Dr B.R. Shetty.

On 14 December 2016, a further subordinated loan note of £31.5m repayable in 2045 was issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi with a contractual annual compound interest rate of 10.2%, which is considered to be a fair market rate. In parallel, the existing outstanding balance between the Group and its ultimate controlling party relating to the supply of wholesale banknotes on market terms was repaid.

<i>£m</i>	<u>2016</u>	<u>2015</u>
Balance outstanding		
UTX Holdings Limited	519.5	456.0
Dr B.R. Shetty	31.7	2.2
Saeed Mohamed Butti Mohamed Al Qebaisi	1.4	—
Khaleefa Butti Omair Yousif Al Mauhairi	1.4	—
	<u>554.0</u>	<u>458.2</u>

<i>£m</i>	<u>2016</u>	<u>2015</u>
Interest charged		
UTX Holdings Limited	64.2	64.4
Dr B.R. Shetty	0.1	0.1
Saeed Mohamed Butti Mohamed Al Qebaisi	—	—
Khaleefa Butti Omair Yousif Al Mauhairi	—	—
	<u>64.3</u>	<u>64.5</u>

Transactions with joint ventures

Trading balances of £nil and £0.1m are owed to the Group by Travelex Emirates LLC and Travelex Malaysia SDN. BHD Limited respectively (2015: £0.4m, £0.2m).

There are also net trading balances of £0.2m (December 2015: £nil) owed to the Group by various joint venture agreements in the United States.

The Group has a loan receivable of £1.3m with Travelex Africa Foreign Exchange (Propriety) Limited (2015: £0.9m), repayable at the discretion of the Travelex Africa board and bearing no interest. This loan is also repayable if there is an imbalance between amounts owed to shareholders in excess of ZAR 5,000,000 with interest payable at 2% on the outstanding value of the loan (see note 30).

Other related party transactions

Dr B.R. Shetty and his business partner invest in a number of businesses, some of which the Group transacts with. During the year ended 31 December 2016, the Group transacted with UAE Exchange Centre and UAE Exchange Ltd for a total of net revenue of £15,698 and balances outstanding of £1,447.

On 29 January 2015, in connection with the sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited sold Banque Travelex SA and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which B.R. Shetty is also a shareholder. In the twelve months to 31 December 2016; the Group charged €3.0m (£2.4m) (December 2015: €3.0m) in relation to management services to Banque Travelex SA, and a total trading balance of £0.6m was owed to the Group by Banque Travelex as at 31 December 2016.

In 2015, a total of £11.4m was awarded to certain key management and directors on completion of the sale of the Group to UTX Holdings Ltd.

Directors and key management occasionally transact with subsidiary undertakings of the Company, primarily with regard to the provision of foreign currency or foreign currency payment transactions on standard staff discount terms. The Board has considered the financial effect of these transactions with Group companies and has concluded that they are not material to the Group or the individuals concerned.

29. Contingent liabilities

As permitted by IAS 39, the Directors have adopted the recognition and de-recognition of financial instruments principles from 1 January 2004. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004, would not be cashed have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption amounting to £170.8m (2015: £147.3m).

As at the balance sheet date a total of £21.7m (2015: £29.9m) of bank guarantees (including performance guarantees) have been issued on behalf of the Group. In addition £28.1m (2015: £23.1m) of surety guarantees have been issued to certain states in the US on behalf of the Group.

Certain of the Group's subsidiaries which have been granted financial services licences by local regulators are, from time to time, subject to audits and reviews performed by such local regulators. These reviews and audits often result in recommendations leading to improvements of the control environment. In 2014 the DNB, the central bank of the Netherlands, performed an audit of parts of Travelex NV (formerly GWK Travelex NV) and concluded that Travelex NV was in breach of certain regulatory obligations. Travelex NV has since undertaken a significant remediation programme and continues to cooperate with its regulators and other authorities with the ongoing investigation.

BACEN, the local regulator of Travelex's businesses in Brazil, commenced disciplinary proceedings at the end of 2015 against Banco Confidence de Câmbio S.A. ("Banco Confidence"), one of Travelex's subsidiaries in the country, alleging certain irregularities in the period between July 2012 and June 2013 relating to certain failures in its processes and procedures. Travelex only bought 49% of the shares in Confidence in April 2013, and made significant changes to its approach to regulatory compliance in the period following its acquisition, and a significant proportion of the alleged irregularities related to a period prior to Travelex owning any shares in Confidence. BACEN decided in August against Confidence, and imposed financial penalties amounting to approximately US\$18m on Confidence. The Group has been advised by local Counsel that the scale of the fines imposed is considered excessive and disproportionate to fines and orders ultimately applied in other similar cases. Travelex has appealed against the decision and intends to continue to defend itself vigorously through the appeals process. As a consequence, the ultimate financial impact of this matter cannot, at this time, be reliably estimated. Accordingly no amounts have been provided for in respect of this matter. Travelex also has an indemnity from one of the key prior shareholders of Confidence for 51% of any fine that may ultimately be imposed against Confidence.

The Brazilian Internal Revenue Service ("Brazilian IRS") has served Banco Confidence with tax assessment notices aimed at the collection of approximately R\$292.0m (equivalent to approximately £75.0m at current exchange rates). Their claim relates to cross-border remittances carried out between February 2012 and March 2014 by foreign exchange brokers executing payments via the Banco Confidence payments system on behalf of the clients of such brokers. This matter is under investigation by the Federal Police and the Public Prosecutors Office in the context of the "Operação Lava Jato", the largest investigation of corruption in Brazil. Banco Confidence and its advisers believe that this claim is unlikely to be successful and that the alleged liability accrues to the foreign exchange brokers whose clients were making the payments and not to Banco Confidence, which acted only as the payment processor. Based on the facts and the advice received from counsel on this matter, Travelex believes that the risk of Banco Confidence being held liable for these claims, on a final and non-appealable basis, is remote. Under the sale and purchase agreement Travelex entered into with the sellers of Banco Confidence, Travelex has a partial indemnity claim against the sellers of Banco Confidence in regard to a significant portion of any final penalty imposed by the Brazilian IRS authorities, if any. Travelex has notified the sellers about this claim.

The Company and its subsidiaries may, from time to time, be parties to legal claims arising in the ordinary course of business. The Directors do not anticipate that the outcome of any of these proceedings and claims, either individually or in aggregate, will have a material adverse effect on the Group's financial position.

30. Post balance sheet events

On 12 January 2017 the Group completed the acquisition of the remaining 51% shares in its equity accounted joint venture, Travelex Africa Foreign Exchange (Pty) Limited, following the approval by the South African Reserve Bank. The gross proceeds were R41.8m (c.£2.5m) of which R19.4m (c.£1.1m) was paid on the 12 January, the remaining balance of R22.4m (c.£1.3m) will be due in July 2017. Travelex Africa Exchange (Pty) Limited will be fully consolidated in the Group's financial results from the acquisition date. If the acquisition of Travelex Africa Foreign Exchange (Pty) Limited had occurred on 1 January 2016, management estimates that contributed revenue and operating loss would have been £7.9m and £0.3m respectively

On 23 February 2017 the Group completed the acquisition of 100% shareholding of Global Money Remittance PTE Ltd, Singapore for headline proceeds of SGD6m (c.£3.4m). The entity operates in the money transfer market and currently has nine locations across the country.

On 17 January and 22 February 2017, the Shareholders provided £32.5m and £4.5m of Subordinated Loan Notes respectively. These loan notes have a contractual interest rate of 10.2% per annum and are repayable in 2045.

On 10 February 2017 the Group redeemed £38.9m Floating Rate Senior Notes due 2018. Together with the Senior Secured Notes acquired prior to end of 2016, this has resulted in the Group's total Senior Secured Note debt reducing from £338.9m to £300.0m.

Following a review of the debt profile the Group is in the process of extending the maturity date of the Loan, PIK notes and Preference shares held by UTX Holdings to 2035.

31. Subsidiary undertakings and joint ventures

The subsidiary undertakings and joint ventures of the Group are shown below. All are wholly owned, except where stated.

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Limited ¹	Intermediate holding company and provision of central services	England and Wales
TP Financing 0 Limited ²	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 1 Limited ²	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 2 Limited ²	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 3 Limited ²	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Financing PLC ¹	Intermediate holding company and provision of finance to the Group	England and Wales
TP Financing 4 Limited ²	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Group Limited ¹	Intermediate holding company	England and Wales
Travelex Group Investments Limited ¹	Intermediate holding company	England and Wales
Travelex Do Brasil Holding Societaria Ltda ³	Intermediate holding company	Brazil
Travelex Do Brasil Holding Ltda ³	Intermediate holding company	Brazil
Confidence Holding Financeira S.A. ³	Intermediate holding company	Brazil
GC Solution Gestao Administrativa LTDA ³	Dormant	Brazil
Tihum Tecnologia LTDA ³	Dormant	Brazil
Confidence Corretora De Cambio S.A. ³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Banco Confidence De Cambio S.A. ³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Confidence Participacoes S.A. ³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Confidence Turismo S.A. ³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Banco Empreendimentos S.A. ³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Travelex Canada Limited ⁴	Sale of foreign currency banknotes and other foreign exchange products	Canada
Travelex UK Limited ¹	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Agency Services Limited ¹	Sale and purchase of travel money through partner-owned stores	England and Wales
Travelex Banknotes Limited ¹	Provision of banknotes and related distribution services	England and Wales
Interpayment Services Limited ¹	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Global and Financial Services Limited ¹	Processing of encashed travellers' cheques	England and Wales

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Currency Services Limited ¹	Provision of foreign currency and ancillary services to financial institutions and travel agents	England and Wales
Travelex Central Services Limited ¹	Provision of central services to subsidiary companies	England and Wales
Travelex Foreign Coin Services Limited ¹	Provision of services for the handling of foreign coins	England and Wales
Travelex Italia Limited ¹	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Limited ⁵	Sale of foreign currency banknotes and other foreign exchange products	Australia
Travellers Exchange Corporation Limited ¹	Dormant	England and Wales
Travelex Property Services Limited ¹	Dormant	England and Wales
Travelex Deutschland GmbH ⁶	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex SA/NV ⁷	Sale of foreign currency banknotes and other foreign exchange products	Belgium
Travelex Czech Republic as ⁸	Sale of foreign currency banknotes and other foreign exchange products	Czech Republic
Travelex Switzerland AG ⁹	Sale of foreign currency banknotes and other foreign exchange products	Switzerland
Travelex Financial Services NZ Limited ¹⁰	Sale of foreign currency banknotes and other foreign exchange products	New Zealand
Travelex Malaysia SDN. BHD (70% owned) ¹¹	Sale of foreign currency banknotes and other foreign exchange products	Malaysia
Travelex Poland SP z.o.o. ¹²	Sale of foreign currency banknotes and other foreign exchange products	Poland
Travelex Finland OY ¹³	Dormant	Finland
Travelex Doviz Ticaret Anonim Sirketi (75% owned) ¹⁴	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex Ankara Doviz Ticareti A.S. ¹⁴	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex France Holdings Limited ¹	Dormant	England and Wales
Travelex Holding (S) Pte Limited ¹⁵	Sale of foreign currency banknotes and other foreign exchange products	Singapore
Travelex Holding (HK) Limited ¹⁶	Intermediate holding company	Hong Kong
Travelex Currency Exchange Limited ¹⁶	Sale of foreign currency banknotes and other foreign exchange products	Hong Kong
Travelex Card Services Limited ¹⁶	Issuance of prepaid cards	Hong Kong
South American Card Services Ltda ³	Issuance of prepaid cards	Brazil
Travelex Panama SA (60% owned) ¹⁷	Sale of foreign currency banknotes and other foreign exchange products	Panama
Travelex Currency Exchange (China) Limited ¹⁸	Sale of foreign currency banknotes and other foreign exchange products	China
Travelex SMI Technologies (Beijing) Limited ¹⁸	Dormant	China
PT Travelex Indonesia Limited ¹⁹	Dormant	Indonesia
Travelex NV ²⁰	Sale of foreign currency banknotes and other foreign exchange products	The Netherlands
Travelex Nederland Holdings BV ²⁰	Dormant	The Netherlands
Travelex Japan KK ²¹	Sale of foreign currency banknotes and other foreign exchange products	Japan
Travelex India Private Limited ²²	Sale of foreign currency banknotes and other foreign exchange products	India
Travelex Bahrain WLL (75% owned) ²³	Sale of foreign currency banknotes and other foreign exchange products	Bahrain

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex and Co LLC (70% owned) ²⁴	Sale of foreign currency banknotes and other foreign exchange products	Oman
Travelex Qatar Q.S.C. (49% owned) ²⁵	Sale of foreign currency banknotes and other foreign exchange products	Qatar
Travelex Emirates Exchange LLC (40% owned) ²⁶	Sale of foreign currency banknotes and other foreign exchange products	UAE
Travelex Retail Nigeria Limited ²⁷	Sale of foreign currency banknotes and other foreign exchange products	Nigeria
Travelex Representative Office Nigeria Limited ²⁷	Representative office for the wholesale business	Nigeria
Travelex Africa Foreign Exchange (Pty) Limited (49% owned) ^{28, 36}	Sale of foreign currency banknotes and other foreign exchange products	South Africa
Travelex America Holdings Inc. ²⁹	Intermediate holding company	USA
Travelex America Inc. ²⁹	Intermediate holding company	USA
Travelex Australia Holdings Pty Limited ⁵	Intermediate holding company	Australia
Travelex NY Inc. ²⁹	Dormant	USA
TCI US LLC ³⁰	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
Travelex Rand Travellers Cheques Limited ¹	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Euro Travellers Cheque Nederland Limited ¹	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Financial Services Limited ¹	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Hong Kong and Shanghai Travelex Limited ¹⁶	Issuance of prepaid cards and management of encashment of travellers' cheques	Hong Kong
Interpayment Australia Pty Limited ⁵	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travelex TC Australia Pty Limited ⁵	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travellers Cheques Encashment Services Limited ¹	Processing of encashed travellers' cheques	England and Wales
US Deposits LLC ²⁹	Dormant	USA
US Deposits Holdings LLC ²⁹	Dormant	USA
Travelex Currency Services Inc. ²⁹	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex America 2 Inc. ²⁹	Dormant	USA
Travelex TC LLC ²⁹	Dormant	USA
Travelex Services Inc. ³¹	Dormant	USA
Travelex Europe Limited ¹	Electronic money institution	England and Wales
Travelex Cyprus Limited ³²	Dormant	Cyprus
Renova Serviços Auxiliares em Operações Internacionais Ltda ³³	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Travelex Thailand Limited (62% owned) ³⁴	Sale of foreign currency banknotes and other foreign exchange products	Thailand
Fort Lauderdale Business & Currency Services, LLC (45% owned) ³⁵	Sale of foreign currency banknotes and other foreign exchange products	USA
Pittsburgh Currency Services, LLC(49% owned) ³⁵	Sale of foreign currency banknotes and other foreign exchange products	USA
RDU Currency and Business Services, LLC (49% owned) ³⁵	Sale of foreign currency banknotes and other foreign exchange products	USA
Newark Currency Services LLC (45% owned) ³⁵	Sale of foreign currency banknotes and other foreign exchange products	USA

All subsidiary undertakings are included in the consolidation. The proportions of the voting rights of subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Addresses of all subsidiaries are referenced from the above table as follows:

1. 4th Floor, Kings Place, 90 York Way, London, N1 9AG, UK
2. 44 Esplanade, St Helier, JE4 9WG, Jersey
3. Rua Alexandra Dumas, No 1562, 6th Floor, Suite 63 Edificio Paul Harris, 04717-004, Brazil
4. 181 Bay Street, Suite 2201 Toronto, ON M5J 2T3, Canada
5. Level 28, 20 Bond Street, Sydney, NSW 2000, Australia
6. Frankfurt Airport Center 1, Geb. 234—HBK 5, Hugo-Eckener-Ring 60549, Frankfurt am Main, Germany
7. 108 Steendam, 9000 Gent, Belgium
8. Narodni 28, 11000, Prague 1, Czech Republic
9. Gebauden BI-21, Airside center, 8058, Zurich-Flughafen, Switzerland
10. Level 14, Brookfield House, 19 Victoria Street, Auckland, New Zealand
11. 24-2 Jalan Bangsar Utama 1, Bangsar Utama 59000, Kuala Lumpur, Malaysia
12. Aleje Jerozolimskie 56C (00-803), Warszawa, Poland.
13. c/o Aatsto Waselius & Wist Oy, Etelaesplanadi, Helsinki 24 A 00130, Finland
14. Yesilkoy Havalimani, Yeni Dis Hatlar, Terminal Binasi, Bakirloy, Istanbul, Turkey
15. 65 Airport Boulevard 02-K9, Changi Airport Terminal 3, Singapore Changi Airport, 819663, Singapore
16. 16th-19th Floors, Prince's Building, 10 Chater Road, Central, Hong Kong
17. c/o Aleman, Cordero, Galindo & Lee, 2nd Floor, MMG Tower, East 53rd Street, Panama
18. Room 906-909, Building E, Long Hu Plaza, No 998, South Shen Bin Road, Hong Qiao Business Area, Min Hang District, Shanghai, China
19. Gd. Sona Topaz Lt. 18 Jl. Jend. Sudirman Kav. 26 Karet Semanggi, Setiabudi, Jakarta 12920, Indonesia
20. De Entrée, 47-49, 1101 BH Amsterdam, The Netherlands
21. 6F Orix Akasaka 2-chrome Building, 2-9-11 Akasaka, Minato-Ku, Tokyo, Japan
22. Unit No 201, 2nd Floor Paradigm, A Wing Mindspace, Link Road, Malad (West) Mumbai, 400064, India
23. Shop 159, Building 274, Block 320, Road 2007, Manama, Bahrain
24. Alizz Bank Building, PO Box 498, PC 112, CBD, Ruwi, Muscat, Oman
25. Souq Al Badi, PO Box 30808, Doha, Qatar
26. Star Holding, EIB -4, Office 203, Dubai, PO Box 503221, United Arab Emirates
27. No 19 Isaac John Street, G.R.A., Ikeja, Lagos, Nigeria
28. 2nd Floor, 138 West Street, Sandton, 2146, South Africa
29. Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA
30. CT Corporations Systems, 111 Eighth Avenue, New York, NY 10011, USA
31. 820 Bear Tavern Road, Trenton, NJ 08628, USA
32. Spyrou Kyprianou Avenue, 82 Euro House, 1st Floor 4043, Limassol, Cyprus
33. Avenue Prestes Maia, n° 220, 11° floor, Centro, City of São Paulo – SP, ZipCod 01.031-000, Brazil
34. No 33/19, G Floor, Wall Street Tower Building, Surawong Rd, Surawong, Sub-district, Bangrak District, Bangkok, Thailand
35. Agents for Delaware Corporations Inc., 310 Alder Rd, PO Box 841, Dover, DE 19904, USA
36. On 12 January 2017, the Group acquired the remaining 51% of Travelex Africa Foreign Exchange (Pty) Ltd. See note 30

32. Companies Act 2006 disclosure

The Group operates a single group of related products and services which the Directors consider for these purposes to be the same class of business. Group wide geographical analysis of income by destination is shown in the table below:

<i>£m</i>	<u>2016</u>	<u>2015</u>	<u>Growth</u>
Revenue			
UK	240.8	229.3	5.0%
Europe	112.4	114.3	(1.7%)
Asia Pacific	176.7	170.3	3.8%
Americas (excluding Brazil)	131.3	125.6	4.5%
Middle East, India, Africa	64.7	54.2	19.4%
Brazil	51.6	40.3	28.0%
Core operations	<u>777.5</u>	<u>734.0</u>	<u>5.9%</u>

Reconciliation of statutory reported revenue to core operations revenue:

<i>£m</i>	<u>2016</u>	<u>2015</u>
Statutory reported results—continuing operations	699.1	655.7
Travellers' cheques business	(2.7)	(2.7)
Income within central & shared costs	(1.8)	(2.1)
France adjustment	40.6	40.9
Joint venture adjustment	42.3	42.2
Total core operations	<u>777.5</u>	<u>734.0</u>

The joint venture adjustment is the deconsolidation of certain investments accounted for as joint ventures under IFRS.

The Group continues to provide management services to the French businesses and therefore operate these businesses under the Travelex brand. The Group no longer consolidates the results of the French businesses, but instead earns a fee for the management of these entities and therefore all ATMs and stores in France are included within the Group's reported network. The revenue and EBITDA of the French operations are also reported in Core Group Revenue and Core Group EBITDA (which do not include the management fee received by the Group for the management of the French operations).

The net book value of non current assets, comprising intangible assets and property, plant and equipment is as follows:

<i>£m</i>	<u>2016</u>	<u>2015</u>
UK	201.7	209.5
Europe	49.6	62.8
Asia Pacific	47.3	48.3
Americas (excluding Brazil)	29.3	51.6
Middle East, India, Africa	38.5	18.8
Brazil	59.9	48.7
	<u>426.3</u>	<u>439.7</u>

Travelex Holdings Limited

Report and consolidated financial statements
for the year ended 31 December 2015

Travelex Holdings Limited

Directors' report

for the year ended 31 December 2015

The Directors present their report and the audited consolidated financial statements of Travelex Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 31 December 2015. The Group financial statements comprise the consolidated financial statements of the Company, including its subsidiary and associated undertakings as defined by International Financial Reporting Standards as adopted by the European Union (EU IFRS).

Controlling interest

The Group is owned by UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty.

Directors

The following were Directors during the year and held office throughout the year, unless otherwise indicated:

Executive Directors	J P Jackson	Chief Executive Officer (resigned 26 February 2015)
	A Wagerman	Chief Executive Officer (appointed 26 February 2015)
	M D Ball	Chief Financial Officer
	J E S Birch	General Counsel (appointed 26 February 2015)
Other Directors	L M Dorfman CBE	(resigned 29 January 2015)
	Lord Stevens	(resigned 1 May 2015)
	P A Hodgkinson	(resigned 29 January 2015)
	S Grabiner	(resigned 29 January 2015)
	G C Laws	
	H Chagani	(resigned 29 January 2015)
	M R Phillips	(resigned 29 January 2015)
	K B O Y Al-Muhairi	(appointed 26 February 2015)
	B R Shetty	(appointed 26 February 2015)
	H Buttikhi	(appointed 26 February 2015)
	B R Shetty	(appointed 26 February 2015)
	A S S Basaddiq	(appointed 26 February 2015)
	J Bomford	(appointed 26 February 2015)
	K A A S Salama	(appointed 26 February 2015)

Dividends

No interim dividends were declared during the current or prior years and the Directors do not recommend the payment of a final dividend (2014: £nil).

Outlook

The outlook for the Group is discussed in the Strategic Report.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the balance sheet date and take into account the facts and circumstances during that period. In making this assessment the Directors considered:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;

- The adequacy of insurance cover;
- Continued parental support from the shareholder;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios and actions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This assessment has been based on projected cash flows including liquidity improvements as a result of management's actions, and the estimated impact of changes to terms and conditions of supply with a wholesale banknote supplier as described in the Strategic Report and note 19 of the Financial Statements, and continuous support from the ultimate controlling party. The Group has therefore prepared the financial information on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP), including Financial Reporting Standard 102, "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006, under the provision of the Large and Medium Companies and Groups (Accounts and Reports) Regulations 2008(SI 2008/410), under the historical cost convention. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware. In addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ernst & Young LLP have expressed their willingness to be re-appointed as auditors. This will be considered at the AGM to be held during the course of the year.

By order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

S M Pignet
Company Secretary
29 March 2016

Registered office
4th Floor, Kings Place
90 York Way
London
N1 9AG

Company registration number
5356574

Travelex Holdings Limited

Independent Auditors' report

to the members of Travelex Holdings Limited
for the year ended 31 December 2015

We have audited the financial statements of Travelex Holdings Limited and its subsidiaries (the Group) for the year ended 31 December 2015 which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the Group's consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group's consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Group's consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

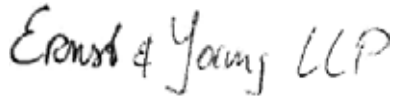
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Parent Company financial statements of the Travelex Holdings Limited Group for the year ended 31 December 2015.

Handwritten signature of Ernst & Young LLP in black ink.

*Victor Veger (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 March 2016*

Notes:

1. The maintenance and integrity of the Travelex Holdings Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Travelex Holdings Limited

Consolidated income statement

for the year ended 31 December 2015

<i>£m</i>	<i>Note</i>	<i>2015</i>	<i>2014</i>
Continuing operations			
Revenue		655.7	693.3
Cost of sales		(408.2)	(424.1)
Gross profit		247.5	269.2
Net operating expense		(234.5)	(215.1)
Analysed as:			
Underlying net operating expense		(180.7)	(189.5)
Net gain on sale of subsidiary	2	4.8	—
Net gain on conversion of pension scheme	2	4.0	—
Other exceptional items and non-underlying adjustments	2	(62.6)	(25.6)
Net operating expense		(234.5)	(215.1)
Operating profit before depreciation, amortisation, interest and tax		13.0	54.1
Analysed as:			
Underlying EBITDA		66.8	79.7
Net gain on sale of subsidiary	2	4.8	—
Net gain on conversion of pension scheme	2	4.0	—
Other exceptional items and non-underlying adjustments	2	(62.6)	(25.6)
Operating profit before depreciation, amortisation, interest and tax		13.0	54.1
Depreciation		(14.1)	(14.5)
Amortisation		(11.2)	(9.9)
Operating (loss) profit		(12.3)	29.7
Finance income	3	9.2	23.7
Finance costs	3	(114.5)	(187.8)
Share of profit in equity accounted investments		3.4	2.1
Loss before tax		(114.2)	(132.3)
Tax charge	6	(8.3)	(13.4)
Loss for the year from continuing operations		(122.5)	(145.7)
Discontinued operations			
Exceptional items from discontinued operations	2	1.6	0.6
Loss for the year		(120.9)	(145.1)
Loss for the year attributable to			
Non controlling interests		2.2	4.3
Owners of the parent		(123.1)	(149.4)
		(120.9)	(145.1)

The notes form an integral part of these financial statements.

Travelex Holdings Limited

Consolidated statement of other comprehensive income

for the year ended 31 December 2015

<i>£m</i>	<u>2015</u>	<u>2014</u>
Items that may be subsequently reclassified to the income statement		
Exchange differences on overseas subsidiaries	(30.6)	(9.8)
Exchange differences recycled on disposal of business	1.5	—
Movement on unrecognised gain on available for sale investments	0.5	0.4
Deferred tax on unrecognised gain on available for sale investments	(0.1)	(0.1)
	<u>(28.7)</u>	<u>(9.5)</u>
Items that will not be reclassified to the income statement		
Actuarial gain on post retirement benefit obligations	0.9	—
Movement on deferred tax relating to post retirement benefit obligations	(0.2)	—
	<u>0.7</u>	<u>—</u>
Other comprehensive loss for the year	(28.0)	(9.5)
Loss for the year	<u>(120.9)</u>	<u>(145.1)</u>
Total comprehensive loss for the year	<u>(148.9)</u>	<u>(154.6)</u>
Attributable to		
Non controlling interests	2.2	4.3
Equity holders of the parent	<u>(151.1)</u>	<u>(158.9)</u>
Total comprehensive loss for the year	<u>(148.9)</u>	<u>(154.6)</u>
Total comprehensive loss attributable to equity shareholders arises from		
Continuing operations	(150.5)	(155.2)
Discontinued operations	1.6	0.6
	<u>(148.9)</u>	<u>(154.6)</u>

The statement of other comprehensive income and the income statement have not been restated for 2014 to reflect the change in accounting treatment of the Group pension scheme in the Netherlands as the effect is not considered material, see note 24.

Travellex Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2015

<i>£m</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Retained earnings</i>	<i>Other reserves</i>	<i>Translation reserve</i>	<i>Non controlling interests</i>	<i>Total equity</i>
At 1 January 2014—Restated	0.3	26.5	(841.0)	(36.1)	(45.6)	15.7	(880.2)
Total comprehensive loss	—	—	(149.1)	—	(9.8)	4.3	(154.6)
Net Investment in own shares	—	—	1.1	—	—	—	1.1
Acquisition of non controlling interest	—	—	—	—	—	0.7	0.7
Dividends paid to non controlling interest	—	—	—	—	—	(2.7)	(2.7)
Share based employee remuneration	—	—	32.7	—	—	—	32.7
Exchange adjustment	—	—	—	—	0.6	(0.6)	—
At 1 January 2015—Restated	0.3	26.5	(956.3)	(36.1)	(54.8)	17.4	(1,003.0)
Total comprehensive loss	—	—	(122.0)	—	(29.1)	2.2	(148.9)
Share based employee remuneration	—	—	0.6	—	—	—	0.6
Acquisition of non controlling interest (note 23)	—	—	(31.1)	36.1	—	(12.9)	(7.9)
Dividends paid to non-controlling interest	—	—	—	—	—	(1.7)	(1.7)
Acquisition of subsidiary from shareholder	—	—	1.0	—	—	—	1.0
Reorganisation of shareholder debt (note 18)	—	315.5	304.6	—	—	—	620.1
Exchange adjustment	—	—	—	—	(1.5)	1.5	—
At 31 December 2015	0.3	342.0	(803.2)	—	(85.4)	6.5	(539.8)

The notes form an integral part of these financial statements

Travelex Holdings Limited
Consolidated balance sheet

as at 31 December 2015

<i>£m</i>	<i>Note</i>	<i>2015</i>	<i>2014 Restated</i>
Non current assets			
Intangible assets	7	396.8	413.4
Property, plant and equipment	8	42.9	42.1
Investments accounted for using the equity method	9	10.9	13.1
Investments	12	22.0	24.6
Financial assets	13	96.4	107.9
Trade and other receivables	11	6.1	6.8
Deferred tax assets	21	9.5	10.3
		<u>584.6</u>	<u>618.2</u>
Assets included in disposal group held for sale	8	1.0	33.8
Current assets			
Inventories	10	0.4	0.5
Trade and other receivables	11	96.2	89.9
Investments	12	2.9	2.2
Financial assets	13	7.3	8.8
Available for sale investments	14	10.1	3.8
Tax receivable		2.1	3.7
Derivative financial assets	19	2.7	2.9
Cash and cash equivalents	15	437.7	505.3
Restricted cash	16	—	0.3
		<u>559.4</u>	<u>617.4</u>
Current liabilities			
Trade and other payables	17	(615.3)	(637.0)
Borrowings	18	(30.9)	(3.9)
Other financial liabilities	19	—	(45.8)
Tax payable		(3.4)	(2.7)
Provisions	20	(22.8)	(15.5)
Derivative financial liabilities	19	(2.6)	(1.8)
Net current liabilities		<u>(115.6)</u>	<u>(89.3)</u>
Non current liabilities			
Trade and other payables	17	(0.1)	(0.3)
Borrowings	18	(985.5)	(1,521.1)
Provisions	20	(20.6)	(15.5)
Post employment pension liability	24	—	(6.6)
Deferred tax liabilities	21	(3.6)	(4.6)
Non current liabilities		<u>(1,009.8)</u>	<u>(1,548.1)</u>
Liabilities included in disposal group held for sale		—	(17.6)
Net liabilities		<u>(539.8)</u>	<u>(1,003.0)</u>
Equity			
Share capital	26	0.3	0.3
Share premium account		342.0	26.5
Retained earnings		(803.2)	(956.3)
Other reserves		—	(36.1)
Translation reserve		(85.4)	(54.8)
Equity attributable to owners of the parent		<u>(546.3)</u>	<u>(1,020.4)</u>
Non controlling interests		6.5	17.4
Total equity		<u>(539.8)</u>	<u>(1,003.0)</u>

The notes form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 29 March 2016 and were signed on its behalf by:

M D Ball (Director)


Travelex Holdings Limited

Consolidated cash flow statement

for the year ended 31 December 2015

<i>£m</i>	<i>Note</i>	<i>2015</i>	<i>2014</i>
Cash flows from operating activities			
Cash generated from operations	25	2.7	33.0
Other cash interest received		—	—
Taxation paid		(5.8)	(15.5)
		(3.1)	17.5
Cash flows from investing activities			
Interest received		0.6	0.6
Purchase of property, plant, equipment, software and development expenditure		(25.2)	(33.5)
Proceeds from sale of property, plant, equipment and software		0.2	—
Dividends received from equity accounted joint ventures	9	4.8	0.9
(Purchase)/sale of available for sale investments		(5.9)	4.7
Proceeds received on the disposal of subsidiary	22	9.6	—
Cash received from disposed operations		3.1	—
Acquisition of businesses net of cash acquired	23	(47.4)	(21.5)
Cash paid on investment in subsidiary		(1.6)	(3.4)
		(61.8)	(52.2)
Cash flows from financing activities			
Interest paid on senior secured notes and short term borrowings		(27.4)	(26.0)
Issue/(settlement) of shareholder loans		2.3	(4.5)
Net purchase of own shares for employee share schemes		—	(0.4)
Loan from equity accounted joint venture		0.4	—
Dividends paid to non-controlling interest		(1.7)	(2.7)
Capital element of finance lease payments		(0.5)	(0.8)
		(26.9)	(34.4)
Exchange losses on cash and cash equivalents and bank overdrafts		(12.6)	(1.1)
Net decrease in cash and cash equivalents and bank overdrafts		(104.4)	(70.2)
Cash, cash equivalents and bank overdrafts at the beginning of the year		511.8	582.0
Cash, cash equivalents and bank overdrafts at the end of the year		407.4	511.8
Comprising:			
Cash and cash equivalents	15	437.7	505.3
Short term Bank loans and overdrafts	18	(30.3)	(3.2)
Cash and cash equivalents included in disposal group classified as held for sale	22	—	9.7
		407.4	511.8

The notes form an integral part of these financial statements.

Travelex Holdings Limited

Consolidated financial statements

Notes to the financial statements

for the year ended 31 December 2015

1. Accounting policies

General information

Until 29 January 2015 Travelex Holdings Limited (the Company) was the Travelex Group's (the Group) ultimate parent company. It is incorporated and domiciled in the United Kingdom. The registered office and principal place of business is 4th Floor, Kings Place, 90 York Way, London, N1 9AG. On 29 January 2015, the Group was acquired by UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty. BRS Ventures & Holdings Limited, a company incorporated in the British Virgin Islands, has been the Group's ultimate parent company from that date.

Basis of preparation

The consolidated financial statements of the Group have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards and the Companies Act 2006 applicable to all companies reporting under IFRS. The functional and presentational currency of the Company is Sterling. The presentational currency of the Group is Sterling. The Group accounting policies dealing with material items are set out below.

The Group financial statements comprise the consolidated financial statements of the Company including its subsidiaries and joint ventures. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the provisions of the Companies Act 2006 applicable to all companies reporting under IFRS. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, the differences have no material impact on the Group's consolidated financial statements for the years presented.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Individual non-current assets or "disposal groups" (i.e. groups of assets and liabilities) to be disposed of, by sale or otherwise in a single transaction, are classified as "held for sale" if the following criteria are met at the period end: The carrying amount will be recovered principally through a sale transaction rather than through continuing use; and the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for such sales; and the sale is highly probable. Disposal groups held for sale are carried at the lower of their carrying amount and fair value less costs to sell. The comparative statement of financial position is not restated. On classification as held for sale, the assets are no longer depreciated.

The results of businesses disposed of are included in the consolidated financial statements until the date on which control, joint control or significant influence ceases. The cash proceeds of disposals are included within "Investing activities" in the cash flow statement. Any amounts previously recognised in other comprehensive income in respect of the entity disposed of may be recycled to the income statement in proportion to the interest disposed of.

Changes in accounting policy

The following new accounting standards or revisions or amendments to IFRS issued by the Accounting Standards Board, relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2015 have been fully adopted in these financial statements. Unless otherwise stated, these new standards and amendments did not have a material impact on the financial statements.

IAS 19 (amendment) 'Employee Benefits' (effective for annual periods beginning on or after July 2014). These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Accounting standards, interpretations and amendments to published standards issued but not yet effective and which have not been adopted early by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group, except for the following set out below:

IFRS 9 'Financial Instruments' (effective 1 January 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 includes a logical model for classification, measurement and derecognition of financial assets, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The standard is not applicable until 1 January 2018, but is available for early adoption, subject to EU endorsement.

The main changes to the classification and measurement of financial assets and liabilities are:

- Financial assets that are debt instruments will be classified based on: (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows;
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases; and
- Where the fair value option is used for financial liabilities, the changes attributable to changes in credit risk are presented in other comprehensive income, and the remaining change is presented in profit or loss.

The Group plans to adopt the new standard on the required effective date. During 2015, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on available information as at 31 December 2015. Overall, the Group expects no significant impact on its balance sheet and equity.

IFRS 11 (amendment), 'Joint arrangements' (effective from 1 January 2016). The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a Joint Operation that constitutes a 'business' (as defined in IFRS 3, Business combinations).

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The Group is yet to assess the impact on its financial reporting.

IFRS 10 (amendment) 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'. These amendments address the inconsistencies between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 16 'Leases' requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier adoption is permitted, provided the new revenue standard, IFRS 15 'Revenue from contracts with customers', has been applied, or is applied at the same time as IFRS 16. The Group is yet to assess the impact on its financial reporting.

Investments in joint ventures

Entities whose economic activities are controlled jointly by the Group and others are initially recorded at cost and subsequently accounted for under the equity method. The investment is initially recognised at cost using the acquisition method. Any goodwill or fair value adjustments attributable to the Group's share in the entity are included in the carrying value of the investment.

All subsequent changes to the Group's share of interest in the equity of the joint venture are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the joint venture are reported in the income statement.

When the Group's share of losses in an equity accounted investment exceeds its interest in the joint venture, the Group does not recognise further losses, unless obliged to make good these losses on behalf of the entity. If the entity subsequently reports profits, the Group resumes the recognition of its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the entity. Amounts reported in the financial statements of the joint ventures have been reviewed to ensure consistency with the accounting policies of the Group.

A loss is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Revenue recognition

The Group earns fees, commissions and currency margins on its products provided to customers and currency gains and losses on its currency positions and hedging activities. The key components of revenue are described below:

Foreign currency revenue is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to fair value and commissions earned on the sale and purchase of currencies. Margin and commission revenue is recognised as earned when the transaction is made.

Revenue earned through ATM transactions comprises commission based fees on customers making ATM transactions and interchange fees and is recognised as earned when the transaction is made.

Revenue relating to outsourced travel money services for banknotes and wholesale banknote fulfilment consists of margin, commission and fees charged on the fulfilment of currency orders, net of rebates. Revenue is recognised when earned under the terms of the related contracts when the transaction is deemed to be fulfilled, which in the case of banknotes is normally on delivery.

Revenue from the sale of insurance policies is recognised at the time of sale of the insurance policy and represents the commission earned on the sale of the policy.

Revenue from travellers' cheques consists of revenue from investment activities, which is derived from the interest earned on the investment of funds generated from the issue of travellers' cheques for the period from their original issue to the date of their encashment. This is recognised in the period to which it relates. Commissions and fees are recognised when earned.

Revenue from the foreign exchange bank in Brazil includes income from investment activities, which are derived from the interest earned on overnight investment of funds waiting to be cleared. This is recognised in the period to which it relates.

Foreign currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which the entity operates. For most entities this is the currency of the country in which they are located.

Transactions denominated in other currencies are converted into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences on long term monetary assets funding overseas subsidiaries are taken to the translation reserve. Assets and liabilities of overseas subsidiaries are translated at the closing exchange rate. Income and expenditure of these subsidiaries are translated at the average rates of exchange during the year. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal or partial disposal of the foreign operation. All other exchange gains and losses, which arise from normal operating activities, are included in the income statement as incurred.

Cost of sales

Cost of sales comprises direct selling costs including direct salaries, shop rental costs and incentive commissions and are recognised as incurred.

Exceptional items and non-underlying adjustments

To monitor the financial performance of the Group, certain items are excluded from the performance measure. This measure is referred to as ‘underlying’ and represents the business performance excluding items that the Directors consider could distort the understanding of the performance or the comparability between periods. The face of the income statement presents underlying net operating expense and underlying EBITDA and reconciles to net operating expense and ‘Operating profit before depreciation, amortisation, interest and tax’, respectively. The term ‘underlying’ is not defined under EU IFRS and may not be comparable with similarly titled profit measures reported by other companies.

For those items which the Group excludes from ‘underlying’, two classifications exist, being ‘non-underlying’ and ‘exceptional’. Both are separated from the underlying business results. The Group defines exceptional items as those items that are separately presented by virtue of their size or incidence so as to allow a better understanding of the underlying trading performance of the Group, such as profit or loss on disposal of business.

Intangible assets

Goodwill

The excess of the fair value at the date of acquisition of the investments in subsidiaries over the fair value of net assets acquired which is not otherwise allocated to individual assets and liabilities is determined to be goodwill. Goodwill is initially measured at cost, and is reviewed at least annually for impairment. The goodwill recognised before the transition to IFRS was accounted for under UK GAAP. Any impairment is recognised immediately in the Group’s income statement and is not subsequently reversed.

Brand names

Brand names acquired in a business combination are recognised at fair value at the acquisition date. Brand names have a finite useful life and are carried at cost and amortised over their useful life.

Banking licences

Banking licences acquired in a business combination are recognised at fair value at the acquisition date. Banking licences have an indefinite useful life and are reviewed at least annually for impairment.

Other intangible assets

Computer software comprises off the shelf packages, modified to meet the Group’s requirements, software developed in house, including the development of the in house digital capabilities, and software purchased as part of business combinations. Internal and external costs are capitalised to the extent that they are directly attributable to the development of modified software provided they meet the recognition criteria under IFRS. Capitalised costs are amortised on a straight line basis over their estimated useful lives.

Customer relationships represent the cost incurred when acquiring major outsourcing agreements and relationships recognised on business combinations accounted for at fair value, which are being amortised on a

straight line basis over the term or expected term of the relationships. Other intangible assets, which comprise non compete agreements and lease rights at retail locations, are measured at cost and amortised over their expected useful lives.

Amortisation is calculated on a straight line basis using the following rates:

Computer software (including software developed in-house)	10% - 33% per annum
Brand name	10% per annum
Customer relationships	5% - 19% per annum
Other	12.5% - 50% per annum

Property, plant and equipment

Property, plant and equipment are initially recorded at cost and depreciated so as to write off the cost of the asset over its estimated useful life. Cost includes expenditure which is directly attributable to bringing the asset into working condition for its intended use.

Depreciation is calculated on a straight line basis using the following rates:

Freehold land	Nil
Freehold and long leasehold property	2% per annum or over the lease term if shorter
Short leasehold property	10 - 20% per annum or over the lease term if shorter
Fixtures and fittings	10 - 50% per annum
Computer hardware	20 - 33.3% per annum
Motor vehicles	20 - 25% per annum

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some at a cash generating unit level. Goodwill is allocated to those cash generating units or group of units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the present value of future cash flows over a four year period, plus terminal value using a discount rate reflecting the Group's pre-tax unadjusted average cost of capital. The data used for the Group's impairment testing procedures are directly linked to the Group's latest approved budget.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised should be reversed.

The Group also assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the receivable counterparty, probability that the receivable will enter bankruptcy or financial reorganisation, and defaults in payment are considered an indication that the receivable balance is impaired. The carrying amount of the asset is reduced and the amount of the provision is recognised in the income statement.

Assets in the course of construction represent assets which are in development and have not yet been brought to use. These assets are reviewed at least annually for indicators of impairment.

Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax is provided in respect of fair value adjustments arising on acquisitions. Provision for deferred tax is based on the difference between the carrying value of the asset and its income tax base.

Deferred tax assets and liabilities are calculated, at tax rates that are expected to apply to their respective period of realisation, provided legislation or rulings governing such rates are enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are always provided for in full and are not discounted. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of offset against future taxable income on the Group's latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Employee benefits

Contributions to the Group's defined contribution pension schemes are charged to the income statement as incurred.

The Group operates an insured, average salary, pension scheme in the Netherlands. The accounting treatment of the scheme was changed from a defined benefit to defined contribution scheme as at 31 December 2013 on the basis that it was management's intention to make certain contractual changes to remove actuarial and investment risk, so as to limit the Group's exposure to the scheme which would have the effect of defined contribution accounting under IFRS. During 2015 management determined that the contractual changes made to the scheme did not fully reflect management's initial intentions and required further agreement with the affected employees and, as such, the scheme is required to be accounted for as a defined benefit scheme. The prior period balances in these financial statements have been amended to reflect the scheme as a defined benefit scheme.

In December 2015, following receipt of the required employee agreements to the contractual changes initiated in 2013, the accounting for the scheme was changed from defined benefit to defined contribution. Prior to the reclassification a full independent actuarial valuation was carried out on an annual basis and updated to each balance sheet date. The assets of the scheme were held separately from those of the Group. Scheme assets were measured at fair value using the bid price. Scheme liabilities were measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Prior to the reclassification, any past or current service costs were recognised within the income statement. The net of the interest cost on the scheme's liabilities, and the Group's expected return on the scheme's assets, were included in the income statement as finance costs.

Prior to the reclassification, actuarial gains and losses were recognised immediately through the statement of comprehensive income. The net surplus or deficit is presented within other assets or liabilities on the balance sheet. The related deferred tax was shown within other deferred tax balances.

Debt restructure

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with £209.6m being waived and £315.5m settled through issue of ordinary shares, and the remaining balance novated at fair value upward within the Group's structure and retained in favour of UTX Holdings on the same interest and repayment terms.

The Directors consider that the expected maturity for all existing shareholder debt instruments approximate their contractual maturity date as no detailed exit plans exist that support a view that the shareholders will exit sooner than the contractual maturity dates. The contractual interest rate is 10%, however 14% is considered a fair market rate of interest applied on similar instruments. In applying the effective interest rate method on inception a £95.0m debit adjustment against the principal of these instruments was recorded, with a corresponding credit to retained earnings, representing the fair value adjustment.

On completion of the sale of the Group a total credit adjustment to equity of £620.1m was recorded, comprising the portion of shareholder debt that was waived by the Group's shareholders of £209.6m credited to Retained Earnings, a portion capitalised by issue of ordinary shares resulting in a £315.5m credit to Share Premium, and the fair value adjustment of £95.0m credited to Retained Earnings.

Cash and cash equivalents

Cash and cash equivalents includes all notes and coins held in tills and vaults, in transit and in distribution centres, bank accounts and term deposits which comprise deposits with financial institutions with an original maturity of less than three months.

Travellers' cheques, investments and structured deposits

In May 2013 the Group entered into a reimbursement and insurance policy with AmTrust which ensures that the encashment of properly presented travellers' cheques will be honoured in perpetuity. The agreement with AmTrust involved paying an insurance premium which has been recognised as a financial asset and is re-measured at fair value at each reporting period with any change in valuation recognised in the income statement. AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. A financial asset is recorded at fair value representing the monies paid into a reimbursement fund as part of the Reimbursement Payment Services Agreement (RPSA) with AmTrust. This reimbursement fund is used for the encashment of MasterCard branded Travellers Cheques and is valued as the gross liability outstanding less an actuarial valuation of travellers' cheques that will never be encashed (float write back).

Travellers' cheque float and structured deposits which relate to monies received in advance on issuance of Visa branded travellers' cheques are held as investments on the balance sheet. These are restricted to use within the Travellers' Cheques business. These monies received in advance are placed in a series of structured deposits with financial institutions and these are discounted to net present value using the effective interest rate method.

The travellers' cheques awaiting redemption liability was initially recorded at fair value for all travellers' cheques issued but not encashed. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004 would not be encashed, have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption as permitted by IAS 39. The liability is subsequently adjusted for Travellers' Cheques which have been encashed.

The travellers' cheques awaiting redemption liability is denominated in the currency of the travellers' cheque and translated at the balance sheet date. The travellers' cheques are payable on demand and hence shown within trade payables due within one year. As a consequence of the difference in accounting treatment the liability exceeds the value of the associated asset.

Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets have been classified in the financial statement as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets as they are expected to be settled with 12 months.

The Group holds a reimbursement agreement and insurance policy with AmTrust in relation to Travellers' Cheques. The Group recorded financial assets relating to the reimbursement fund and insurance asset within financial assets in the balance sheet. These assets are revalued to fair value each reporting date with any change in valuation recognised in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any categories. Assets in this category are classified as current assets as they are available to be settled with 12 months.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated as hedges and will be accounted for as described above.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where relevant market prices are available, these have been used to determine fair values. In other cases, the fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

- The fair value of cash, short term borrowings and loans to joint ventures approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.
- The fair values of long term borrowings are calculated as the present value of the estimated future cash flows by assessing comparable instruments on active markets and an appropriate market based yield curve or expected settlement. The carrying value of the borrowings is amortised cost.
- Derivative financial assets and liabilities are carried at fair value based on quoted prices in an active market where available. Where no price information is available from a quoted market source, fair value is estimated based on the Group's view on relevant future prices using modelling techniques. The fair values of the various derivative instruments used for hedging purposes are disclosed in note 19.
- The fair value of financial assets held in relation to Travellers Cheques liabilities are calculated based on actuarial assumptions.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up front at the date of inception of the lease. Leases of land and buildings are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised.

Subsequent accounting for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight line basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Share based employee remuneration

Awards to employees and others providing similar services under the employee share based remuneration scheme are measured at the fair value of the award at the date of grant. In the process of measuring fair value management makes assumptions about future performance and the value of the business, and discount rates.

Prior to 31 December 2014, the Group operated a cash settled share based payments scheme with the fair value of the awards recognised as a liability. At 31 December 2014, the Directors considered that there was sufficient certainty that the awards would be fully settled in equity as part of the acquisition by UTX Holdings Limited. The change in the scheme was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme and any change in the value of the scheme has been reflected in the income statement.

Following the sale of the Group to UTX Holdings Limited on 29 January 2015, the beneficial title to all M shares was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

Unallocated or repurchased shares held by the employee share trust are included within retained earnings.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Significant management estimates and judgements in applying accounting policies

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. The critical judgements that have been made in arriving at the amounts recognised in the Group's financial statements and the key sources of estimation and uncertainty that have a significant risk of causing material adjustment to the carrying values of assets and liabilities within the next financial year are as follows:

Basis of consolidation

In determining whether the Group has control, joint control, or significant influence over an entity, the Group considers whether other parties hold veto rights over significant operations and financial policies. In some instances, the Group has control of an entity where other parties own more than one half of the voting rights of an entity but the Group can control these voting rights through contractual arrangements. In such circumstances the Group considers in particular whether it obtains benefits including non-financial benefits, from its power to govern the financial and operating policies of the entity.

Acquisition of Renova

On 4 December 2015, £15.5m of subordinated loan notes were issued in favour of Dr Shetty. The contractual interest rate is 2%, however 9.2% is considered a fair market rate of interest applied on similar instruments. The Directors consider that the expected maturity for all shareholder debt instruments approximate their contractual maturity date as no detailed exit plans exist that support a view that the shareholders will exit sooner than the contractual maturity dates.

The issue of shareholder debt was issued to fund the acquisition of 100% of Renova Serviços Auxilliaries em Operações Internacionais Ltda and the trade and assets of Renova S.A. Corretora de Câmbio (both referred to as 'Renova') and fund working capital, these subordinated loans are repayable in 2045. Where loans are issued to shareholders at a rate which is not determined to reflect market rate the principal is adjusted and measured at fair value. Furthermore, the issue of loan notes and acquisition of a subsidiary are considered by management to be a linked transaction, and therefore the fair value of the consideration equates to the fair value of the business on the date of acquisition by the Group. This results in an overall fair value adjustment relating to the issue of the shareholder loan notes and the acquisition of the business results in a net adjustment to reserves, which effectively represents a shareholder contribution. Refer to note 23 for further information.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the discounted present value of future cash flows over a four year period, plus terminal value. In the process of measuring the recoverable amount of an asset or cash generating unit, management makes assumptions about future profits. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the carrying amount of the Group's assets within the next financial year. Refer to note 7 Intangible assets for further information.

Estimation of provisions for onerous contracts

The value of the Group's provisions for onerous contracts is based on the net present value of estimated future costs of fulfilling the contract exceeding the forecast income receivable. The provision is based on discounted cash flows to the end of the contract. Income and cost estimates can vary in response to many factors including changes in passenger numbers, average transaction values, hit rates, and changes in the relevant local/national government regulations. The selection of appropriate sources on which to base calculation of the discount rate used for this purpose also requires judgment. As a result of all of the above factors, there could be significant adjustments to the provision for onerous contracts which could affect future financial results.

Travellers' Cheques insurance policy and reimbursement agreement

The Group holds an insurance policy with AmTrust to cover any shortfall resulting from any excess encashment of travellers' cheques. The insurance policy was recorded at cost as a financial asset at inception and is revalued to fair value at each reporting date with any change in valuation recognised in the income statement. The fair value of the insurance premium asset is based on the expectations regarding the float write back. The float write back is the estimated value of Travellers' Cheques that will never be encashed. An independent actuarial valuation is performed on an annual basis to determine the expected level of the float write back at each year end.

The fair value of the insurance premium asset is directly linked to the estimated level of the float write back and therefore the change in the expected float write back is used to generate the change in fair value of the insurance policy asset.

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Group records a financial asset relating to these reimbursement funds within financial assets in the balance sheet and this is revalued to fair value each reporting date with any change in valuation recognised in the income statement.

Put and call option and redemption liability

On acquisition of the initial 49% shareholding in Grupo Confidence in 2013, the Group entered into a put and call option over the remaining 51%. The Group was contractually obliged to purchase the remaining 51% by 14 November 2014 or when regulatory approval was complete, if later. Regulatory approvals for the acquisition of the remaining 51% were received on 8 January 2015 and the transaction closed on 2 February 2015. Prior to the completion of the acquisition of the remaining 51%, these options and the obligation to purchase the shares were measured at fair value and were reassessed at the end of each reporting date with any change in valuation recognised in the income statement within finance income and costs.

Taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest budget forecasts, which are adjusted for significant non taxable income and expenses and specific limits to the use of any unused tax loss or credit, and expectations regarding future financing costs. The tax rules in the numerous jurisdictions in which the Group operate are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. See Note 21.

Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Retirement benefits

The Group operates one significant pension scheme in the Netherlands, which was modified and as a result changed classification in the year from defined benefit to defined contribution. Whilst a significant portion of the employees' benefits are guaranteed by an insurance company, previously the Group retained the liability for certain inflationary increases and as such the scheme was classified as defined benefit. During the year changes were made to the scheme, principally relating to the fixing of the indexation liability that resulted in a change of classification to defined contribution.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the balance sheet date and take into account the facts and circumstances during that period. In making this assessment the Directors considered:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support from the shareholder;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios and actions, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This assessment has been based on projected cash flows including liquidity improvements as a result of management's actions, and the estimated impact of changes to terms and conditions of supply with a wholesale banknote supplier as described in the Strategic Report and note 19 of the Financial Statements, and continuous support from the ultimate controlling party. The Group has therefore prepared the financial information on a going concern basis.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control primarily through voting rights. Equity accounting is applied for all associates and joint ventures. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Unrealised gains and losses on transactions between the Group and its subsidiaries are eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the acquired business, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. Provisional fair values allocated at a reporting date are finalised within 12 months of the acquisition date.

The Group recognises any non-controlling interest in an acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Where the Group enters into an arrangement to acquire the non-controlling interest, the Group continues to recognise the non-controlling interest until the risks and rewards of ownership of those shares have transferred to the Group.

2. Exceptional items and non-underlying adjustments

<i>£m</i>	<u>2015</u>	<u>2014</u>
Exceptional income reported within operating profit before depreciation, amortisation, interest and tax:		
Net gain on sale of Banque Travelex ¹	4.8	—
Pension reclassification ²	4.0	—
	<u>8.8</u>	<u>—</u>
Non-underlying costs reported within operating profit before depreciation, amortisation, interest and tax:		
Legal and professional fees and other costs incurred in relation to the sale of the Group ³	(34.1)	(12.8)
Non-underlying adjustments reported within operating profit before depreciation, amortisation, interest and tax:		
Global reorganisation costs ⁴	(4.2)	(5.4)
Systems Development and Shared Services Migration costs ⁵	(0.4)	(1.4)
Onerous contract provision ⁶	(16.4)	(0.3)
Corporate transactions and projects ⁷	(7.5)	(5.7)
	<u>(62.6)</u>	<u>(25.6)</u>
Exceptional items and non-underlying adjustments reported within operating profit before depreciation, amortisation, interest and tax	<u>(53.8)</u>	<u>(25.6)</u>
Non-underlying adjustments reported within finance income:		
Gain on extension of estimated life of term loans ⁸	—	10.0
Exchange gains on intercompany loans ⁹	4.6	5.1
Non-underlying adjustments reported within finance income	<u>4.6</u>	<u>15.1</u>
Non-underlying adjustments reported within finance costs:		
Redemption liability valuation adjustment ¹⁰	(0.4)	(12.8)
Non-underlying adjustments reported within finance costs	<u>(0.4)</u>	<u>(12.8)</u>
Tax attributable to exceptional items	2.7	0.4
Discontinued operations:		
Residual gain on disposal Global Business Payments business ¹¹	1.6	0.8
Tax attributable to gain on sale Global Business Payments business	—	(0.2)
	<u>1.6</u>	<u>0.6</u>
	<u>(45.3)</u>	<u>(22.3)</u>

1. An exceptional gain of £4.8m was recognised on the sale of Banque Travelex (see note 22)
2. A net gain of £4.0m was recognised upon the reclassification of the Netherlands pension scheme in December 2015 from defined benefit to defined contribution (see note 24).
3. Exceptional costs of £34.1m (2014: £12.8m) primarily relate to legal and professional fees and staff costs associated with preparing for and completing the sale of the Group.
4. Costs associated with the Global reorganisation initiative, principally redundancy costs.
5. Costs associated with the Systems Development and Shared Service Migration that do not meet the Group's criteria for capitalisation.
6. Certain legacy airport and office locations have been assessed as onerous, owing to the unavoidable costs of meeting the obligations under the contracts exceeding the economic benefits expected to be received. These provisions are assessed at each reporting date and any material revision included within non-underlying items (see note 20)
7. Costs associated with corporate transactions and projects.
8. In 2014, the Directors extended the estimated life and maturity date of the unsecured loan notes and PIK notes to 31 January 2015 (31 December 2013: October 2014). The reassessment of the maturity date resulted in an exceptional credit of £10.0m.
9. Retranslation of structural intercompany loans that finance overseas subsidiaries. The retranslation in the overseas subsidiary of the structural intercompany loans is recognised in reserves.
10. A non-underlying charge of £0.4m was recognised (2014: £12.8m) in relation to an increase in the valuation of the redemption liability for the final payment in respect of the 51% shareholding in Grupo Confidencé. The redemption liability was based on a multiple of average earnings for an earn out period ending on 30 June 2014. As at this date, the redemption liability was revised with actual earnings and a negotiated further adjustment (see note 23)
11. Discontinued operations residual income of £1.6m (2014: £0.8m) relates to the sale of the Global Payments business.

3. Finance income and costs

<i>£m</i>	<i>note</i>	<i>2015</i>	<i>2014</i>
Finance income:			
Underlying finance income:			
Interest receivable		2.8	0.5
Net exchange gains		1.8	8.1
		<u>4.6</u>	<u>8.6</u>
Non underlying adjustments reported within finance income:			
Gain on extension of estimated life of term loans	2	—	10.0
Exchange gains on intercompany loans	2	4.6	5.1
		<u>4.6</u>	<u>15.1</u>
		<u>9.2</u>	<u>23.7</u>
Finance costs:			
Underlying finance costs:			
Bank loans and overdrafts		(1.9)	(0.1)
Term loans		(64.5)	(128.2)
Interest payable on senior secured notes		(26.0)	(26.0)
Interest payable on currency and interest rate swaps		—	(0.3)
Finance costs on preference shares classified as liabilities		(16.5)	(15.0)
Finance costs incurred on refinancing		(2.5)	(2.7)
Net interest cost on pension scheme liabilities		(1.7)	—
Unwinding of discount on redemption liability		—	(1.4)
Other finance costs		(1.0)	(1.3)
		<u>(114.1)</u>	<u>(175.0)</u>
Non underlying adjustments reported within finance costs:			
Redemption liability valuation adjustment	2	(0.4)	(12.8)
		<u>(114.5)</u>	<u>(187.8)</u>

In accordance with the Group's accounting policy, £1.5m (2014: £1.5m) of interest receivable on bank deposits and money market instruments from the investment of funds generated from travellers' cheque sales and Prepaid cards sales is classified and disclosed within income.

4. Loss before tax

Loss before tax is stated after charging:

<i>£m</i>	<i>2015</i>	<i>2014</i>
Depreciation of owned property, plant and equipment	14.1	14.5
Net loss on disposal of property, plant and equipment	—	0.3
Amortisation of intangible assets	10.3	6.1
Amortisation of intangible assets arising on acquisition	0.9	3.8
Impairment of assets	—	2.4
Hire of machinery and equipment	0.6	0.9
Minimum operating lease payments	126.6	129.2
Contingent operating lease payments	69.7	70.2
Auditors remuneration:		
Audit fee in respect of the Company's individual and consolidated financial statements	0.2	0.3
Audit fee in respect of the Company's subsidiary financial statements	1.7	1.6
Audit-related assurance services	0.4	0.1
Tax compliance services	0.2	0.2
Tax advisory services	0.1	0.1
Other assurance services	0.5	0.8
Other non-audit services	0.1	5.4

5. Employees and Directors

<i>Average monthly number</i>	<i>2015</i>	<i>2014</i>
Retail	4,737	5,312
Wholesale & Outsourcing	512	556
Payments & Technology	72	48
Brazil	951	892
Other Trade	83	78
Corporate and Shared services	775	676
	<u>7,130</u>	<u>7,562</u>

Employee costs

<i>£m</i>	<i>2015</i>	<i>2014</i>
Wages and salaries	155.2	170.3
Share based employee remuneration	0.8	0.5
Social security costs	17.2	21.6
Other pension costs	5.9	5.4
	<u>179.1</u>	<u>197.8</u>

Directors' remuneration

<i>£m</i>	<i>2015</i>	<i>2014</i>
Aggregate emoluments excluding company pension contributions	11.5	2.8
Share based Directors' remuneration	—	0.2
Company contributions to money purchase pension schemes	0.1	—
Aggregate emoluments	<u>11.6</u>	<u>3.0</u>

Aggregate emoluments include a non-cash amount for the IFRS 2 charge to the income statement in the year related to the long term incentive scheme, reflecting the number of M shares held by the employee share trust on behalf of individual Directors.

Two Directors have benefits accruing under defined contribution pension arrangements (2014: two). The emoluments of the highest paid Director were £6,134,642 (2014: £1,321,232), including no charge (2014: £137,494) for the long term incentive scheme. The Company made no contributions to the highest paid Director's pension arrangements (2014: £nil).

Share based payments

Awards under the employee share based remuneration scheme are measured at the fair value of the award at the date of grant.

Prior to 31 December 2014, the scheme operated as a cash settled share based payments scheme with the fair value of the awards recognised as a liability. As at 31 December 2014, the Directors considered that there was sufficient certainty that the awards would be settled in equity as part of the acquisition by UTX Holdings Limited. The change in the scheme was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme and any change in the value of the scheme has been reflected in the income statement.

Following the sale of the Group to UTX Holdings Limited on 29 January 2015, the beneficial title to all M shares was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

Unallocated or repurchased shares held by the employee share trust are included within retained earnings.

6. Income tax charge

The relationship between the expected tax credit based on the domestic effective tax rate of the Group at 20.25% (2014: 21.5%) and the reported tax charge in profit or loss can be reconciled as follows, also showing major components of the tax charge:

£m	2015	2014
Loss before tax	(114.2)	(132.3)
Less share of profit in equity accounted investments	(3.4)	(2.1)
Loss before tax	(117.6)	(134.4)
Domestic tax rate for the Group	20.25%	21.5%
Expected tax credit	(23.8)	(28.9)
Tax losses not recognised	10.3	10.4
Other adjustments in respect of prior years	0.2	(1.0)
Adjustments for tax rate differences in foreign jurisdictions	1.0	4.5
Non-deductible finance costs	13.5	20.4
Equity accounted investments and goodwill	1.2	—
Other non deductible expenses	5.9	8.0
Net actual tax charge on continuing operations	8.3	13.4
Tax charge comprises:		
Current tax charge	8.2	11.5
Origination and reversal of temporary differences		
Tax losses	(1.4)	0.2
Fixed Assets	1.2	(0.3)
Short term temporary differences	0.3	2.0
Net tax charge	8.3	13.4
Tax charge on ordinary activities	11.0	13.8
Tax credit on exceptional items	(2.7)	(0.4)
Tax charge as shown on the income statement	8.3	13.4

7. Intangible assets

<i>£m</i>	<i>Goodwill</i>	<i>Computer software</i>	<i>Customer relationships</i>	<i>Assets in the course of development</i>	<i>Other¹</i>	<i>Total</i>
Cost						
At 1 January 2014	328.8	27.7	38.9	38.6	14.9	448.9
Additions	—	3.2	—	10.9	0.4	14.5
Acquisitions	22.5	—	—	—	—	22.5
Disposals	—	(0.5)	—	—	—	(0.5)
Reclassified to held for sale	(9.4)	—	—	—	—	(9.4)
Transfers	—	33.0	—	(32.7)	—	0.3
Exchange adjustments	(3.3)	(0.8)	(0.2)	—	(0.6)	(4.9)
At 1 January 2015	338.6	62.6	38.7	16.8	14.7	471.4
Additions	—	5.4	—	7.1	0.2	12.7
Acquisition of subsidiary	1.5	—	—	—	1.1	2.6
Disposals	—	(0.6)	—	—	—	(0.6)
Transfer from held for sale	3.4	—	—	—	—	3.4
Transfers	—	4.1	—	(8.9)	—	(4.8)
Exchange adjustments	(15.2)	(1.7)	(0.8)	—	(3.9)	(21.6)
At 31 December 2015	328.3	69.8	37.9	15.0	12.1	463.1
Amortisation						
At 1 January 2014	24.4	10.4	2.5	9.3	2.5	49.1
Charge for the year	—	6.0	2.0	—	1.9	9.9
Disposals	—	(0.2)	—	—	—	(0.2)
Exchange adjustments	—	(0.7)	—	—	(0.1)	(0.8)
At 31 December 2014	24.4	15.5	4.5	9.3	4.3	58.0
Charge for the year	—	8.2	2.1	—	0.9	11.2
Disposals	—	(0.4)	—	—	—	(0.4)
Exchange adjustments	—	(1.9)	(0.1)	—	(0.5)	(2.5)
At 31 December 2015	24.4	21.4	6.5	9.3	4.7	66.3
Net book value						
At 31 December 2015	303.9	48.4	31.4	5.7	7.4	396.8
At 1 January 2015	314.2	47.1	34.2	7.5	10.4	413.4
At 1 January 2014	304.4	17.3	36.4	29.3	12.4	399.8

¹ Other intangibles acquisitions relate to Brand name, banking licences and property related intangibles arising from the Grupo Confidence and Renova acquisitions.

The carrying amount of goodwill is allocated to the following cash generating units:

<i>£m</i>	<i>Goodwill</i>		<i>Pre-tax discount rates</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>
Currency Services			
UK	33.8	33.8	8.9%
Americas	31.0	31.0	12.2%
Asia Pacific	37.3	37.3	11.3%
EMEA	57.5	54.0	11.6%
Wholesale Cash	63.6	63.6	11.9%
TCS	15.8	15.8	8.9%
Insurance	15.9	15.9	11.3%
Brazil	30.8	41.3	14.8%
Turkey	18.2	21.5	11.3%
	303.9	314.2	

The recoverable amounts for the cash generating units identified above were determined based on the higher of fair value less costs to sell and value in use estimations.

The value in use estimations covered a four year forecast (2014: three years), followed by an extrapolation of expected cash flows at a growth rate in the range of 2.0% - 3.0% (2014: 2.0% - 3.0%). The growth rates reflect the long-term average rates for the countries in which the cash generating units operate. Cash flow projections have been discounted using discount rates listed in the table above.

Key assumptions are based on the free cash flows of each cash generating unit, which have been determined based on a combination of past experience of the markets in which the Group operates and the expected growth in the forecast period.

The fair value less costs to sell calculations are based on the 2019 forecast EBITDA, where appropriate, and applying a multiple which reflects the product lines and industry in which the cash generating units operate. The costs to sell are estimated to be 2% (2014: 2%) of the fair value of the business.

Other than the considerations described above in determining the recoverable amount of the cash generating units, there are no other key assumptions.

Brazil goodwill has decreased by £10.5m due mainly to a £12.0m foreign exchange difference, reflecting the weakening of the Real against Sterling in 2015, offset by an increase of £1.5m resulting from the acquisition of the Renova business, refer to note 23.

8. Property, plant and equipment

<i>£m</i>	<i>Land and buildings</i>	<i>Fixtures and fittings</i>	<i>Computer hardware</i>	<i>Assets in the course of development</i>	<i>Total</i>
Cost					
At 1 January 2014	26.6	57.8	9.7	—	94.1
Additions	—	14.6	4.3	—	18.9
Disposals	(0.8)	(2.6)	(1.0)	—	(4.4)
Transfers	—	(0.9)	0.6	—	(0.3)
Exchange adjustments	(1.6)	(1.0)	(0.4)	—	(3.0)
To held for sale classification	—	(8.1)	(1.1)	—	(9.2)
At 1 January 2015	24.2	59.8	12.1	—	96.1
Additions	1.2	10.2	1.0	0.8	13.2
Acquisition of subsidiary	—	—	0.5	—	0.5
Disposals	(0.4)	(3.2)	(1.2)	—	(4.8)
Transfers	0.9	(4.3)	8.2	—	4.8
Exchange adjustments	(1.9)	(1.5)	(0.9)	—	(4.3)
To held for sale classification ¹	(1.0)	—	—	—	(1.0)
At 31 December 2015	<u>23.0</u>	<u>61.0</u>	<u>19.7</u>	<u>0.8</u>	<u>104.5</u>
Accumulated depreciation					
At 1 January 2014	17.2	28.0	3.7	—	48.9
Charge for the year	2.8	8.4	3.3	—	14.5
Disposals	(0.8)	(1.9)	(0.8)	—	(3.5)
Impairment	1.3	1.1	—	—	2.4
Exchange adjustments	(1.6)	(0.2)	(0.4)	—	(2.2)
To held for sale classification	—	(5.2)	(0.9)	—	(6.1)
At 31 December 2014	18.9	30.2	4.9	—	54.0
Charge for the year	2.2	8.4	3.5	—	14.1
Disposals	(0.4)	(2.0)	(1.2)	—	(3.6)
Exchange adjustments	(1.6)	(0.4)	(0.9)	—	(2.9)
At 31 December 2015	<u>19.1</u>	<u>36.2</u>	<u>6.3</u>	<u>—</u>	<u>61.6</u>
Net book value					
At 31 December 2015	<u>3.9</u>	<u>24.8</u>	<u>13.4</u>	<u>0.8</u>	<u>42.9</u>
At 1 January 2015	<u>5.3</u>	<u>29.6</u>	<u>7.2</u>	<u>—</u>	<u>42.1</u>
At 1 January 2014	<u>9.4</u>	<u>29.8</u>	<u>6.0</u>	<u>—</u>	<u>45.2</u>

Motor vehicles are included within fixtures and fittings. The net book value of property, plant and equipment includes £8.6m (2014: £4.0m) in respect of assets held under finance leases and hire purchase contracts.

- The Group has entered into an agreement to sell a building in the Netherlands; the sale is expected to complete within one year of the date of the signing of these financial statements, the asset has been held for sale from 31 December 2015. The proceeds of the disposal are expected to exceed the book value and accordingly no impairment losses have been recognised on the classification of this asset as held for sale.

9. Investments accounted for using the equity method

<i>£m</i>	<i>Interest in joint ventures</i>
At 1 January 2014	8.3
Share of profit after tax	2.1
Distributions	(0.9)
Increase in investments	3.4
Exchange adjustments	0.2
At 1 January 2015	13.1
Share of profit after tax	3.3
Distributions	(4.8)
Exchange adjustments	(0.7)
At 31 December 2015	<u>10.9</u>

The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the group.

<i>Name of entity</i>	<i>Place of business/ country of incorporation</i>	<i>% ownership</i>
Travelex Emirates LLC	United Arab Emirates	49%
Travelex Africa Foreign Exchange (Pty) Ltd	South Africa	49%
Travelex Qatar Q.S.C.	Qatar	49%
Travelex Malaysia SDN. BHD	Malaysia	70%

These operations represent strategic partnerships for the Group, providing access to new markets for the sale of foreign currency banknotes and other foreign exchange products. These entities are unlisted.

The Group also has various agreements with independent operators to act as partners in the retail business at several locations in the United States. These joint ventures are accounted for under the equity method of accounting.

10. Inventories

Inventories of £0.4m (2014: £0.5m) relate to non cash items sold through retail shops.

11. Trade and other receivables

<i>£m</i>	<i>2015</i>	<i>2014</i>
Current		
Trade receivables	47.0	44.1
Amounts due from travellers' cheques agents	0.8	0.6
Other receivables	32.2	21.8
Prepayments and accrued income	14.4	20.9
Amounts due from joint ventures and associates	<u>1.8</u>	<u>2.5</u>
	<u>96.2</u>	<u>89.9</u>
Non current		
Prepayments and accrued income	<u>6.1</u>	<u>6.8</u>
	<u>102.3</u>	<u>96.7</u>

Trade receivables at 31 December 2015 include £8.0m of unsettled foreign exchange transactions in the Brazil payments and wholesale banknote business (31 December 2014: £3.2m).

12. Investments

Investments restricted for use within the non core travellers' cheques business are as follows:

<i>£m</i>	<u>2015</u>	<u>2014</u>
Current		
Travellers' cheques float deposits	0.3	—
Money on structured deposits	<u>2.6</u>	<u>2.2</u>
	<u>2.9</u>	<u>2.2</u>
Non current		
Money on structured deposits	<u>22.0</u>	<u>24.6</u>
	<u>24.9</u>	<u>26.8</u>

13. Travellers' cheques

The Group's reimbursement agreement and insurance policy with AmTrust, ensures that the encashment of properly presented travellers' cheques will be honoured in perpetuity. AmTrust is an insurance company which is rated A by A.M. Best Company, Inc., a leading company rating agency.

The agreement with AmTrust involved paying an insurance premium of £50.0m, made up of instalments, with the final payment made during the year ended 31 December 2015. This insurance premium has been recognised as a financial asset and is re-measured at fair value at each reporting date with any change in valuation recognised in the income statement. At 31 December 2015, the amount recognised within financial assets in the balance sheet was £43.3m

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Group records a financial asset relating to these reimbursement funds within financial assets in the balance sheet and this is revalued to fair value each reporting date with any change in valuation recognised in the income statement. The reimbursement fund at 31 December 2015 year-end amounted to £60.4m. AmTrust reimburses the Group for travellers' cheques encashed on a weekly basis. Structured deposits and assets held on trust are still held to support the encashment of Visa branded travellers cheques.

As at 31 December 2015 the face value of Travellers' Cheques Awaiting Redemption" ("TCAR") amounted to £353.2m. Actuarial estimates, as at 31 December 2015, suggest however that an amount of approximately £115.0m was expected to be validly presented for encashment or would require encashment. The Group's experience over the last 12 years is that actuarial predictions of the level of encashments are substantially accurate. TCAR expected to be validly presented as at 31 December 2015 were approximately £115.0m, which is still substantially below the TCAR face value amount of £353.2m as at 31 December 2015. Travellers' cheques awaiting redemption are included within trade and other payables, see note 17. Assets held by the Group to cover travellers' cheques encashment, which include investments in float deposits and structured deposits per note 12, are in excess of expected encashments but substantially lower than TCAR.

Financial assets relating to the non-core Travellers' Cheques business are as follows:

<i>£m</i>	<u>2015</u>	<u>2014</u>
Current		
Reimbursement fund	<u>7.3</u>	<u>8.8</u>
	<u>7.3</u>	<u>8.8</u>
Non-current		
Reimbursement fund	53.1	59.8
Insurance premium asset	<u>43.3</u>	<u>48.1</u>
	<u>96.4</u>	<u>107.9</u>
	<u>103.7</u>	<u>116.7</u>

Cash flow relating to instalment payments for insurance premium asset:

<i>£m</i>	<u>2015</u>	<u>2014</u>
Insurance premium	<u>(3.1)</u>	<u>(6.3)</u>
Amount recognised in cash flows from operating activities	<u>(3.1)</u>	<u>(6.3)</u>

14. Available for sale investments

Available for sale investments represent equity shares available for sale and government and corporate bonds held in Brazil. Within reserves £2.1m (2014: £1.8m) is held as an unrecognised gain on the equity shares.

<i>£m</i>	<u>2015</u>	<u>2014</u>
Equity shares	3.2	2.6
Government and corporate bonds held in Brazil	<u>6.9</u>	<u>1.2</u>
	<u>10.1</u>	<u>3.8</u>

Reconciliation of equity shares available for sale:

<i>£m</i>	<u>2015</u>	<u>2014</u>
At 1 January	2.6	2.1
Revaluation	0.5	0.4
Exchange adjustments	<u>0.1</u>	<u>0.1</u>
At 31 December	<u>3.2</u>	<u>2.6</u>

The government bonds are not held for the full term and they are typically traded within 1-3 days.

15. Cash and cash equivalents

<i>£m</i>	<u>2015</u>	<u>2014</u>
Cash at bank and in hand	403.5	470.0
Term deposits with original maturities of less than three months	<u>34.2</u>	<u>35.3</u>
	<u>437.7</u>	<u>505.3</u>

Included within the cash and cash equivalents balance of £437.7m (2014: £505.3) are the following balances:

- £188.2m (2014: £191.9m) of cash held in tills and vaults;
- £12.3m (2014: £20.9m) of customer settlements received in advance;
- £140.2m (2014: £146.6m) of monies received from Prepaid card customers whose use is restricted to the settlement of associated liabilities;
- £38.2m (2014: £39.9m) of cash and term deposits with original maturities of less than three months which are ring fenced with their use restricted to the travellers' cheques business; and
- The remaining £58.8m (2014: £106.0m) is deposited in bank accounts throughout the Group and in certain jurisdictions and, while available to the Group, is subject to regulatory and legal restrictions as to its use.

16. Restricted cash

<i>£m</i>	<u>2015</u>	<u>2014</u>
Current		
Amounts held in escrow	<u>—</u>	<u>0.3</u>
	<u>—</u>	<u>0.3</u>

Current restricted cash as at December 2014 related to the sale of the Group's Card Program Management business (disposed in 2012). The full amount was settled in the year.

17. Trade and other payables

<i>£m</i>	<u>2015</u>	<u>2014</u>
Current		
Trade payables	138.5	127.5
Travellers' cheques awaiting redemption	208.5	224.5
Prepaid cards awaiting redemption	144.7	155.8
Other tax and social security	8.9	8.1
Other payables	37.2	30.7
Accruals and deferred income	77.5	90.1
Amounts due to joint ventures and associates	—	0.3
	<u>615.3</u>	<u>637.0</u>
Non current		
Accruals and deferred income	0.1	0.3
	<u>615.4</u>	<u>637.3</u>

Trade payables at 31 December 2015 include amounts prepaid by Wholesale customers for banknotes of £12.3m (31 December 2014: £20.9m) and £24.3m relating to Brazil (31 December 2014: £24.5m), which is driven by an increase in outstanding orders at period end in respect of the Group's wholesale banknotes businesses.

Travellers' cheques and Prepaid cards awaiting redemption represent travellers' cheques and balances on Prepaid cards issued but not encashed. These balances are presented in accordance with their contractual maturity dates, although the expected encashment profile of travellers' cheques awaiting redemption is not reflective of this contracted maturity date. Further information on Travellers' cheques is set out in Note 13.

18. Borrowings

<i>£m</i>	<u>2015</u>	<u>2014</u>
Current		
Bank loans and overdrafts	30.3	3.2
Obligations under finance leases	0.6	0.7
	<u>30.9</u>	<u>3.9</u>
Non current		
Senior secured notes		
8% £200.0m due 2018 bond	196.9	195.8
Libor plus 6% £150.0m due 2018 bond	148.7	147.6
Borrowings from non-shareholders	345.6	343.4
Unsecured loan and PIK notes		
10% Loan and PIK notes due 2021	451.6	996.0
2% loan notes due 2045	2.2	—
10% Preference certificates notes due 2035	4.2	15.9
Preference shares classified as liabilities	181.6	165.1
Borrowings from shareholders	639.6	1,177.0
Other loans	0.1	—
Obligations under finance leases	0.2	0.7
	<u>985.5</u>	<u>1,521.1</u>
	<u>1,016.4</u>	<u>1,525.0</u>

Included in preference shares classified as liabilities is £120.3m (2014: £103.8m) relating to unpaid finance costs on preference shares that are not expected to be paid within one year. The nominal value of these shares is £61.3m (see note below).

The legal maturity of the Group's borrowings range from 2018 to 2045 (2014: 2018 to 2035). As at 31 December 2014, the Directors estimated the expected maturity date of the unsecured loans and PIK notes to be January 2015 which was their expectation of the likely completion date for the sale of the Group to UTX Holdings Limited, at which date the Shareholder Debt was restructured.

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with £209.6m being waived and £315.5m settled through the issue of ordinary shares, and the remaining balance novated at fair value upward within the Group's structure and retained in favour of UTX Holdings, on the same interest and repayment terms.

On 4 December 2015, £15.5m of subordinated loan notes repayable in 2045 were issued in favour of Dr Shetty. The contractual annual compound interest rate is 2%, however 9.2% is considered a fair market rate of interest applied on similar instruments. The issue of shareholder debt was issued to fund the acquisition of 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade and assets of Renova S.A. Corretora de Câmbio ('Renova') and working capital requirements of the business. The issue of loan notes and acquisition are considered together as a linked transaction and therefore the fair value of the consideration equates to the fair value of the business on the date of acquisition by the Group. The overall fair value adjustment relating to the issue of the shareholder loan notes and the acquisition of the business results in a net credit of £1.0m to reserves, representing a shareholder contribution.

The Directors consider that the expected maturity for all existing shareholder debt instruments approximate their contractual maturity date as no detailed exit plans exist that support a view that the shareholders will exit sooner than the contractual maturity dates. The contractual interest rate is 10%, however 14% is considered a fair market rate of interest applied on similar instruments. In applying the effective interest rate method, a £95.0m debit adjustment against the principal of these instruments was recorded on inception, with a corresponding credit to retained earnings, representing the fair value adjustment.

On completion of the sale of the Group, a total credit adjustment to equity of £620.1m was recorded, comprising the portion of shareholder debt that was waived by the Group's shareholders of £209.6m credited to Retained Earnings, a portion capitalised by issue of ordinary shares resulting in a £315.5m credit to Share Premium, and the fair value adjustment of £95.0m credited to Retained Earnings.

Except as detailed in the following table, the directors consider that the carrying amounts of the borrowings recognised in the consolidated financial statements approximate their fair values, which are classified as level 2 under the fair value hierarchy.

<i>£m</i>	<i>2015 Book value</i>	<i>2015 Fair value</i>
8% £200.0m bond due 2018	196.9	209.2
Libor plus 6% £150.0m bond due 2018	148.7	149.7
Unsecured loan and PIK notes	458.0	373.6
Preference shares	181.6	—
Other loans	0.1	—
	<u>985.3</u>	<u>732.5</u>

Fair value of current borrowings equals their market price, as the impact of discounting is insignificant. The fair values of the bonds are based on a listed redemption price of £104.6 for the fixed rate note and £99.9 for the floating rate note. The fair values of the unsecured loan and PIK notes and preference shares have been determined using estimated cash flows, discounted at an applicable risk adjusted rate.

Under the £90.0m revolving credit facility, the Group can draw down up to £59.9m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £30.1m is available to be utilised by guarantees issued on behalf of the Group. As at 31 December 2015, the facility has £29.9m drawn down and £29.9m has been placed as guarantees.

The Group has given guarantees and fixed and floating charges and other securities over £367.0m of its assets in relation to the debt and overdraft facilities provided by lenders to the Group. In addition, the Group is subject to financial covenant ratios involving measures such as net and gross leverage to EBITDA. If the covenants are breached, the amounts outstanding on the revolving credit facility would be reclassified as due on demand.

Preference share capital

	2015 Number	2015 £m	2014 Number	2014 £m
10.0% cumulative preference shares of £1 each	61,287,636	61.3	61,287,636	61.3

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August 2020, on sale of the Company, or at any time upon the Company giving 10 days written notice to the holders. Shareholders are entitled to dividends at 10.0% per annum on the par value of these shares on a cumulative basis. Any preference dividend that is due and remains unpaid is entitled to 10.0% interest per annum until the date of actual payment. In the event of winding up, the preference shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any dividends accrued but unpaid in respect of their shares.

19. Financial instruments

The Group's financial instruments classified in the financial statements as at 31 December can be analysed under the following categories:

£m	Note	Loans and receivables	Available- for-sale	Assets at fair value through income statement
Financial assets				
Equity instruments	14	—	3.2	—
Debt instruments	14	—	6.9	—
Foreign exchange contracts		—	—	2.7
Travellers' cheques insurance premium	13	—	—	43.3
Travellers' cheques reimbursement fund	13	—	—	60.4
Investments	12	24.6	—	0.3
Cash and cash equivalents	15	437.7	—	—
Trade and other receivables		81.5	—	—
31 December 2015		543.8	10.1	106.7

£m	Note	Other financial liabilities at amortised cost	Liabilities at fair value through income statement
Financial liabilities			
Borrowings	18	(1,016.4)	—
Travellers' cheques and Prepaid cards awaiting redemption	17	(353.2)	—
Foreign exchange contracts		—	(1.8)
Foreign currency forward contracts		—	(0.8)
Trade and other payables		(253.8)	—
31 December 2015		(1,623.4)	(2.6)

£m	Note	Loans and receivables	Available- for-sale	Assets at fair value through income statement
Financial assets				
Equity instruments	14	—	2.6	—
Debt instruments	14	—	1.2	—
Foreign exchange contracts		—	—	1.6
Foreign currency forward contracts		—	—	1.3
Travellers' cheques insurance premium	13	—	—	48.1
Travellers' cheques reimbursement fund	13	—	—	68.6
Investments	12	26.8	—	—
Cash and cash equivalents	15	505.1	—	0.2
Restricted cash	16	0.3	—	—
Trade and other receivables	11	76.8	—	—
31 December 2014		609.0	3.8	119.8

<i>£m</i>	<i>Note</i>	<i>Other financial liabilities at amortised cost</i>	<i>Liabilities at fair value through income statement</i>
Financial liabilities			
Borrowings	18	(1,521.1)	—
Other financial liabilities—Redemption liability		—	(45.8)
Travellers' cheques and Prepaid cards awaiting redemption	17	(379.9)	—
Foreign exchange contracts		—	(0.7)
Foreign currency forward contracts		—	(1.1)
Amounts due to joint ventures	17	(0.3)	—
Trade and other payables	17	(244.2)	—
31 December 2014		<u>(2,145.5)</u>	<u>(47.6)</u>

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including foreign currency and interest rate), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

Foreign currency risk

The Group has significant overseas operations conducting business in most foreign currencies. As a result, it is subject to foreign exchange exposures arising from the translation of the results and underlying net assets of its overseas subsidiaries and joint ventures into Sterling. The Group's balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings and currency swap transactions, most notably in relation to the US dollar. The largest currency liabilities are created from the sale of travellers' cheques and cash passports. All such liabilities are hedged either by ensuring investments and/or cash deposits are held in the same currencies as the liabilities or by forward foreign currency and currency swap transactions. For operational reasons, the Group decided not to designate forward foreign currency and swap currency contracts in hedge accounting relationships. Consequently, all changes in fair values of such foreign currency forward contracts are recognised in the income statement.

In certain cases where the Group has borrowed in foreign currency and lent internally to subsidiaries, but has not designated the transaction as a hedge, gains and losses will be recognised in the income statement with offsetting amounts shown through the statement of comprehensive income. There is no material net impact as a result of this particular accounting treatment. The Group holds currency stocks in the UK and elsewhere through which it is exposed to currency risk. These are monitored and maintained with modest risk limits approved by the board.

As at 31 December 2015, with all variables remaining constant, if Sterling strengthened or weakened by 10% against these currencies, this would have resulted in the following (gain)/loss to pre-tax loss as detailed in the table below:

<i>£m</i>	<i>2015 +10%</i>	<i>2015 -10%</i>	<i>2014 +10%</i>	<i>2014 -10%</i>
United States Dollar	(1.7)	2.1	(1.8)	2.3
Australian Dollar	0.2	(0.2)	(0.4)	0.4
Euro	<u>1.1</u>	<u>(1.4)</u>	<u>1.2</u>	<u>(1.4)</u>

Cash flow and fair value interest rate risk

The Group borrows and invests at both fixed and floating rates of interest and utilises interest rate swaps to manage interest rate exposures where appropriate.

The Group's interest rate risk arises primarily from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2015 with all variables remaining constant, for each 0.1% change in interest rates, this would have resulted in the following (gain)/loss to pre-tax loss and equity (other than Retained Earnings), due to movement in the finance income, finance cost and mark-to-market valuation of derivatives.

<i>£m</i>	<i>2015 Income statement impact</i>	<i>2015 Equity impact</i>	<i>2014 Income statement impact</i>	<i>2014 Equity impact</i>
0.1% increase	0.1	—	0.2	—
0.1% decrease	<u>(0.1)</u>	<u>—</u>	<u>(0.2)</u>	<u>—</u>

Credit risk

Credit risk arises from cash and cash equivalents, prepayments made in advance on acquisition, current investments, derivative financial instruments, trade receivables and to a lesser extent from other contractual financial obligations. The Group's credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. Key counterparties with whom significant concentrations of risk exist as at 31 December 2015 include Deutsche Bank AG (A rated (S&P)), Barclays Bank Plc (A rated (S&P)), and HSBC Global Liquidity Fund (AAA rated (S&P)). As at 31 December 2015, the Group had deposited cash collateral of £nil (2014: £nil) with trading bank counterparties.

Current asset investments include money market deposits and structured deposits. The Group maintains prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. The Group monitors the credit ratings of counterparties regularly and ensures no positions are entered into with counterparties with long-term credit ratings below A-(S&P). At 31 December 2015, the Group's largest counterparty accounted for 45% (2014: 23%) of the Group's total exposure to current asset investments and cash and cash equivalents. The credit risk from other financial contractual relationships, including other receivables and amounts due from joint ventures and associates, are not considered material. The Group's exposure to credit related losses, in the event of non-payment by customers, is minimal as Group policies require new customers to be reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into. Individual credit terms are set and monitored regularly, payments are made in advance for large shipping orders.

Financial assets past due but not impaired do not reflect any indication that counterparties will be unable to meet their obligations. Furthermore, no indications of default are recognisable for financial assets that are neither past due nor impaired. Financial assets past due but not impaired are as follows:

<i>£m</i>	<i>0-3 months</i>	<i>3-6 months</i>	<i>Over 6 months</i>	<i>2015 Total</i>
Trade receivables	3.4	—	—	3.4
Other receivables	<u>0.1</u>	<u>—</u>	<u>—</u>	<u>0.1</u>
	<u>3.5</u>	<u>—</u>	<u>—</u>	<u>3.5</u>

<i>£m</i>	<i>0-3 months</i>	<i>3-6 months</i>	<i>Over 6 months</i>	<i>2014 Total</i>
Trade receivables	1.0	—	—	1.0
Other receivables	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>1.0</u>	<u>—</u>	<u>—</u>	<u>1.0</u>

At 31 December 2015, impaired financial assets based upon the Group's expectation of the counterparties' ability to settle included trade receivables of £0.3m (2014: £0.3m) and other receivables of £nil (2014: £nil). There was no collateral held against impaired trade receivables and other receivables in either the current or prior year.

Liquidity risks

In October 2015, an important wholesale banknote supplier of the Group served notice to terminate a key agreement to supply wholesale banknotes which provided significant working capital benefits to one of the Group's UK subsidiaries by late June 2016, in accordance with a contractual break clause. At the same time, that supplier has indicated that they would be prepared to continue to supply wholesale banknotes (to that subsidiary and to other subsidiaries of the Group) should the Group accept certain changes to the terms and conditions of supply with reduced working capital benefits. The Group is currently negotiating mutually acceptable terms under which the supply agreement could be extended and is confident of successfully concluding the negotiations.

The Group's policy is to manage its capital requirements and liquidity through a combination of bank borrowings and other term debt, and capital markets. The Group's financing position was strengthened in August 2013 with the issuance of £350.0m Senior Secured Notes due 2018 (£200.0m 8% fixed rate and £150.0m floating rate notes) raised in capital market transaction and the refinancing of the Group's core revolving credit facility.

The Group also has a committed senior credit facility available of £90.0m under which the Group can draw down up to £59.9m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £30.1m is available to be utilised by guarantees issued on behalf of the Group. Balances outstanding with key suppliers and under the revolving credit facility fluctuate significantly from day to day, primarily due to the levels of physical banknotes required for trading and value of unfulfilled customer orders. This facility is used to provide short term liquidity to meet operating cash needs. As at 31 December 2015, the facility has £29.9m drawn down and £29.9m has been placed as guarantees. The Group has £30.2m (2014: £55.0m) undrawn committed borrowing facility available in respect of which all conditions precedent have been met at 31 December 2015.

The daily settlement flows in respect of financial asset and liability, spot and swap contracts require adequate liquidity which is provided through uncommitted intra-day settlement facilities. These facilities are provided by a diversified set of financial institutions with which the Group has a substantial trading history. Global cash management is an important daily activity and the Group operates a policy of centralising surplus cash in order to facilitate intra-group funding and to minimise external borrowings requirements.

Travellers' cheques can be encashed at any time following issue, although the encashment profile of travellers' cheques awaiting redemption is not reflective of this contractual maturity date. The encashment profile of travellers' cheques awaiting redemption is monitored on a monthly basis to ensure the Group has the liquidity to meet encashment once made. The Directors estimate that at 31 December 2015, £13.2m (2014: £16.0m) sterling equivalent of the travellers' cheques awaiting redemption will be encashed within twelve months of the balance sheet date.

The tables below analyse the gross undiscounted contractual cash flows on the Group's financial liabilities and net settled derivative financial instruments as at 31 December to the contractual maturity date:

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2015 Total</i>
Borrowing principal and interest payments					
Bonds	26.0	26.0	373.5	—	425.5
Loans and PIK notes	—	—	—	944.1	944.1
Preference shares	—	—	—	255.9	255.9
Bank loans and overdrafts	30.3	—	—	—	30.3
Obligations under finance leases	0.6	0.2	—	—	0.8
Travellers' cheques awaiting redemption	355.8	—	—	—	355.8
Prepaid cards awaiting redemption	144.7	—	—	—	144.7
Trade and other payables	252.5	—	—	—	252.5
	<u>809.9</u>	<u>26.2</u>	<u>373.5</u>	<u>1,200.0</u>	<u>2,409.6</u>

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2014 Total</i>
Borrowing principal and interest payments					
Bonds	25.7	25.7	383.0	—	434.4
Loans and PIK notes	—	—	—	2,267.1	2,267.1
Preference shares	—	—	—	281.2	281.2
Bank loans and overdrafts	3.2	—	—	—	3.2
Obligations under finance leases	0.7	0.7	—	—	1.4
Travellers' cheques awaiting redemption	368.1	—	—	—	368.1
Prepaid cards awaiting redemption	155.8	—	—	—	155.8
Redemption liability	45.8	—	—	—	45.8
Amounts due to joint ventures	0.3	—	—	—	0.3
Trade and other payables	244.2	—	—	—	244.2
	<u>843.8</u>	<u>26.4</u>	<u>383.0</u>	<u>2,548.3</u>	<u>3,801.5</u>

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1—Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2—Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3—Valuation techniques (for which the lowest level of input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The tables below present the Group's assets and liabilities that are measured at fair value as at 31 December:

<i>£m</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2015 Total</i>
Assets				
Available for sale investments	6.9	—	3.2	10.1
Investments	0.3	—	—	0.3
Travellers' cheques insurance premium	—	—	43.3	43.3
Travellers' cheques reimbursement fund	—	—	60.4	60.4
Foreign exchange contracts	—	2.7	—	2.7
	<u>7.2</u>	<u>2.7</u>	<u>106.9</u>	<u>116.8</u>
Liabilities				
Foreign currency forward contracts	—	(0.8)	—	(0.8)
Foreign exchange swap contracts	—	(1.8)	—	(1.8)
	<u>—</u>	<u>(2.6)</u>	<u>—</u>	<u>(2.6)</u>
<i>£m</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2014 Total</i>
Assets				
Available for sale investments	1.2	—	2.6	3.8
Cash and cash equivalents	0.2	—	—	0.2
Travellers' cheques insurance premium	—	—	48.1	48.1
Travellers' cheques reimbursement fund	—	—	68.6	68.6
Foreign currency forward contracts	—	1.3	—	1.3
Foreign exchange contracts	—	1.6	—	1.6
	<u>1.4</u>	<u>2.9</u>	<u>119.3</u>	<u>123.6</u>
Liabilities				
Foreign currency forward contracts	—	(1.1)	—	(1.1)
Foreign exchange swap	—	(0.7)	—	(0.7)
Redemption liability	—	(45.8)	—	(45.8)
	<u>—</u>	<u>(47.6)</u>	<u>—</u>	<u>(47.6)</u>

There were no transfers between levels 1 and 2 during the year.

Reconciliation of recurring fair value measurements categorised within level 3 of the fair value hierarchy:

<i>Equity shares (£m)</i>	<i>2015</i>	<i>2014</i>
At 1 January	2.6	2.1
Total gains recognised in equity	0.5	0.4
Exchange adjustments	0.1	0.1
At 31 December	<u>3.2</u>	<u>2.6</u>

<i>Travellers' cheques financial assets (£m)</i>	<u>2015</u>	<u>2014</u>
At 1 January	116.7	129.0
Movement in insurance premium	(4.8)	(1.7)
Movement in Travellers' cheques reimbursement funds	(8.2)	(11.9)
Revaluation gains recognised in Income statement	—	1.3
At 31 December	<u>103.7</u>	<u>116.7</u>

Valuation techniques

Foreign currency forwards and swap contracts

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Travellers' cheques

The valuation of the travellers' cheques reimbursement funds and insurance premium asset are based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed by Lane Clark & Peacock LLP on an annual basis to determine the expected level of the float write back at year end.

The valuation assumes that travellers' cheques will not be encashed more than 65 years after the year of sale. Sensitivity analysis has been performed to change the assumption of encashment for a period of only 50 years after sale and increasing encashment to 100 years after sale. The valuation changes by 2% and (2.6%) respectively.

The valuation of the reimbursement fund is the gross value of Travellers' Cheques Awaiting Redemption at year end less the assessed fair value of the float write back.

The fair value of the insurance premium asset is linked to the fair value of the float write back and therefore the change in fair value applied to the float write back is used to generate the change in fair value of the insurance premium asset.

Equity share investments

The Group holds convertible ordinary shares ('B' shares) in Visa Inc. The fair value of the unquoted ordinary shares has been determined using conversion rates of 1.6483 per share price of US\$77.55 ('A' quoted share price at 31 December 2015), discounted at a rate of 46%.

Sensitivity analysis has been performed to change the assumption of the share price. If the Visa share price were to change by +/- 5%, the valuation would change by US\$238k.

Offsetting derivative financial assets and liabilities

Net financial asset

<i>£m</i> <i>2015</i>	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign currency forward contracts	55.0	(53.6)	1.4
Foreign exchange swap contracts	146.7	(145.4)	1.3
	<u>201.7</u>	<u>(199.0)</u>	<u>2.7</u>

<i>£m</i> 2014	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign currency forward contracts	31.3	(30.0)	1.3
Foreign exchange swap contracts	157.5	(155.9)	1.6
	<u>188.8</u>	<u>(185.9)</u>	<u>2.9</u>

Net financial liability

<i>£m</i> 2015	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign currency forward contracts	38.8	(39.6)	(0.8)
Foreign exchange swap contracts	192.3	(194.1)	(1.8)
	<u>231.1</u>	<u>(233.7)</u>	<u>(2.6)</u>

<i>£m</i> 2014	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign currency forward contracts	15.2	(16.3)	(1.1)
Foreign exchange swap contracts	134.8	(135.5)	(0.7)
	<u>150.0</u>	<u>(151.8)</u>	<u>(1.8)</u>

20. Provisions

<i>£m</i>	<i>Onerous contracts</i>	<i>Employee related provisions- (restated)</i>	<i>Other</i>	<i>Total restated</i>
At 1 January 2015	18.1	2.3	10.6	31.0
Exchange adjustments	0.1	(0.1)	(0.9)	(0.9)
Increase on acquisition on subsidiary	—	0.2	0.1	0.3
Charged to income statement	16.4	11.9	2.9	31.2
Written back to income statement	(0.2)	(0.2)	(4.4)	(4.8)
Utilised in the year	(8.6)	(1.2)	(3.6)	(13.4)
At 31 December 2015	<u>25.8</u>	<u>12.9</u>	<u>4.7</u>	<u>43.4</u>
Current	9.2	11.0	2.6	22.8
Non-current	16.6	1.9	2.1	20.6
At 31 December 2015	<u>25.8</u>	<u>12.9</u>	<u>4.7</u>	<u>43.4</u>
Current	5.9	1.4	8.2	15.5
Non-current	12.2	0.9	2.4	15.5
At 31 December 2014	<u>18.1</u>	<u>2.3</u>	<u>10.6</u>	<u>31.0</u>

Onerous contract provisions are in respect of certain airport locations and office building lease contracts. Employee related provisions primarily reflect redundancy costs. Other provisions include the fair value of a contingent liability arising on acquisition of Grupo Confidence and Renova, with the rest being individually small and are in respect of other contractual agreements and legal matters.

21. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

<i>£m</i>	<u>2015</u>	<u>2014</u>
Deferred tax assets—non current	9.5	10.3
Deferred tax liabilities	<u>(3.6)</u>	<u>(4.6)</u>
	<u>5.9</u>	<u>5.7</u>

The movement in deferred tax is as follows:

<i>£m</i>	<u>2015</u>	<u>2014</u>
At 1 January	5.7	7.4
Exchange adjustments	1.2	0.2
Income statement credit (charge)	(0.3)	(1.9)
Tax charged direct to equity	(0.4)	—
Other movements	<u>(0.3)</u>	<u>—</u>
At 31 December	<u>5.9</u>	<u>5.7</u>

The movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<i>Property, plant and equipment</i>	<i>Intangible assets</i>	<i>Tax losses</i>	<i>Pension</i>	<i>Other temporary differences</i>	<i>Total</i>
Assets						
At 1 January 2014	6.1	—	1.8	1.0	8.8	17.7
Credited (charged) to the income statement	<u>0.3</u>	<u>—</u>	<u>(0.2)</u>	<u>(0.5)</u>	<u>(1.7)</u>	<u>(2.1)</u>
At 1 January 2015	6.4	—	1.6	0.5	7.1	15.6
Credited (charged) to the income statement	(1.2)	—	1.5	—	(0.6)	(0.3)
Credited (charged) direct to equity	—	—	0.7	(0.1)	—	0.6
Exchange adjustments	(0.3)	—	(0.1)	—	—	(0.4)
Other movements	<u>(0.8)</u>	<u>—</u>	<u>(0.9)</u>	<u>(0.4)</u>	<u>0.6</u>	<u>(1.5)</u>
At 31 December 2015	<u>4.1</u>	<u>—</u>	<u>2.8</u>	<u>—</u>	<u>7.1</u>	<u>14.0</u>
Liabilities						
At 1 January 2014	(1.0)	(6.3)	—	—	(3.0)	(10.3)
Credited (charged) to the income statement	(0.1)	0.4	—	—	(0.1)	0.2
Exchange adjustments	<u>—</u>	<u>0.2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.2</u>
At 1 January 2015	(1.1)	(5.7)	—	—	(3.1)	(9.9)
Credited (charged) to the income statement	0.1	0.3	—	(0.4)	—	—
Credited (charged) direct to equity	—	(0.3)	—	—	(0.7)	(1.0)
Exchange adjustments	—	1.3	—	—	0.3	1.6
Other movements	<u>0.9</u>	<u>(0.2)</u>	<u>—</u>	<u>0.3</u>	<u>0.2</u>	<u>1.2</u>
At 31 December 2015	<u>(0.1)</u>	<u>(4.6)</u>	<u>—</u>	<u>(0.1)</u>	<u>(3.3)</u>	<u>(8.1)</u>

Other net temporary differences of £3.8m (2014: £4.0m) consist primarily of deferred tax assets relating to provisions and accruals of £5.3m (2014: £5.0m), less £1.7m (2014: £1.0m) in relation to other temporary differences.

There are unrecognised deferred tax assets comprising £59.0m (2014: £39m) unused tax losses and other temporary differences of £35.4m (2014: £32.4m) at the year end. Tax losses which have no time limit are £36.4m, £20.5m expire in one year, £1.6m expire in five years and £0.5m expire in 20 years.

22. Disposal of business

On 29 January 2015, in connection with the sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited sold Banque Travelex SA and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which Dr. B.R. Shetty is also a shareholder, for €26.0m (£19.3m).

The carrying amounts of the net assets of the business at the date of disposal were as follows:

£m

Non current assets

Goodwill	6.0
Property, plant and equipment	3.0

Current assets

Trade and other receivables	8.9
Financial assets	2.4
Cash and cash equivalents	9.7
Intercompany debtors	4.4
Assets disposed	<u>34.4</u>

Non current liabilities

Trade and other payables	(1.0)
Intercompany creditors	(4.2)

Current liabilities

Trade and other payables	<u>(16.2)</u>
Liabilities disposed	<u>(21.4)</u>

Net assets disposed	<u>13.0</u>
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£m

Reconciliation of gain on disposal:

Total consideration received	19.3
Net assets of disposal group	<u>(13.0)</u>
Gain on disposal	<u>6.3</u>
Cumulative translation losses realised on disposal	<u>(1.5)</u>
Net gain on disposal	<u>4.8</u>

£m

Net cash inflow arising on disposal, excluding costs

Consideration received in cash and cash equivalents	19.3
Less cash and cash equivalents disposed of	<u>(9.7)</u>
	<u>9.6</u>

The results of the French business, comprising Banque Travelex SA, and its 100% owned subsidiary Travelex Paris SAS, until the date of disposal and for the year ended 31 December 2014 are summarised as follows:

£m	To 29 January 2015	Year ended 31 December 2014
Revenue	3.2	44.8
Cost of sales	<u>(2.3)</u>	<u>(32.2)</u>
Gross profit	0.9	12.6
Net operating expense	<u>(0.6)</u>	<u>(10.9)</u>
Operating profit before depreciation, amortisation, interest and tax	0.3	1.7
Depreciation and amortisation	<u>(0.1)</u>	<u>(0.9)</u>
Net interest payable	<u>—</u>	<u>(0.3)</u>
Operating profit and profit before tax	0.2	0.5
Tax charge	<u>—</u>	<u>(0.8)</u>
Profit for the period	<u>0.2</u>	<u>(0.3)</u>

23. Acquisitions

Grupo Confidence

On 2 February 2015, the Group purchased the remaining 51% of Grupo Confidence, a group incorporated in Brazil. The Group originally acquired 49% of Grupo Confidence on 11 April 2013, following approval by the Central Bank of Brazil (Banco Central do Brasil) and the President of Brazil. The Group was contractually obliged to purchase the remaining 51% by 14 November 2014 or when final regulatory approval was received, if later.

As a result of this obligation to purchase the remaining shares, the Group was deemed to have acquired control of Grupo Confidence and as such treated the transaction as an acquisition of a subsidiary with a 51% non controlling interest. The obligation to purchase the remaining 51% shareholding was recognised at fair value with the corresponding debit to other reserves. Any subsequent reassessment of the valuation was recognised in the income statement within finance income and costs.

A full assessment of fair value of the assets and liabilities acquired was performed on 11 April 2013 and resulted in goodwill of £58.2m. On 11 April 2013, a redemption liability of £36.1m was recognised in respect of the remaining 51% share of the group, with the contra in Other Reserves. The consideration for the remaining 51% of the group was £55.3m; comprising a cash payment of £47.4m to settle the redemption liability and a prepayment release of £7.9m, representing a release of a prepaid cash amount. Any changes in the value of the redemption liability were recognised within exceptional finance costs, until the liability was settled. On settlement of the £47.4m redemption liability, the other reserves balance of £36.1m was transferred to retained earnings.

The table below summarises the impact on the consolidated financial statements for the year ended 31 December 2015:

£m	
Consideration paid in cash and cash equivalents	(47.4)
Extinguishment of redemption liability	47.4
Transfer out of other reserves of initial redemption liability	(36.1)
Transfer into retained earnings of initial redemption liability	36.1
Non-controlling interest acquired	(12.9)
Gain on acquisition to retained earnings	5.0
Net impact on equity	<u>(7.9)</u>

Acquisition of Renova

On 4 December 2015, BRS Ventures LLC acquired 100% of Renova Serviços Auxiliares em Operações Internacionais Ltda and the trade and assets of Renova S.A. Corretora de Câmbio ('Renova'). BRS Ventures LLC is incorporated in the United States and owned by the Group's ultimate controlling party, Dr B.R.Shetty. Renova operates 37 stores in five States across Brazil with a remittance and business to business foreign exchange offering which is complementary to the Group's existing operations in the country. On the same date, BRS Ventures LLC transferred Renova to the Group.

The purchase consideration and working capital requirements were funded through subordinated loan notes issued in favour of Dr Shetty. The issue of shareholder debt and the acquisition are considered together as a linked transaction and therefore the fair value of the consideration has been assessed as the fair value of the business on the date acquired by the Group as this better reflects the substance of the transaction. The overall fair value adjustment relating to the issue of the shareholder loan notes and the acquisition of the business results in a net credit of £1.0m to reserves, representing a shareholder contribution.

In the period from acquisition to 31 December 2015, Renova contributed revenue of £0.2m and operating profit of £nil to the Group's results. If the Renova business was acquired on 1 January 2015, Group Revenue would be £3.5m higher and operating profit £1.5m lower. The following table summarises the fair value of the consideration

paid and the preliminary assessment of the fair value of assets acquired and liabilities assumed at the acquisition date, the Goodwill comprises the value of expected synergies from the acquisition. Goodwill is allocated entirely to the Brazil segment. None of the goodwill is expected to be deductible for income tax purposes.

<i>£m</i>	<i>Book value</i>	<i>Fair value adjustments</i>	<i>Fair value</i>
Non current assets			
Intangible assets	0.2	1.1	1.3
Tangible assets	<u>0.1</u>	<u>0.4</u>	<u>0.5</u>
	0.3	1.5	1.8
Current liabilities			
Provisions	(0.2)	(0.1)	(0.3)
Deferred tax liability	<u>—</u>	<u>(0.6)</u>	<u>(0.6)</u>
Net current liabilities	<u>(0.2)</u>	<u>(0.7)</u>	<u>(0.9)</u>
Net assets acquired	<u>0.1</u>	<u>0.8</u>	<u>0.9</u>
<i>£m</i>			
Fair value of business acquired			2.4
Fair value of net assets acquired			<u>(0.9)</u>
Goodwill			<u>1.5</u>

24. Retirement benefits

The principal pension arrangements in the United Kingdom and overseas are defined contribution schemes, the assets of which are held separately from those of the Group in independently administered funds. The cost of these schemes which amounted to £5.9m (2014: £5.4m) was charged to the income statement as incurred. At the end of the year £0.2m (2014: £0.3m) of contributions were outstanding.

The Group operates an insured, average salary, pension scheme in the Netherlands. The accounting treatment of the scheme was changed from a defined benefit to a defined contribution scheme as at 31 December 2013 on the basis that it was management's intention to make certain contractual changes to remove actuarial and investment risk, which would have the effect of defined contribution accounting under IFRS. Management subsequently determined, after publication of the financial statements for the year ended 31 December 2014, that the contractual changes made to the scheme did not fully reflect management's initial intentions and required further agreement with the affected employees and, as such, the scheme was required to be accounted for as a defined benefit scheme. The prior period balances in these financial statements have been amended to reflect this change, the prior year income statement and statement of comprehensive income have not been restated as the impact was assessed as insufficiently material. This resulted in a change to the opening balances at 1 January 2014 with a £1.9m debit to the indexation payment provision, a £6.7m credit to the net pension liability and a debit to retained earnings of £4.8m. At 31 December 2014 plan assets and related scheme obligations were valued at £79.7m and £86.3m respectively, the movement in net pension liability of £0.1m for the year ended 31 December 2014 was recognised in total comprehensive income.

In December 2015, following receipt of the required employee agreements to the contractual changes initiated in 2013, the accounting was changed from defined benefit to defined contribution. Following the change in classification to defined benefit in December 2015 the indexation liability was fixed resulting in the recognition of a provision of £1.4m, plan assets of £71.9m and related scheme obligations of £77.0m were derecognised with the net gain of £4.0m recognised as an exceptional item in the income statement

The Netherlands pension scheme is open to employees from the age of 21. The scheme rules state that the age of retirement is 65 with the retirement benefit based on average pay accrued at a rate of 2.25% of pensionable salary per year of employment. The widow's pension is 70%, and the orphan's pension 14%, of the retirement benefits the employee would have attained at the age of 65. Pension payments are paid by the employer, being an actuarial premium, and the employee, being 2% of the annual salary. There are no post-employment medical benefits included in the scheme. The pension scheme is valued on an annual basis by an external actuary.

The principal assumptions used by the actuary in the valuation of the scheme in 2015 were that the rate of increase in salaries would be 2.0%, inflation would be 2.0%, there would be no pension increase for pensioners and deferred pensioners and the applicable discount rate was 2.6%. The AG-Generation 2014–2064 mortality table was used.

The assets (liabilities) of the scheme as at the date of reclassification and at previous year ends and the expected rate of return, based on current market expectations, were:

<i>£m</i>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Fixed interest bonds	71.9	79.7	65.6	61.2	54.6
Expected rate of return	2.6%	2.2%	3.7%	1.7%	2.6%
Present value of scheme liabilities	(77.0)	(86.3)	(72.3)	(66.3)	(52.8)
(Deficit) Surplus in scheme	(5.1)	(6.6)	(6.7)	(5.1)	1.8
Transfer to defined contribution scheme	5.1	—	—	—	—
Net (deficit) surplus in scheme	<u>—</u>	<u>(6.6)</u>	<u>(6.7)</u>	<u>(5.1)</u>	<u>1.8</u>

Analysis of amounts recognised in statement of comprehensive income until the change of classification to defined contribution in December 2015:

<i>£m</i>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actual return less expected return on pension scheme assets	(4.6)	17.9	(0.9)	7.2	1.1
Gains (losses) arising on the scheme liabilities	5.5	(20.2)	(2.3)	(13.5)	(1.9)
Changes in assumptions underlying the plan liabilities	—	—	—	—	—
Actuarial gain (loss) recognised in statement of comprehensive income	<u>0.9</u>	<u>(2.3)</u>	<u>(3.2)</u>	<u>(6.3)</u>	<u>(0.8)</u>

The cumulative actuarial losses recognised in the statement of comprehensive income at 31 December 2015 were £10.8m (2014: £11.7m, 2013: £11.7m, 2012: £8.5m, 2011: £2.2m). The actual gain on plan assets was £1.4m (2014: £0.1m).

Analysis of the amount credited (debited) to other finance costs:

<i>£m</i>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Interest income	1.6	2.3	2.5	1.4
Interest expense	(1.7)	(2.5)	(2.6)	(2.5)
Net finance cost	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>(1.1)</u>

The statement of other comprehensive income and the income statement have not been restated for 2014 to reflect the change in accounting treatment of the Group pension scheme in the Netherlands as the effect is not considered material.

In 2015 the asset remeasurements less expected return on the pension scheme's assets as a percentage of the scheme's assets was 6.3% (2014: return of 22.3%). The gains and losses arising on the scheme's liabilities as a percentage of the present value of the scheme's liabilities was 7.0% (2014: 23.4%). The total remeasurements recognised in the statement of comprehensive income as a percentage of the present value of the scheme's liabilities was 1.2% (2014: 2.8%).

Reconciliation of the defined benefit scheme's assets and obligations:

<i>£m</i>	<u>Asset</u>	<u>Obligation</u>	<u>2015 Total</u>	<u>Asset</u>	<u>Obligation</u>	<u>2014 Total</u>
At 1 January	79.7	(86.3)	(6.6)	65.6	(72.3)	(6.7)
Current service cost	—	(1.3)	(1.3)	—	(1.0)	(1.0)
Past service cost	—	0.6	0.6	—	2.3	2.3
Interest income	1.6	—	1.6	2.3	—	2.3
Interest expense	—	(1.7)	(1.7)	—	(2.5)	(2.5)
Actuarial (loss) gain due to:						
—Changes in financial assumptions	—	6.2	6.2	—	(21.9)	(21.9)
—Changes in demographic assumptions	—	—	—	—	(0.8)	(0.8)
—Experience adjustments	—	(0.7)	(0.7)	—	2.5	2.5
—Return on plan assets	(4.6)	—	(4.6)	17.9	—	17.9
Contributions by the Group	1.0	—	1.0	1.0	—	1.0
Contributions by scheme participants	0.2	(0.2)	—	0.2	(0.2)	—
Benefits paid	(2.0)	2.0	—	(2.1)	2.1	—
Exchange adjustments	(4.0)	4.4	0.4	(5.2)	5.5	0.3
Classification change to defined contribution scheme	(71.9)	77.0	5.1	—	—	—
At 31 December	<u>—</u>	<u>—</u>	<u>—</u>	<u>79.7</u>	<u>(86.3)</u>	<u>(6.6)</u>

The net defined benefit liability was re-measured on the date the classification changed to a defined contribution scheme. The net defined benefit liability of £5.1m was released and recognised as a gain on settlement. A £1.4m indexation liability was recognised and other related costs of £0.3m were incurred. The net gain of £4.0m was recognised within exceptional items in the income statement.

25. Cash generated from operating activities

<i>£m</i>	<i>2015</i>	<i>2014</i>
Operating (loss)/profit	(12.3)	29.7
Depreciation and amortisation	25.3	24.4
Impairment charges	—	2.4
Loss on disposal of property plant and equipment	—	0.3
Revaluation of financial assets held at fair value	4.3	(1.3)
Provisions (including exchange differences on provisions)	27.4	2.2
Reclassification of the Netherlands pension scheme	(4.0)	—
Profit on disposal of business	(4.8)	—
Share based remuneration charge	0.8	3.1
	<u>36.7</u>	<u>60.8</u>
Decrease in inventories	0.1	—
Decrease in trade and other receivables	(19.2)	6.5
Increase/(Decrease) in trade and other payables	18.0	11.4
Utilisation of provisions	(13.4)	(7.0)
Decrease in Prepaid cards awaiting redemption	(12.5)	(32.0)
Decrease in Travellers' Cheques awaiting redemption	(18.1)	(19.1)
Decrease in Travellers' Cheques structured deposits	2.2	1.4
Decrease in financial assets	8.3	11.1
Decrease in float deposits	—	2.4
Foreign exchange translation differences	0.6	(2.5)
Cash generated from operating activities	<u>2.7</u>	<u>33.0</u>

The comparatives have been restated to reflect the presentational changes made in 2015.

26. Share capital

The authorised share capital of the Company is all in issue and is as follows:

	<i>note</i>	<i>Number</i>	<i>2015 £m</i>	<i>Number</i>	<i>2014 £m</i>
Shares classified as equity:					
A Ordinary shares of 1p each		—	—	22,500,000	0.2
B Ordinary shares of 1p each		—	—	383,740	—
C Ordinary shares of 1p each		—	—	265,176	—
D Ordinary shares of 1p each		—	—	400,500	—
M Ordinary shares of 1p each		—	—	66,730	—
Deferred ordinary shares of 1p each		6,197,945	0.1	5,273,529	0.1
Ordinary shares of 1p each		<u>25,794,357</u>	<u>0.2</u>	<u>—</u>	<u>—</u>
		<u>31,992,302</u>	<u>0.3</u>	<u>28,889,675</u>	<u>0.3</u>

The A and B shares were converted into new ordinary shares on a one for one basis when the Group was acquired by UTX Holdings Limited. The C ordinary shares were converted into new ordinary shares and deferred shares on the basis of a multiplier based on the exit value of the business. The D ordinary shares were converted into deferred shares and vested on the basis of a multiplier based on the exit value of the business. The M ordinary shares did not carry any voting or dividend rights but allowed shareholders to receive in total one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital. Beneficial title to all M Shares was purchased by UTX Holdings Limited.

27. Reserves

Retained earnings includes the following reserves:

<i>£m</i>	<i>Defined benefit pension reserve</i>	<i>Available for sale financial assets</i>
At 1 January 2014	9.7	1.8
Current year gain	—	0.4
Actuarial movement on pension scheme	—	—
Deferred tax	—	(0.1)
At 1 January 2015	9.7	2.1
Current year gain	0.9	0.5
Deferred tax	(0.2)	(0.1)
Reclassification to defined contribution scheme	(10.4)	—
At 31 December 2015	—	2.5

Share capital is determined using the nominal value of shares that have been issued. The share premium account includes premiums received on the initial issuing of the share capital. Retained earnings are the accumulated retained losses of the Group. The translation reserve records exchange differences on consolidation of foreign subsidiaries.

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with £209.6m being waived and £315.5m settled through the issue of ordinary shares, and the remaining balance novated at fair value upward within the Group's structure and retained in favour of UTX Holdings, on the same interest and repayment terms. A further fair value debit adjustment of £95.0m against the principal of these instruments was recorded on inception, with a corresponding credit to retained earnings.

At the end of the year 2,116,260 (2014: 2,116,260) B ordinary shares, 552,750 (2014: 552,750) C ordinary shares, 2,571,249 (2014: 2,571,249) D ordinary shares and 33,270 (2014: 40,230) M ordinary shares were held by Travelex Employee Share Trusts at a cost of £1.6m (2014: £1.6m), £nil (2014: £nil), £0.3m (2014: £0.3m) and £2.6m (2014: £3.0m) respectively. This amount is recorded within consolidated retained earnings.

28. Obligations under non-cancellable operating leases

The Group's future minimum operating lease payments under non-cancellable operating leases are as follows:

<i>£m</i>	<i>2015 Land and buildings</i>	<i>2015 Other</i>	<i>2015 Total</i>	<i>2014 Land and buildings</i>	<i>2014 Other</i>	<i>2014 Total</i>
Due within one year	154.8	0.3	155.1	132.3	0.3	132.6
Due between one and five years	308.6	0.3	308.9	316.5	0.6	317.1
Due after five years	13.6	—	13.6	25.4	—	25.4
	<u>477.0</u>	<u>0.6</u>	<u>477.6</u>	<u>474.2</u>	<u>0.9</u>	<u>475.1</u>

Land and buildings held under operating leases include shops at airport locations. These arrangements typically include a fixed amount payable each year, plus a variable element payable based on revenue turnover or passenger numbers. A number of leases permit the Group to extend the lease beyond its current term based on market rates at the time of the extension. There are no purchase options contained within the operating leases held by the Group.

29. Related party transactions

Key management compensation

<i>£m</i>	<i>2015</i>	<i>2014</i>
Short term employee benefits	3.1	4.7
Share based employee remuneration	—	0.2
Post employment benefits	0.2	0.1
Total	<u>3.3</u>	<u>5.0</u>

Key management in the table above are the members of the Group's Executive Committee and exclude Directors of the Company whose emoluments are disclosed in Note 5. During the year nil was paid to key management as a prepayment of amounts accruing under share based payment schemes (2014: £nil).

Transactions with entities with significant influence over Travelex Holdings Limited

During the period the Group paid fees amounting to £99,500 to Esselco LLP for the services of L M Dorfman (2014: £nil). £300,000 (2014: £300,000) was paid to the Royal National Theatre of which L M Dorfman is a Trustee.

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with £209.6m being waived and £315.5m settled through issue of ordinary shares in Travelex Holdings Limited, and the remaining balance being novated upward within the Group's structure and retained in favour of UTX Holdings Limited. The loan balance outstanding as at 31 December 2015 was £458.2m.

The Group has outstanding loans of £nil due to certain key management (2014: £4.4m). These loans are recorded as a component of term loans in these financial statements using an effective interest rate methodology. The loans and related interest are presented here based on contractual amounts due to be paid rather than the effective interest methodology within the financial statements.

On 4 December 2015, BRS Ventures LLC, a company incorporated in the United States and owned by the Group's ultimate controlling party, Dr B.R.Shetty, transferred Renova to the Group (see note 23). The purchase consideration and working capital requirements were funded through subordinated loan notes, issued in favour of Dr B.R.Shetty.

<i>£m</i>	<u>2015</u>	<u>2014</u>
Balance outstanding		
UTX Holdings Limited	458.2	—
Funds advised and managed by Apax Partners	—	546.0
L M Dorfman	—	385.8
Other key management	—	4.4
	<u>458.2</u>	<u>936.2</u>
Interest charged		
UTX Holdings Limited	64.5	—
Funds advised and managed by Apax Partners	—	49.6
L M Dorfman	—	35.1
Other key management	—	0.4
	<u>64.5</u>	<u>85.1</u>

Following the sale of the Group to UTX Holdings Limited on 29 January 2015, the beneficial title to all M shares was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

Transactions with joint ventures

Trading balances of £0.4m, £nil, £0.2m and £nil are owed to/(by) the Group by Travelex Emirates LLC, Travelex Africa Foreign Exchange Pty Limited, Travelex Malaysia Sdn BHD Limited and Travelex Qatar respectively (2014: £0.3m, £nil, (£0.2m) and £nil).

The Group has a loan receivable of £0.9m with Travelex Africa Foreign Exchange (Propriety) Limited (2014: £1.2m), repayable at the discretion of the Travelex Africa board and bearing no interest. This loan is also repayable if there is an imbalance between amounts owed to shareholders in excess of ZAR 5,000,000 with interest payable at 2% on the outstanding value of the loan.

Other related party transactions

During the period, a total of £11.4m was awarded to certain key management and directors on completion of the sale of the Group to UTX Holdings Ltd.

Certain Directors and key management have participated in the Group's long term incentive plan and are eligible to receive loans in order to allow them to participate in this plan. As at 31 December 2015, the balances held by J P Jackson, Lord Stevens, P A Hodgkinson and M Ball were £nil for all Directors (December 2014: £565,000, £2,500, £2,500 and £920,500 respectively). The total amount of the loans to key management was £nil (December 2014: £1,394,970).

Dr B.R. Shetty and his business partner invest in a number of businesses, some of which the Group transacts with. During the year ended 31 December 2015, the Group transacted with UAE Exchange Centre and UAE Exchange Ltd for a total of net revenue of £2.9m and balances outstanding of nil.

On 29 January 2015, in connection with the sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited sold Banque Travelex SA and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which B.R. Shetty is also a shareholder. In the twelve months to 31 December 2015; the Group charged €2.8m (£2.0m) in relation to management services to Banque Travelex SA, and a total trading balance of £0.4m was owed to the Group by Banque Travelex as at 31 December 2015.

Directors and key management occasionally transact with subsidiary undertakings of the Company, primarily with regard to the provision of foreign currency or foreign currency payment transactions on standard staff discount terms. The Board has considered the financial effect of these transactions with Group companies and has concluded that they are not material to the Group or the individuals concerned.

30. Contingent liabilities

As permitted by IAS 39, the Directors have adopted the recognition and derecognition of financial instruments principles from 1 January 2004. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004, would not be cashed have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption amounting to £147.3m (2014: £144.0m).

As at the balance sheet date a total of £29.9m (2014: £27.3m) of bank guarantees (including performance guarantees) have been issued on behalf of the Group. In addition £23.1m (2014: £21.2m) of surety guarantees have been issued to certain states in the US on behalf of the Group.

Certain of the Group's subsidiaries which have been granted financial services licences by local regulators are, from time to time, subject to audits and reviews performed by such local regulators. These reviews and audits often result in recommendations leading to improvements of the control environment. In 2014 the DNB, the central bank of the Netherlands, performed an audit of parts of Travelex NV (formerly GWK Travelex NV). Following its audit, the DNB concluded that Travelex NV was in breach of certain regulatory obligations. Investigations are ongoing, Travelex NV is making good progress in remediating certain key areas of compliance in response to the findings of the DNB and, subject to the approval of the DNB, has appointed a new Managing Director, a new Finance Director and two independent Non-Executive Directors to further strengthen local oversight. GWK are cooperating with the regulators and engaged a third party to assist with the remediation program and to provide assurance regarding the program's appropriateness, who has since reported to Travelex NV and the DNB.

Similarly, an investigation by the local regulator, BACEN, of Travelex's bank ('Banco Confidence') in Brazil commenced disciplinary proceedings at the end of 2015 against it highlighting alleged irregularities (relating to know your customer ("KYC"), reporting and processes and procedures) regarding a number of foreign exchange transactions entered into by five of Banco Confidence's clients. The Group is actively defending the proceedings.

The Company and its subsidiaries may, from time to time, be parties to legal claims arising in the ordinary course of business. The Directors do not anticipate that the outcome of any of these proceedings and claims, either individually or in aggregate, will have a material adverse effect on the Group's financial position.

31. Post balance sheet events

On 25 February 2016, the Group entered into a binding agreement to dispose of its 100% shareholding in Travelex Outsourcing Pty Ltd, its Dynamic Currency Conversion ('DCC') business (Currency Select) to Global Blue SA, for gross proceeds of AUD65.0m (c.£34.8m). The Group expects the transaction to complete on 1 April 2016.

32. Subsidiary undertakings and joint ventures

The subsidiary undertakings and joint ventures of the Group are shown below. All are wholly owned, except where stated.

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Limited	Sale of foreign currency banknotes and other foreign exchange products	Australia
TP Financing 0 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 1 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 2 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 3 Limited	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Financing PLC	Intermediate holding company and provision of finance to the Group	England and Wales
TP Financing 4 Limited	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Group Limited	Intermediate holding company	England and Wales
Travelex Group Investments Limited	Intermediate holding company	England and Wales
Travelex Do Brasil Holding Societaria Ltda	Intermediate holding company	Brazil
Confidence Participacoes S.A. ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Confidence Turismo S.A. ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Banco Empreendimentos S.A. ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Travelex Canada Limited	Sale of foreign currency banknotes and other foreign exchange products	Canada
Travelex UK Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Agency Services Limited	Sale and purchase of travel money through partner-owned stores	England and Wales
Travelex Banknotes Limited	Provision of banknotes and related distribution services	England and Wales
Interpayment Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Global and Financial Services Limited	Processing of encashed travellers' cheques	England and Wales
Travelex Currency Services Limited	Provision of foreign currency and ancillary services to financial institutions and travel agents	England and Wales
Travelex Central Services Limited	Provision of central services to subsidiary companies	England and Wales
Travelex Foreign Coin Services Limited	Provision of services for the handling of foreign coins	England and Wales
Travelex Italia Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Limited	Intermediate holding company and provision of central services	England and Wales
Travellers Exchange Corporation Limited	Dormant	England and Wales
Travelex Property Services Limited	Dormant	England and Wales
Travelex Deutschland GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travellex Financial Services GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travellex SA/NV	Sale of foreign currency banknotes and other foreign exchange products	Belgium
Travellex Czech Republic as	Sale of foreign currency banknotes and other foreign exchange products	Czech Republic
Travellex Switzerland AG	Sale of foreign currency banknotes and other foreign exchange products	Switzerland
Travellex Financial Services NZ Limited	Sale of foreign currency banknotes and other foreign exchange products	New Zealand
Travellex Outsourcing Pty Limited	Sale of foreign currency banknotes and other foreign exchange products	Australia
Travellex Malaysia SDN. BHD (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Malaysia
Travellex Poland SP z.o.o.	Sale of foreign currency banknotes and other foreign exchange products	Poland
Travellex Finland OY	Sale of foreign currency banknotes and other foreign exchange products	Finland
Travellex Doviz Ticaret Anonim Sirketi (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travellex Ankara Doviz Ticareti A.S.	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travellex France Holdings Limited	Intermediate holding company	France
Travellex Holding (S) Pte Limited	Intermediate holding company	Singapore
Travellex Holding (HK) Limited	Intermediate holding company	Hong Kong
Travellex Currency Exchange Limited	Sale of foreign currency banknotes and other foreign exchange products	Hong Kong
Travellex Card Services Limited	Issuance of prepaid cards	Hong Kong
South American Card Services Ltda	Issuance of prepaid cards	Brazil
Travellex Panama SA (60% owned)	Sale of foreign currency banknotes and other foreign exchange products	Panama
Travellex Currency Exchange (China) Limited	Sale of foreign currency banknotes and other foreign exchange products	China
Travellex SMI Technologies (Beijing) Limited	Sale of foreign currency banknotes and other foreign exchange products	China
PT Travellex Indonesia Limited	Dormant	Indonesia
GWK Travellex NV	Sale of foreign currency banknotes and other foreign exchange products	The Netherlands
Travellex Nederland Holdings BV	Dormant	The Netherlands
Travellex Japan KK	Sale of foreign currency banknotes and other foreign exchange products	Japan
Travellex India Private Limited	Sale of foreign currency banknotes and other foreign exchange products	India
Travellex Bahrain WLL (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Bahrain
Travellex and Co LLC (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Oman
Travellex Qatar Q.S.C. (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	Qatar
Travellex Emirates LLC (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	UAE
Travellex Retail Nigeria Limited	Sale of foreign currency banknotes and other foreign exchange products	Nigeria
Travellex Africa Foreign Exchange (Pty) Limited (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	South Africa
Travellex America Holdings Inc	Intermediate holding company	USA
Travellex America Inc	Intermediate holding company	USA

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Australia Holdings Pty Limited	Intermediate holding company	Australia
Travelex NY Inc	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
TCI US LLC	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
Travelex Rand Travellers Cheques Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Euro Travellers Cheque Nederland Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Financial Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Hong Kong and Shanghai Travelex Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Hong Kong
Interpayment Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travelex TC Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travellers Cheques Encashment Services Limited	Processing of encashed travellers' cheques	England and Wales
US Deposits LLC	Investment of money on behalf of the Travellers Cheques Group	USA
Travelex Currency Services Inc	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex America Inc	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex Insurance Services Inc	Sale of travel insurance products on agency basis	USA
Travelex America 2 Inc	Dormant	USA
Travelex TC LLC	Dormant	USA
Travelex Services Inc	Dormant	USA
Travelex Europe Limited	Electronic money institution	England and Wales
Travelex Cyprus Limited	Sale of foreign currency banknotes and other foreign exchange products	Cyprus
Renova Serviços Auxiliares em Operações Internacionais Ltda	Sale of foreign currency banknotes and other foreign exchange products	Brazil

1 The Remaining 51% of Grupo Confidence was acquired on 2 February 2015.

All subsidiary undertakings are included in the consolidation. The proportions of the voting rights of subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

33. Companies Act 2006 disclosure

The Group operates a single group of related products and services which the Directors consider for these purposes to be the same class of business. Group wide geographical analysis of income by destination is shown in the table below:

<i>£m</i>	<i>2015</i>	<i>2014</i>	<i>Growth</i>
Revenue			
UK	229.0	213.6	7.2%
Europe	114.3	114.8	(0.4%)
Asia Pacific	169.8	171.3	(0.9%)
Americas (excluding Brazil)	125.6	121.9	3.0%
Middle East, India, Africa	54.2	39.1	38.6%
Brazil	40.3	60.2	(33.1%)
Other Trade	0.8	0.6	33.3%
Core operations	<u>734.0</u>	<u>721.5</u>	<u>(1.7%)</u>

Reconciliation of statutory reported revenue to core operations revenue:

<i>£m</i>	<u>2015</u>	<u>2014</u>
Statutory reported results—continuing operations	655.7	693.3
Travellers' cheques business	(2.7)	(2.1)
Income within central & shared overheads	(2.1)	(3.6)
France adjustment	40.9	—
Joint venture adjustment	42.2	33.9
Total core operations	<u>734.0</u>	<u>721.5</u>

The joint venture adjustment is the deconsolidation of certain investments accounted for as joint ventures under IFRS.

The net book value of non current assets, comprising intangible assets and property, plant and equipment is as follows:

<i>£m</i>	<u>2015</u>	<u>2014</u>
UK	209.5	144.1
Europe	62.8	128.4
Asia Pacific	48.3	48.1
Americas (excluding Brazil)	51.6	53.4
Middle East, India, Africa	18.8	22.4
Brazil	48.7	59.1
	<u>439.7</u>	<u>455.5</u>

9. Called up share capital

The issued share capital of the Company is as follows:

	<i>note</i>	<i>Number</i>	<i>2015 £m</i>	<i>Number</i>	<i>2014 £m</i>
Shares classified as equity:					
A Ordinary shares of 1p each		—	—	22,500,000	0.2
B Ordinary shares of 1p each		—	—	383,740	—
C Ordinary shares of 1p each		—	—	265,176	—
D Ordinary shares of 1p each		—	—	400,500	—
M Ordinary shares of 1p each		—	—	66,730	—
Deferred ordinary shares of 1p each		6,197,945	0.1	5,273,529	0.1
Ordinary shares of 1p each		<u>25,794,357</u>	<u>0.2</u>	<u>—</u>	<u>—</u>
		<u>31,992,302</u>	<u>0.3</u>	<u>28,889,675</u>	<u>0.3</u>

The A and B shares were converted into new ordinary shares on a one for one basis when the Group was acquired by UTX Holdings Limited. The C ordinary shares were converted into new ordinary shares and deferred shares on the basis of a multiplier based on the exit value of the business. The D ordinary shares were converted into deferred shares and vested on the basis of a multiplier based on the exit value of the business. The M ordinary shares did not carry any voting or dividend rights but allowed shareholders to receive in total one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital. Beneficial title to all M Shares was purchased by UTX Holdings Limited.

10. Reserves

<i>£m</i>	<i>Profit and loss account</i>	<i>Share premium account</i>
At 1 January 2015	(231.5)	26.5
Reorganisation of shareholder debt	13.4	315.5
Profit for the year	6.8	—
Share based employee remuneration	0.6	—
At 31 December 2015	<u>(210.7)</u>	<u>342.0</u>

Details of the reorganisation of shareholder debt are set out in Note 18 of the Group's consolidated financial statements.

At the end of the year 2,116,260 (2014: 2,116,260) B ordinary shares, 552,750 (2014: 552,750) C ordinary shares, 2,571,249 (2014: 2,571,249) D ordinary shares and 33,370 (2014: 33,370) M ordinary shares were held by Traveler Employee Share Trusts at a cost of £1.6m (2014: £1.6m), £nil (2014: £nil), £0.3m (2014: £0.3m) and £2.6m (2014: £2.6m) respectively. This amount is recorded within retained earnings. Members of the Group's senior management team may be invited to subscribe for the unallocated shares.

Details of related party transactions are set out in Note 29 of the Group's consolidated financial statements.

Travelex Holdings Limited

Report and consolidated financial statements
for the year ended 31 December 2014

Travelex Holdings Limited

Director' report

for the year ended 31 December 2014

The Directors present their report and the audited consolidated financial statements of Travelex Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 31 December 2014. The Group financial statements comprise the consolidated financial statements of the Company, including its subsidiary and associated undertakings as defined by International Financial Reporting Standards as adopted by the European Union (EU IFRS).

Controlling interest

The Group is a portfolio company of funds and was advised and managed by Apax Partners until the Group was sold to UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty, on 29 January 2015.

Directors

The following were Directors during the year and held office throughout the year, unless otherwise indicated:

Executive Directors	J P Jackson	Chief Executive Officer (resigned 26 February 2015)
	M D Ball	Chief Financial Officer
Representatives of Apax	M R Phillips	Non-Executive Director (resigned 29 January 2015)
	H Chagani	Non-Executive Director (resigned 29 January 2015)
Other Directors	L M Dorfman CBE	Chairman (resigned 29 January 2015)
	P A Hodgkinson	Non-Executive Director (resigned 29 January 2015)
	S Grabiner	Non-Executive Director (resigned 29 January 2015)
	Lord Stevens	Non-Executive Director
	G C Laws	Non-Executive Director

Dividends

No interim dividends were declared during the current or prior years and the Directors do not recommend the payment of a final dividend (2013: £nil).

Outlook

The outlook for the Group is discussed in the Strategic Report.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the balance sheet date and take into account the facts and circumstances during that period. In making this assessment the Directors consider:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support, including through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities
- The funding requirements of the non-core travellers' cheques operations;

- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have taken into account the sale of the Group in 2015 and the senior debt maturity dates. The Group has therefore prepared these financial statements on a going concern basis.

Post balance sheet events

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with the 'out of the money' portion of interest accrued being waived, and the remaining balance novated upward within the Group's structure and retained in favour of UTX Holdings Limited on the same interest and repayment terms.

On the same date, in connection with the agreed sale of Travelex Holdings Limited, Travelex France Holdings Limited, a 100% owned subsidiary in the Group, sold Banque Travelex SA, and its 100% owned subsidiary Travelex Paris SAS, for €24.6m (£18.3m) to UAE Exchange UK Limited. The Group will continue to manage the business operationally.

On 2 February 2015, the Group purchased the remaining 51% of Grupo Confidence, a group incorporated in Brazil, for £55.3m, having acquired 49% in April 2013.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware. In

addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed as auditors. This will be considered at the AGM to be held during the course of the year.

By order of the Board

A handwritten signature in dark ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

S M Pignet
Company Secretary
30 March 2015

Registered office
65 Kingsway
London
WC2B 6TD

Company registration number
5356574

Travelex Holdings Limited

Independent Auditors' report

to the members of Travelex Holdings Limited
for the year ended 31 December 2014

Our opinion

In our opinion, Travelex Holdings Limited's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Travelex Holdings Limited's financial statements comprise:

- the Consolidated Balance Sheet as at 31 December 2014;
- the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) (“ISAs (UK & Ireland)”). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group’s circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

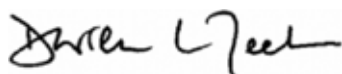
We primarily focus our work in these areas by assessing the directors’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the parent company financial statements of Travelex Holdings Limited for the year ended 31 December 2014.



Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 March 2015

Travelex Holdings Limited**Consolidated income statement**

for the year ended 31 December 2014

<i>£m</i>	<i>Note</i>	<i>2014</i>	<i>2013</i>
Continuing operations			
Income		693.3	639.6
Cost of sales		(424.1)	(394.5)
Gross profit		269.2	245.1
Net operating expense		(189.5)	(200.6)
Operating profit before depreciation, amortisation and exceptional items		79.7	44.5
Depreciation and amortisation		(24.4)	(23.0)
Operating profit before exceptional items		55.3	21.5
Operating exceptional items	2	(25.6)	(60.0)
Operating profit (loss)		29.7	(38.5)
Finance income	3	8.6	14.9
Finance costs	3	(175.0)	(166.0)
Exceptional finance (expense) income	2	2.3	(1.6)
Share of profit in equity accounted investments		2.1	9.5
Loss before tax		(132.3)	(181.7)
Tax charge	6	(13.4)	(5.6)
Loss for the year from continuing operations		(145.7)	(187.3)
Discontinued operations			
Exceptional items from discontinued operations	2	0.6	0.9
Loss for the year		(145.1)	(186.4)
Loss for the year attributable to			
Non controlling interests		4.3	3.3
Owners of the parent		(149.4)	(189.7)
		(145.1)	(186.4)

The notes form an integral part of these financial statements.

Travelex Holdings Limited**Consolidated statement of other comprehensive income**

for the year ended 31 December 2014

<i>£m</i>	<u>2014</u>	<u>2013</u>
Items that may be subsequently reclassified to the income statement		
Exchange differences on overseas subsidiaries	(9.8)	(37.4)
Movement on unrecognised gain on available for sale investments	0.4	0.7
Deferred tax on unrecognised gain on available for sale investments	<u>(0.1)</u>	<u>(0.2)</u>
	(9.5)	(36.9)
Items that will not be reclassified to the income statement		
Actuarial loss on post retirement benefit obligations	—	(3.2)
Movement on deferred tax relating to post retirement benefit obligations	<u>—</u>	<u>0.8</u>
	—	(2.4)
Other comprehensive loss for the year	(9.5)	(39.3)
Loss for the year	<u>(145.1)</u>	<u>(186.4)</u>
Total comprehensive loss for the year	<u>(154.6)</u>	<u>(225.7)</u>
Attributable to		
Non controlling interests	4.3	3.3
Equity holders of the parent	<u>(158.9)</u>	<u>(229.0)</u>
Total comprehensive loss for the year	<u>(154.6)</u>	<u>(225.7)</u>
Total comprehensive loss attributable to equity shareholders arises from		
Continuing operations	(155.2)	(226.6)
Discontinued operations	<u>0.6</u>	<u>0.9</u>
	<u>(154.6)</u>	<u>(225.7)</u>

Travelex Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2014

<i>£m</i>	<i>Share capital</i>	<i>Share premium account</i>	<i>Retained earnings</i>	<i>Other reserves</i>	<i>Translation reserve</i>	<i>Non controlling interests</i>	<i>Total equity</i>
At 1 January 2013	0.3	26.5	(644.6)	—	(10.8)	4.5	(624.1)
Total comprehensive loss	—	—	(191.6)	—	(37.4)	3.3	(225.7)
Acquisition of non controlling interest	—	—	—	—	—	10.5	10.5
Redemption liability	—	—	—	(36.1)	—	—	(36.1)
Exchange adjustment	—	—	—	—	2.6	(2.6)	—
At 1 January 2014	0.3	26.5	(836.2)	(36.1)	(45.6)	15.7	(875.4)
Total comprehensive loss	—	—	(149.1)	—	(9.8)	4.3	(154.6)
Net Investment in own shares	—	—	1.1	—	—	—	1.1
Acquisition of non controlling interest	—	—	—	—	—	0.7	0.7
Dividends paid to non controlling interest ..	—	—	—	—	—	(2.7)	(2.7)
Share based employee remuneration	—	—	32.7	—	—	—	32.7
Exchange adjustment	—	—	—	—	0.6	(0.6)	—
At 31 December 2014	0.3	26.5	(951.5)	(36.1)	(54.8)	17.4	(998.2)

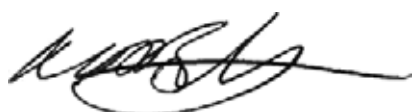
The notes form an integral part of these financial statements

Travelex Holdings Limited
Consolidated balance sheet

as at 31 December 2014

<i>£m</i>	<i>Note</i>	<i>2014</i>	<i>2013</i>
Non current assets			
Intangible assets	7	413.4	399.8
Property, plant and equipment	8	42.1	45.2
Investments accounted for using the equity method	9	13.1	8.3
Investments	12	24.6	26.5
Financial assets	13	107.9	118.8
Trade and other receivables	11	6.8	7.9
Deferred tax asset	21	10.3	13.0
		618.2	619.5
Assets included in disposal group held for sale	22	33.8	—
Current assets			
Inventories	10	0.5	0.4
Trade and other receivables	11	89.9	102.4
Investments	12	2.2	4.6
Financial assets	13	8.8	10.2
Available for sale investments	14	3.8	8.0
Tax receivable		3.7	2.5
Derivative financial assets	19	2.9	2.2
Cash and cash equivalents	15	505.3	582.5
Restricted cash	16	0.3	0.3
		617.4	713.1
Current liabilities			
Trade and other payables	17	(637.0)	(693.3)
Borrowings	18	(3.9)	(1.4)
Other financial liabilities	19	(45.8)	(67.2)
Tax payable		(2.7)	(6.8)
Provisions	20	(15.5)	(16.2)
Derivative financial liabilities	19	(1.8)	(2.8)
Net current assets/(liabilities)		(89.3)	(74.6)
Non current liabilities			
Trade and other payables	17	(0.3)	(0.9)
Borrowings	18	(1,521.1)	(1,391.2)
Provisions	20	(17.3)	(22.6)
Deferred tax liabilities	21	(4.6)	(5.6)
Non current liabilities		(1,543.3)	(1,420.3)
Liabilities included in disposal group held for sale	22	(17.6)	—
Net liabilities		(998.2)	(875.4)
Equity			
Share capital	26	0.3	0.3
Share premium account		26.5	26.5
Retained earnings		(951.5)	(836.2)
Translation reserve		(54.8)	(45.6)
Other reserves		(36.1)	(36.1)
Equity attributable to owners of the parent		(1,015.6)	(891.1)
Non controlling interests		17.4	15.7
Total equity		(998.2)	(875.4)

The notes form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 30 March 2015 and were signed on its behalf by:

M D Ball (Director)


Travelex Holdings Limited

Consolidated cash flow statement

for the year ended 31 December 2014

<i>£m</i>	<i>Note</i>	<i>2014</i>	<i>2013</i>
Cash flows from operating activities			
Cash generated from operations	25	33.0	73.5
Other cash interest received		—	0.2
Taxation paid		(15.5)	(4.1)
		<u>17.5</u>	<u>69.6</u>
Cash flows from investing activities			
Interest received		0.6	0.6
Purchase of property, plant, equipment, software and development expenditure		(33.5)	(40.9)
Proceeds from sale of property, plant, equipment and software		—	1.1
Dividends received from joint venture		0.9	7.9
Sale (purchase) of available for sale investments		4.7	(1.8)
Receipt of escrow funds from sale of business		—	41.0
Acquisition of businesses net of cash acquired		(21.5)	34.2
Cash paid on investment in joint ventures (including costs)		(3.4)	(1.6)
		<u>(52.2)</u>	<u>40.5</u>
Cash flows from financing activities			
Interest paid on senior secured notes		(26.0)	(19.9)
Repayment of shareholder loans		(4.5)	(7.2)
Net purchase of own shares for employee share schemes		(0.4)	—
Repayment of PIK notes		—	(320.9)
Proceeds from senior secured notes		—	339.7
Dividends paid to non-controlling interest		(2.7)	—
Capital element of finance lease payments		(0.8)	(1.0)
		<u>(34.4)</u>	<u>(9.3)</u>
Exchange losses on cash and cash equivalents and bank overdrafts		(1.1)	(14.6)
Net (decrease) increase in cash and cash equivalents and bank overdrafts		(70.2)	86.2
Cash, cash equivalents and bank overdrafts at the beginning of the year		<u>582.0</u>	<u>495.8</u>
Cash, cash equivalents and bank overdrafts at the end of the year		<u>511.8</u>	<u>582.0</u>
Comprising:			
Cash and cash equivalents	15	505.3	582.5
Bank overdrafts	18	(3.2)	(0.5)
Cash and cash equivalents included in disposal group classified as held for sale	22	9.7	—
		<u>511.8</u>	<u>582.0</u>

The notes form an integral part of these financial statements.

Travelex Holdings Limited

Consolidated financial statements

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies

General information

Until 29 January 2015 Travelex Holdings Limited (the Company) was the Group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The registered office and principal place of business is 65 Kingsway, London, WC2B 6TD. On 29 January, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey and intermediate holding company ultimately controlled by Dr B.R. Shetty. BRS Ventures & Holdings Limited, a company incorporated in the British Virgin Islands, is the Group's ultimate parent company from that date.

Basis of preparation

The consolidated financial statements of the Company have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards and the Companies Act 2006 applicable to all companies reporting under IFRS. The functional and presentational currency of the Company is Sterling. The presentational currency of the Group is Sterling. The Group accounting policies dealing with material items are set out below.

The Group financial statements comprise the consolidated financial statements of the Company including its subsidiaries and joint ventures. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the provisions of the Companies Act 2006 applicable to all companies reporting under IFRS. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, the differences have no material impact on the Group's consolidated financial statements for the years presented.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Individual non-current assets or "disposal groups" (ie groups of assets and liabilities) to be disposed of, by sale or otherwise in a single transaction, are classified as "held for sale" if the following criteria are met at the period end:

The carrying amount will be recovered principally through a sale transaction rather than through continuing use; and the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for such sales; and the sale is highly probable. Disposal groups held for sale are carried at the lower of their carrying amount and fair value less costs to sell. The comparative statement of financial position is not restated. On classification as held for sale, the assets are no longer depreciated.

The results of businesses disposed of are included in the consolidated financial statements until the date on which control, joint control or significant influence ceases. The cash proceeds of disposals are included within "Investing activities" in the cash flow statement. Any amounts previously recognised in other comprehensive income in respect of the entity disposed of may be recycled to the income statement in proportion to the interest disposed of.

Changes in accounting policy

The following new accounting standards or revisions or amendments to IFRS issued by the Accounting Standards Board, relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2014 have been fully adopted in these financial statements. Unless otherwise stated, these new standards and amendments did not have a material impact on the financial statements.

IFRS 10 'Consolidated Financial Statements' (effective from 1 January 2014). IFRS 10, which replaces parts of IAS 27, 'Consolidated and Separate Financial Statements and all of SIC-12, 'Consolidation—Special Purpose

Entities', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

The remainder of IAS 27, 'Separate Financial Statements', currently contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable to the Group's consolidated financial statements.

IFRS 11 'Joint Arrangements' (effective from 1 January 2014). IFRS 10 replaces IAS 31, 'Interests in Joint Ventures' and SIC-13, 'Jointly Controlled Entities—Non-monetary Contributions by Venturers', requires a single method, known as the equity method, to account for interests in jointly controlled entities which is consistent with the accounting treatment currently applied to investments in associates. The proportionate consolidation method is prohibited.

IFRS 12 'Disclosures of interests in other entities' (effective from 1 January 2014). IFRS 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11.

IAS 28 (revised 2011) 'Investments in associates and joint ventures' (effective 1 January 2014). This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

IAS 32 (amendment) 'Financial instruments: Presentation', on assets and liabilities offsetting (effective 1 January 2014). This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.

IAS 36 (amendment), 'Impairment of assets' (effective 1 January 2014). This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IAS 39 (amendment), 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting (effective 1 January 2014). This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting when novation of a hedging instrument meets specified criteria.

IFRIC 21, 'Levies' (effective 1 January 2014). This standard sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized.

Accounting standards, interpretations and amendments to published standards issued but not yet effective and which have not been adopted early by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group, except for the following set out below:

IFRS 9 'Financial Instruments' (effective 1 January 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for

liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted subject to EU endorsement. The group is yet to assess IFRS 9's full impact.

IFRS 11 (amendment), 'Joint arrangements' (effective from 1 January 2017). The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a Joint Operation that constitutes a 'business' (as defined in IFRS 3, Business combinations).

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted subject to EU endorsement. The Group is yet to assess the impact on its financial reporting.

IFRS 10 (amendment) 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Investments in joint ventures

Entities whose economic activities are controlled jointly by the Group and others are initially recorded at cost and subsequently accounted for under the equity method. The investment is initially recognised at cost using the acquisition method. Any goodwill or fair value adjustments attributable to the Group's share in the entity are included in the carrying value of the investment.

All subsequent changes to the Group's share of interest in the equity of the joint venture are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the joint venture are reported in the income statement.

When the Group's share of losses in an equity accounted investment exceeds its interest in the joint venture, the Group does not recognise further losses, unless obliged to make good these losses on behalf of the entity. If the entity subsequently reports profits, the Group resumes the recognition of its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the entity. Amounts reported in the financial statements of the joint ventures have been reviewed to ensure consistency with the accounting policies of the Group.

However, a loss is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Revenue recognition

The Group earns fees, commissions and currency margins on its products provided to customers and currency gains and losses on its currency positions and hedging activities. The key components of revenue are described below:

Foreign currency revenue is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to fair value and commissions earned on the sale and purchase of currencies. Margin and commission revenue is recognised as earned when the transaction is made.

Revenue earned through ATM transactions comprises commission based fees on customers making ATM transactions and interchange fees and is recognised as earned when the transaction is made.

Revenue relating to outsourced travel money services for banknotes and wholesale banknote fulfilment consists of margin, commission and fees charged on the fulfilment of currency orders, net of rebates. Revenue is recognised when earned under the terms of the related contracts, normally when the transaction is fulfilled.

Revenue from the sale of insurance policies is recognised at the time of sale of the insurance policy and represents the commission earned on the sale of the policy.

Revenue from travellers' cheques consists of revenue from investment activities, which is derived from the interest earned on the investment of funds generated from the issue of travellers' cheques for the period from their original issue to the date of their encashment. This is recognised in the period to which it relates. Commissions and fees are recognised when earned.

Revenue from our foreign exchange bank in Brazil includes income from investment activities, which are derived from the interest earned on overnight investment of funds waiting to be cleared. This is recognised in the period to which it relates.

Foreign currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which the entity operates. For most entities this is the currency of the country in which they are located.

Transactions denominated in other currencies are converted into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences on long term monetary assets funding overseas subsidiaries are taken to the translation reserve. Assets and liabilities of overseas subsidiaries are translated at the closing exchange rate. Income and expenditure of these subsidiaries are translated at the average rates of exchange during the year. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are released into the income statement upon disposal or partial disposal of the foreign operation. All other exchange gains and losses, which arise from normal operating activities, are included in the income statement as incurred.

Cost of sales

Cost of sales comprises direct selling costs including direct salaries, shop rental costs and incentive commissions and are recognised as incurred.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a clearer understanding of the Group's financial performance.

Intangible assets

Goodwill

The excess of the fair value at the date of acquisition of the cost of investments in subsidiaries over the fair value of net assets acquired which is not otherwise allocated to individual assets and liabilities is determined to be goodwill. Goodwill is initially measured at cost, and is reviewed at least annually for impairment. The goodwill recognised before the transition to IFRS was accounted for under UK GAAP. Any impairment is recognised immediately in the Group's income statement and is not subsequently reversed.

Brand names

Brand names acquired in a business combination are recognised at fair value at the acquisition date. Brand names have a finite useful life and are carried at cost and amortised over the useful life.

Banking licences

Banking licences acquired in a business combination are recognised at fair value at the acquisition date. Banking licences have an indefinite useful life and are reviewed at least annually for impairment.

Other intangible assets

Computer software comprises off the shelf packages, modified to meet the Group's requirements, software developed in house and software purchased as part of business combinations. Internal and external costs are capitalised to the extent that they are directly attributable to the development of modified software provided they meet the recognition criteria under IFRS. Capitalised costs are amortised on a straight line basis over their estimated useful lives.

Customer relationships represent the cost incurred when acquiring major outsourcing agreements and relationships recognised on business combinations accounted for at fair value, which are being amortised on a straight line basis over the term or expected term of the relationships. Other intangible assets, which comprise non compete agreements and lease rights at retail locations, are measured at cost and amortised over their expected useful lives.

Amortisation is calculated on a straight line basis using the following rates:

Computer software	10% - 33% per annum
Brand name	10% per annum
Customer relationships	6% - 19% per annum
Other	12.5% - 50% per annum

Property, plant and equipment

Property, plant and equipment are initially recorded at cost and depreciated so as to write off the cost of the asset over its estimated useful life. Cost includes expenditure which is directly attributable to bringing the asset into working condition for its intended use.

Depreciation is calculated on a straight line basis using the following rates:

Freehold land	Nil
Freehold and long leasehold property	2% per annum or over the lease term if shorter
Short leasehold property	10 - 20% per annum or over the lease term if shorter
Fixtures and fittings	10 - 50% per annum
Computer hardware	20 - 33.3% per annum
Motor vehicles	20 - 25% per annum

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some at a cash generating unit level. Goodwill is allocated to those cash generating units or group of units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the discounted present value of future cash flows over a three year period, plus terminal value. The data used for the Group's impairment testing procedures are directly linked to the Group's latest approved budget.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating

unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised should be reversed.

The Group also assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and defaults in payment are considered an indication that the receivable is impaired. The carrying amount of the asset is reduced and the amount of the provision is recognised in the income statement.

Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax is provided in respect of fair value adjustments arising on acquisitions. Provision for deferred tax is based on the difference between the carrying value of the asset and its income tax base.

Deferred tax assets and liabilities are calculated, at tax rates that are expected to apply to their respective period of realisation, provided legislation or rulings governing such rates are enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are always provided for in full and are not discounted. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of offset against future taxable income on the Group's latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Employee benefits

Contributions to the Group's defined contribution pension schemes are charged to the income statement as incurred.

The Group operates a pension scheme in the Netherlands that changed classification in 2013 from a defined benefit to a defined contribution scheme. Prior to the classification a full independent actuarial valuation was carried out on a triennial basis and updated to each balance sheet date. The assets of the scheme were held separately from those of the Group. Scheme assets were measured at fair value using the bid price. Scheme liabilities were measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Prior to the reclassification, any past or current service costs were recognised within the income statement. The net of the interest cost on the scheme's liabilities, and the Group's expected return on the scheme's assets, were included in the income statement as finance costs in 2013.

Prior to the reclassification, actuarial gains and losses were recognised immediately through the statement of comprehensive income. The net surplus or deficit is presented within other assets or liabilities on the balance sheet. The related deferred tax was shown within other deferred tax balances. A surplus was recognised only to the extent that it is recoverable by the Group.

Cash and cash equivalents

Cash and cash equivalents includes all notes and coins held in tills and vaults, in transit and in distribution centres, bank accounts and term deposits which comprise deposits with financial institutions with an original maturity of less than three months.

Travellers' cheques, investments and structured deposits

Investments include travellers' cheque float and structured deposits which relate to monies received in advance on issuance of Visa branded travellers' cheques. These are restricted to use within the Travellers' Cheques business. These monies received in advance are placed in a series of structured deposits with financial institutions and these are discounted to net present value using the effective interest rate method.

A financial asset is recorded at fair value representing the monies paid into a reimbursement fund as part of the Reimbursement Payment Services Agreement (RPSA) with AmTrust. This reimbursement fund is used for the encashment of MasterCard branded Travellers Cheques and is valued as the gross liability outstanding less an actuarial valuation of travellers' cheques that will never be encashed (float write back). A further insurance asset is recorded at fair value representing the risk of any encashment levels above the actuarial expectations. The insurance asset value will fluctuate in line with the actuarial calculation of the float write back.

The travellers' cheques awaiting redemption liability was initially recorded at fair value for all travellers' cheques issued but not encashed. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004 would not be encashed, have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption as permitted by IAS 39. The liability is subsequently adjusted for Travellers' Cheques which have been encashed.

The liability is denominated in the currency of the travellers' cheque and translated at the balance sheet date. The travellers' cheques are payable on demand and hence shown within trade payables due within one year.

As a consequence of the difference in accounting treatment the liability exceeds the value of the associated asset.

Financial assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets have been classified in the financial statement as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relate.

Preference shares, which are redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or of a firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets or liability or firm commitment that is attributable to the hedged risk. Where derivatives are held with different counterparties or with the same counterparty and management has no intention to settle the derivatives and the underlying asset or liability or firm commitment, on a net basis, the fair values of the derivative assets and liabilities and the hedged asset or liability or firm commitment are shown separately in the statement of financial position as there is no legal right of offset.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the period when the hedged item affects profit or loss, for example when the forecast sale that is being hedged takes place. When the forecast transaction that is being hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and the cost of the asset adjusted. The gains and losses are recognised subsequently in the income statement when the non-financial asset is amortised or sold.

Derivatives that do not qualify for hedge accounting

Any derivative contracts that do not qualify for hedge accounting are fair valued at the statement of financial position date.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated as hedges and will be accounted for as described above.

Fair value

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where relevant market prices are available, these have been used to determine fair values. In other cases, the fair values have been calculated using quotations from independent financial institutions, or by using valuation techniques consistent with general market practice applicable to the instrument.

- The fair value of cash, short term borrowings and loans to joint ventures approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.
- The fair values of long term borrowings are calculated as the present value of the estimated future cash flows by assessing comparable instruments on active markets and an appropriate market based yield curve or expected settlement. The carrying value of the borrowings is amortised cost.
- Derivative financial assets and liabilities are carried at fair value based on quoted prices in an active market where available. Where no price information is available from a quoted market source, fair value is estimated based on the Group's view on relevant future prices using modelling techniques. The fair values of the various derivative instruments used for hedging purposes are disclosed in note 19.
- The fair value of financial assets held in relation to Travellers Cheques liabilities are calculated based on actuarial assumptions.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up front at the date of inception of the lease. Leases of land and buildings are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised.

Subsequent accounting for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight line basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Share based employee remuneration

The Group operates a share based payment scheme. Prior to 31 December 2014, the scheme was accounted for as a cash settled share based payments scheme with the fair value of the awards recognised as a liability. At 31 December 2014, the Directors considered that there was sufficient certainty that the awards would be fully settled in equity as part of the acquisition by UTX Holdings Limited. The change in the scheme was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme and any change in the value of the scheme has been reflected in the income statement.

Unallocated or repurchased shares held by the employee share trust are included within retained earnings.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Significant management estimates and judgements in applying accounting policies

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. The critical judgements that have been made in arriving at the amounts recognised in the Group's financial statements and the key sources of estimation and uncertainty that have a significant risk of causing material adjustment to the carrying values of assets and liabilities within the next financial year are as follows:

Basis of consolidation

In determining whether the Group has control, joint control, or significant influence over an entity, the Group considers whether other parties hold veto rights over significant operations and financial policies. In some instances, the Group has control of an entity where other parties own more than one half of the voting rights of an entity but the Group can control these voting rights through contractual arrangements. In such circumstances the Group considers in particular whether it obtains benefits including non-financial benefits, from its power to govern the financial and operating policies of the entity.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the discounted present value of future cash flows over a three year period, plus terminal value. In the process of measuring the recoverable amount of an asset or cash generating unit, management makes assumptions about future profits. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the carrying amount of the Group's assets within the next financial year. Refer to Note 7 Intangible assets for further information.

Estimation of provisions for onerous contracts

The value of the Group's provisions for onerous contracts is based on the net present value of estimated future costs of fulfilling the contract exceeding the forecast income receivable. The provision is based on discounted cash flows to the end of the contract. Income and cost estimates can vary in response to many factors including changes in passenger numbers, average transaction values, hit rates, and changes in the relevant local/national

government regulations. The selection of appropriate sources on which to base calculation of the discount rate used for this purpose also required judgment. As a result of all of the above factors, there could be significant adjustments to the provision for onerous contracts which could affect future financial results.

Insurance contract

On 31 May 2013, the Group took out an insurance policy to cover any shortfall resulting from any excess encashment of travellers' cheques. The insurance policy was recorded at cost as a financial asset and is revalued to fair value at each reporting date with any change in valuation recognised in the income statement. The fair value of the insurance premium asset is based on the expectations regarding the float write back. The float write back is the estimated value of Travellers' Cheques that will never be encashed. An independent actuarial valuation is performed by Lane Clark & Peacock LLP on an annual basis to determine the expected level of the float write back at each year end.

The fair value of the insurance premium asset is directly linked to the estimated level of the float write back and therefore the percentage change in the expected float write back is used to generate the change in fair value of the insurance policy asset.

Put and call option and redemption liability

On acquisition of the initial 49% shareholding in Grupo Confidencia in 2013, the Group entered into a put and call option over the remaining 51%. The Group was contractually obliged to purchase the remaining 51% by 14 November 2014 or when regulatory approval was complete, if later. Regulatory approvals for the acquisition of the remaining 51% were received on 8 January 2015 and the transaction closed on 2 February 2015. Prior to the completion of the acquisition of the remaining 51%, these options and the obligation to purchase the shares were measured at fair value and were reassessed at the end of each reporting date with any change in valuation recognised in the income statement within finance income and costs.

Taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest budget forecasts, which are adjusted for significant non taxable income and expenses and specific limits to the use of any unused tax loss or credit, and expectations regarding future financing costs. The tax rules in the numerous jurisdictions in which the Group operate are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. See Note 21.

Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Retirement benefits

The Group operates one significant pension scheme in the Netherlands, which was modified and changed classification in 2013 from defined benefit to defined contribution. Whilst a significant portion of the employees' benefits are guaranteed by an insurance company, previously the Group retained the liability for certain inflationary increases. As such the scheme was classified as defined benefit. During 2013 changes were made to the scheme, principally relating to the fixing of the indexation liability that resulted in a change of classification to defined contribution.

Going concern assessment

The Directors assess the Group's going concern for a period of at least 12 months from the balance sheet date and take into account the facts and circumstances during that period. In making this assessment the Directors consider:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have taken into account the sale of the Group in 2015 and the senior debt maturity dates. The Group has therefore prepared these financial statements on a going concern basis.

Employee share based remuneration

Awards to employees and others providing similar services under the employee share based remuneration scheme are measured at the fair value of the award at the date of grant. In the process of measuring fair value management makes assumptions about future performance and the value of the business, and discount rates.

During 2011 the settlement method of the scheme for financial reporting purposes was changed from equity to cash following the pattern of cash settlement of some of the M Shares. As at 31 December 2014, the Directors considered that there was sufficient certainty that the awards would be settled in equity as part of the acquisition by UTX Holdings Limited. The fair value reflects discounting to present value and any change in the value of the scheme is reflected in the income statement.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control primarily through voting rights. Equity accounting is applied for all associates and joint ventures. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Unrealised gains and losses on transactions between the Group and its subsidiaries are eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the acquired business, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. Provisional fair values allocated at a reporting date are finalised within 12 months of the acquisition date.

The Group recognises any non-controlling interest in an acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Where the Group enters into an arrangement to acquire the non-controlling interest, the Group continues to recognise the non-controlling interest until the risks and rewards of ownership of those shares have transferred to the Group.

2. Exceptional items

<i>£m</i>	<u>2014</u>	<u>2013</u>
Net operating (expenses) income:		
Impairment charge in respect of retail front end systems ¹	—	(9.3)
Onerous contract provision and impairment of related assets ²	(0.3)	(17.2)
Gain on closure and transfer of structured deposits to AmTrust ³	—	10.2
Loss on consolidation of Travelex Currency Services Limited ⁴	—	(22.9)
Global reorganisation costs ⁵	(5.4)	(9.7)
Systems development and Shared Service Migration costs ⁶	(1.4)	(13.0)
Pension classification change	—	4.8
Other exceptional items ⁷	(18.5)	(2.9)
	<u>(25.6)</u>	<u>(60.0)</u>
Finance (costs) income:		
Redemption liability valuation adjustment ⁸	(12.8)	—
Gains on extension of estimated life of term loans ⁹	10.0	—
Exchange gains/(losses) on intercompany loans ¹⁰	5.1	(1.6)
	<u>2.3</u>	<u>(1.6)</u>
Tax attributable to exceptional items ¹¹	0.4	6.7
Discontinued operations:		
Residual gain on disposal Global Business Payments business ¹²	0.8	1.3
Tax attributable to gain on sale Global Business Payments business	(0.2)	(0.4)
	<u>0.6</u>	<u>0.9</u>
	<u>(22.3)</u>	<u>(54.0)</u>

- Following the decision to discontinue the project to replace certain front-end retail systems, an impairment charge amounting to £9.3m recognised in 2013 against the costs incurred in respect of system development including software licence costs.
- Certain legacy airport contracts were assessed as onerous during 2013 and 2014 owing to a significant deterioration in expected profitability over the contract term. These provisions are re-assessed at each reporting date and any material revisions are also included in exceptional items.
- In 2013, as part of the Travellers' Cheques transaction with AmTrust, the structured deposits relating to the Mastercard element of the non-core Travellers' Cheques business were terminated and the cash released to AmTrust. A net gain of £10.2m was recorded.
- Non-cash loss recognised on consolidation of Travelex Currency Services Limited on 31 December 2013.
- Costs associated with the Global Reorganisation initiative, principally redundancy costs.
- Costs associated with the Systems Development and Shared Service Migration that do not meet the Group's criteria for capitalisation.
- Other exceptional items of £18.5m primarily relate to legal and professional fees incurred for corporate projects associated with preparing for the sale of the Group to UTX Holdings Limited. In 2013, other exceptional items primarily related to the restructure of our Travellers' Cheques business and a provision in respect of a property where the lease terms are considered onerous.
- An exceptional charge of £12.8m has been recognised in relation to an increase in the valuation of the redemption liability for the final payment in respect of the 51% shareholding in Grupo Confidencia. The redemption liability is based on a multiple of average earnings for an earn out period ending on 30 June 2014. As at this date, the redemption liability was revised with actual earnings and a negotiated further adjustment. The difference to the previous estimate of £12.8m has been treated as an exceptional finance charge owing to its size.
- The Directors have extended the estimated life and maturity date of the unsecured loan notes and PIK notes to 31 January 2015 (31 December 2013: October 2014) following the agreement during the year to sell the Travelex Group to UTX Holdings Limited, a company incorporated in Jersey and ultimately controlled by Dr B.R. Shetty. The reassessment of the maturity date has resulted in an exceptional credit of £10.0m.
- Retranslation of structural intercompany loans that finance overseas subsidiaries. The retranslation in the overseas subsidiary of the structural intercompany loans is recognised in reserves.
- Tax attributable to operating exceptional items in has been calculated as a gain of £0.4m (2013: £6.7m). Refer to Note 6, Income tax for further details.
- Discontinued operations residual income of £0.8m relates to the sale of the Global Payments business.

3. Finance income and costs

<i>£m</i>	<u>2014</u>	<u>2013</u>
Finance income:		
Interest receivable	0.5	2.7
Net exchange gains	8.1	12.2
	<u>8.6</u>	<u>14.9</u>
Finance costs:		
Bank loans and overdrafts	(0.1)	(0.4)
Term loans	(128.2)	(130.5)
Interest on senior secured notes	(26.0)	(10.9)
Interest payable on currency and interest rate swaps	(0.3)	(0.2)
Finance costs on preference shares classified as liabilities	(15.0)	(13.6)
Finance costs incurred on refinancing	(2.7)	(1.9)
Finance costs in respect of finance leases	—	(0.2)
Net interest cost on pension scheme liabilities	—	(0.1)
Redemption liability valuation adjustment	—	(5.3)
Unwinding of discount on redemption liability	(1.4)	(2.9)
Other finance costs	(1.3)	—
	<u>(175.0)</u>	<u>(166.0)</u>

In accordance with the Group's accounting policy, £1.5m (2013: £4.0m) of interest receivable on bank deposits and money market instruments from the investment of funds generated from travellers' cheque sales and Prepaid cards sales is classified and disclosed within income.

A £3.0m gain is included within net exchange gains from the foreign exchange related revaluation of the redemption liability on the acquisition of Grupo Confidenc. A cost of £1.4m arises from the unwinding of the discount on the redemption liability and is included in finance costs.

4. Loss before tax

Loss before tax is stated after charging:-

<i>£m</i>	<u>2014</u>	<u>2013</u>
Depreciation of owned property, plant and equipment	14.5	16.2
Net loss on disposal of property, plant and equipment	0.3	—
Amortisation of intangible assets	6.1	5.0
Amortisation of intangible assets arising on acquisition	3.8	1.8
Impairment of assets	2.4	11.2
Hire of machinery and equipment	0.9	0.8
Minimum operating lease payments	129.2	145.7
Contingent operating lease payments	70.2	75.2
Auditors remuneration:		
Audit fee in respect of the Company's individual and consolidated financial statements	0.3	0.5
Audit fee in respect of the Company's subsidiary financial statements	1.6	1.3
Audit-related assurance services	0.1	0.2
Tax compliance services	0.2	0.2
Tax advisory services	0.1	0.2
Other assurance services	0.8	0.2
Other non-audit services	5.4	2.5

5. Employees and Directors

<i>Average monthly number</i>	<u>2014</u>	<u>2013</u>
Retail	5,312	5,776
Wholesale & Outsourcing	556	436
Payments & Technology	48	45
Brazil	892	775
Other Trade	78	75
Corporate and Shared services	676	610
	<u>7,562</u>	<u>7,717</u>

Employee costs

<i>£m</i>	<u>2014</u>	<u>2013</u>
Wages and salaries	170.3	163.9
Share based employee remuneration	0.5	16.8
Social security costs	21.6	21.4
Other pension costs	5.4	6.5
	<u>197.8</u>	<u>208.6</u>

Directors' remuneration

<i>£m</i>	<u>2014</u>	<u>2013</u>
Aggregate emoluments excluding company pension contributions	2.8	2.2
Share based Directors' remuneration	0.2	5.8
Company contributions to money purchase pension schemes	0.0	0.1
Aggregate emoluments	<u>3.0</u>	<u>8.1</u>

Aggregate emoluments include a non-cash amount for the IFRS 2 charge to the income statement in the year related to the long term incentive scheme, reflecting the number of M shares held by the employee share trust on behalf of individual Directors. During the year, nil was paid to Directors as a prepayment of amounts accruing under share based payment schemes (2013: £183,000).

Two Directors have benefits accruing under defined contribution pension arrangements (2013: 2). The emoluments of the highest paid Director were £1,321,232 (2013: £4,972,938), including a charge of £137,494 (2013: £4,090,747) for the long term incentive scheme. The Company made no contributions to the highest paid Director's pension arrangements (2013: £49,000).

Share based payments

The M ordinary shares allow shareholders to receive one ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital and are held in beneficial ownership in Trust.

Prior to 31 December 2014, the scheme was accounted for as a cash settled share based payments scheme with the fair value of the awards recognised as a liability. As at 31 December 2014, the Directors considered that there was sufficient certainty that the awards would be settled in equity as part of the acquisition by UTX Holdings Limited. The change in the scheme was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme of £32.7m and any change in the value of the scheme has been reflected in the income statement. Accordingly, there is a charge of £0.5m (2013: £16.8m).

The Group has no legal obligation to repurchase these shares.

6. Income tax charge

The relationship between the expected tax credit based on the domestic effective tax rate of the Group at 21.5% (2013: 23.25%) and the reported tax charge in profit or loss can be reconciled as follows, also showing major components of the tax charge:

<i>£m</i>	<u>2014</u>	<u>2013</u>
Loss before tax	(132.3)	(181.7)
Less share of profit in equity accounted investments	(2.1)	(9.5)
Loss before tax	(134.4)	(191.2)
Domestic tax rate for the Group	21.5%	23.25%
Expected tax credit	(28.9)	(44.5)
Tax losses not recognised	10.4	11.1
Other adjustments in respect of prior years	(1.0)	1.2
Adjustments for tax rate differences in foreign jurisdictions	4.5	2.0
Adjustments for non deductible expenses		
Non-deductible finance costs	20.4	21.7
Impairment of equity accounted investments and goodwill	—	5.3
Other non deductible expenses	8.0	8.8
Net actual tax charge on continuing operations	<u>13.4</u>	<u>5.6</u>
Tax charge comprises:		
Current tax charge	11.5	8.0
Origination and reversal of temporary differences		
Tax losses	1.9	2.0
Other temporary differences	—	(4.4)
Net tax charge	<u>13.4</u>	<u>5.6</u>
Tax charge on ordinary activities	13.8	12.3
Tax credit on exceptional items	<u>(0.4)</u>	<u>(6.7)</u>
Tax charge as shown on the income statement	<u>13.4</u>	<u>5.6</u>

7. Intangible assets

<i>£m</i>	<i>Goodwill</i>	<i>Computer software</i>	<i>Customer relationships</i>	<i>Assets in the course of development</i>	<i>Other¹</i>	<i>Total</i>
Cost						
At 1 January 2013	269.4	37.2	1.6	—	1.6	309.8
Additions	—	2.0	—	27.8	—	29.8
Acquisitions	74.0	4.4	37.3	—	18.1	133.8
Disposals	—	(4.8)	—	—	—	(4.8)
Transfers	—	(8.0)	—	10.8	—	2.8
Exchange adjustments	(14.6)	(3.1)	—	—	(4.8)	(22.5)
At 1 January 2014	328.8	27.7	38.9	38.6	14.9	448.9
Additions	—	3.2	—	10.9	0.4	14.5
Acquisitions	22.5	—	—	—	—	22.5
Disposals	—	(0.5)	—	—	—	(0.5)
Reclassified to held for sale	(9.4)	—	—	—	—	(9.4)
Transfers	—	33.0	—	(32.7)	—	0.3
Exchange adjustments	(3.3)	(0.8)	(0.2)	—	(0.6)	(4.9)
At 31 December 2014	338.6	62.6	38.7	16.8	14.7	471.4
Amortisation and impairment						
At 1 January 2013	24.4	13.4	1.4	—	1.4	40.6
Charge for the year	—	4.6	1.1	—	1.1	6.8
Impairment	—	—	—	9.3	—	9.3
Disposals	—	(4.6)	—	—	—	(4.6)
Exchange adjustments	—	(3.0)	—	—	—	(3.0)
At 31 December 2014	24.4	10.4	2.5	9.3	2.5	49.1
Charge for the year	—	6.0	2.0	—	1.9	9.9
Transfers	—	—	—	—	—	—
Disposals	—	(0.2)	—	—	—	(0.2)
Exchange adjustments	—	(0.7)	—	—	(0.1)	(0.8)
At 31 December 2014	24.4	15.5	4.5	9.3	4.3	58.0
Net book value						
At 31 December 2014	314.2	47.1	34.2	7.5	10.4	413.4
At 1 January 2014	304.4	17.3	36.4	29.3	12.4	399.8
At 1 January 2013	245.0	23.8	0.2	—	0.2	269.2

1 Other intangibles acquisitions relate to Brand name, banking licences and property related intangibles arising from the Grupo Confidence acquisitions.

The carrying amount of goodwill is allocated to the following cash generating units:

<i>£m</i>	<i>Goodwill</i>		<i>Pre-tax discount rates</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>
Currency Services			
UK	33.8	33.8	10.8%
Americas	31.0	31.0	12.7%
Asia Pacific	37.3	37.3	12.0%
EMEA	54.0	63.4	10.5%
Wholesale Cash	63.6	63.6	11.3%
TCS	15.8	15.8	10.8%
Insurance	15.9	15.9	12.6%
Brazil	41.3	43.6	12.0%
Turkey	21.5	—	—
	314.2	304.4	

The recoverable amounts for the cash generating units identified above were determined based on the higher of fair value less costs to sell and value in use estimations.

The value in use estimations covered a three year forecast (2013: three years), followed by an extrapolation of expected cash flows at a growth rate in the range of 2.0% - 3.0% (2013: 2.0% - 3.0%). The growth rates reflect the long-term average rates for the countries in which the cash generating units operate. Cash flow projections have been discounted using a discount factor of 8.5.

Key assumptions are based on the free cash flows of each cash generating unit, which have been determined based on a combination of past experience of the markets in which the Group operates and the expected growth in the forecast period.

The fair value less costs to sell calculations are based on the 2017 forecast EBITDA, where appropriate, and applying a multiple which reflects the product lines and industry in which the cash generating units operate. The costs to sell are estimated to be 2% (2013: 2%) of the fair value of the business.

Other than the considerations described above in determining the recoverable amount of the cash generating units, there are no other key assumptions.

EMEA goodwill has decreased by £9.4m due to allocation of goodwill to held for sale assets, see note 22 for further disclosure.

Brazil goodwill has decreased by £2.3m due to foreign exchange fluctuations, with the Real weakening against Sterling during the course of 2014.

8. Property, plant and equipment

<i>£m</i>	<i>Land and buildings</i>	<i>Fixtures and fittings</i>	<i>Computer hardware</i>	<i>Total</i>
Cost				
At 1 January 2013	30.4	49.1	11.4	90.9
Additions	2.8	11.9	3.4	18.1
Disposals	(3.6)	(5.1)	(0.8)	(9.5)
Acquisitions	—	5.1	0.2	5.3
Transfers	—	—	(2.8)	(2.8)
Exchange adjustments	(3.0)	(3.2)	(1.7)	(7.9)
At 1 January 2014	26.6	57.8	9.7	94.1
Additions	—	14.6	4.3	18.9
Disposals	(0.8)	(2.6)	(1.0)	(4.4)
Acquisitions	—	—	—	—
Transfers	—	(0.9)	0.6	(0.3)
Exchange adjustments	(1.6)	(1.0)	(0.4)	(3.0)
To held for sale classification	—	(8.1)	(1.1)	(9.2)
At 31 December 2014	<u>24.2</u>	<u>59.8</u>	<u>12.1</u>	<u>96.1</u>
Accumulated depreciation				
At 1 January 2013	17.8	24.7	2.3	44.8
Charge for the year	3.4	9.2	3.6	16.2
Disposals	(3.5)	(4.3)	(0.8)	(8.6)
Impairment	1.6	0.3	—	1.9
Exchange adjustments	(2.1)	(1.9)	(1.4)	(5.4)
At 31 December 2013	17.2	28.0	3.7	48.9
Charge for the year	2.8	8.4	3.3	14.5
Disposals	(0.8)	(1.9)	(0.8)	(3.5)
Impairment	1.3	1.1	—	2.4
Exchange adjustments	(1.6)	(0.2)	(0.4)	(2.2)
To held for sale classifications	—	(5.2)	(0.9)	(6.1)
At 31 December 2014	<u>18.9</u>	<u>30.2</u>	<u>4.9</u>	<u>54.0</u>
Net book value				
At 31 December 2014	<u>5.3</u>	<u>29.6</u>	<u>7.2</u>	<u>42.1</u>
At 1 January 2014	<u>9.4</u>	<u>29.8</u>	<u>6.0</u>	<u>45.2</u>
At 1 January 2013	<u>12.6</u>	<u>24.4</u>	<u>9.1</u>	<u>46.1</u>

Motor vehicles are included within fixtures and fittings. The net book value of property, plant and equipment includes £4.0m (2013: £6.1m) in respect of assets held under finance leases and hire purchase contracts.

The impairment of £1.3m resulted from the impairment of buildings in the Netherlands due to change of use resulting from relocation of vault premises. This is further discussed in Note 2, Exceptional items.

The impairment of £1.1m resulted from value in use reduction in Hong Kong Airport.

9. Investments accounted for using the equity method

<i>£m</i>	<i>Interest in joint ventures</i>
At 1 January 2013	78.1
Share of profit after tax	9.5
Distributions	(7.9)
Increase in investments	1.6
Adjustment to convert investment in TCS to subsidiary	(72.9)
Exchange adjustments	(0.1)
At 1 January 2014	8.3
Share of profit after tax	2.1
Distributions	(0.9)
Increase in investments	3.4
Exchange adjustments	0.2
At 31 December 2014	13.1

The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the group.

<i>Name of entity</i>	<i>Place of business/country of incorporation</i>	<i>% ownership</i>
Travelex Emirates LLC	United Arab Emirates	49%
FX Africa Foreign Exchange (Pty) Ltd	South Africa	49%
Travelex Qatar Q.S.C.	Qatar	49%
Travelex Malaysia SDN. BHD	Malaysia	70%

These operations represent strategic partnerships for the Group, providing access to new markets for the sale of foreign currency banknotes and other foreign exchange products. These entities are unlisted.

The Group also has various agreements with independent operators to act as partners in the retail business at several locations in the United States. These joint ventures are accounted for under the equity method of accounting.

10. Inventories

Inventories of £0.5m (2013: £0.4m) relate to non cash items sold through retail shops.

11. Trade and other receivables

<i>£m</i>	<i>2014</i>	<i>2013</i>
Current		
Trade receivables	44.1	56.2
Amounts due from travellers' cheques agents	0.6	1.8
Other receivables	21.8	29.1
Prepayments and accrued income	20.9	13.0
Amounts due from joint ventures and associates	2.5	2.3
	89.9	102.4
Non current		
Prepayments and accrued income	6.8	7.9
	96.7	110.3

Trade receivables at 31 December 2014 include £3.2m of unsettled foreign exchange transactions in the Brazil payments and wholesale banknote business (31 December 2013: £0.6m).

12. Investments

Investments restricted for use within the non core travellers' cheques business are as follows:

<i>£m</i>	<u>2014</u>	<u>2013</u>
Current		
Travellers' cheques float deposits	—	2.4
Money on structured deposits	<u>2.2</u>	<u>2.2</u>
	<u>2.2</u>	<u>4.6</u>
Non current		
Money on structured deposits	<u>24.6</u>	<u>26.5</u>
	<u>26.8</u>	<u>31.1</u>

13. Travellers' cheques transaction

In May 2013 the Group entered into a reimbursement agreement and insurance policy with AmTrust, an insurance company which is rated A by A.M. Best Company, Inc., a leading company rating agency. Pursuant to this agreement, the encashment of properly presented travellers' cheques will be honoured in perpetuity. This transaction, together with related agreements, significantly reduced the remaining commercial risk linked to the encashment of travellers' cheques for the Group.

As at 31 December 2012, the date of the data used for the transaction described above, the face value of Travellers' Cheques Awaiting Redemption" ("TCAR") amounted to £420 million. Actuarial estimates suggest however that an amount of approximately £234 million was expected to be validly presented for encashment or would require encashment. This estimate was based on a 50 per cent. confidence level. The Group's experience over the last 12 years is that actuarial predictions of the level of encashments based on the 50 percent confidence level are substantially accurate. For reference, actuarial estimates of TCAR expected to be validly presented based on a 90 percent confidence level as at 31 December 2012 were approximately £259 million, which is still substantially below the TCAR face value amount of £420 million as at 31 December 2012. For historical reasons, assets held by the Group to cover travellers' cheques encashment are in excess of expected encashments based on the 50 percent confidence level but, substantially lower than TCAR.

These transactions involved paying an insurance premium to AmTrust of which £40.6m was paid during the year ended 31 December 2013, £6.3m was paid during 2014 and £3.1m remains to be paid as at 31 December 2014. This insurance premium has been recognised as a financial asset and is re-measured at fair value at each reporting date with any change in valuation recognised in the income statement. At 31 December 2014, the amount recognised within financial assets in the balance sheet was £48.1m.

As part of the transactions in 2013 cash in structured deposits that were held to support the level of MasterCard branded travellers cheque encashments were terminated. The Group paid over to AmTrust funds sufficient to cover expected encashment of MasterCard branded and non-branded travellers' cheques at a 50 percent confidence level (£91.7m), and these funds have been deposited in bankruptcy-remote vehicles as security for expected encashments. The Group recorded a financial asset relating to these reimbursement funds within financial assets in the statement of financial position and this is revalued to fair value each reporting date with any change in valuation recognised in the income statement. The reimbursement fund at 31 December 2014 year-end amounted to £68.6m. AmTrust reimburses the Group for travellers' cheques encashed on a weekly basis. Structured deposits and assets held on trust are still held to support the encashment of Visa branded travellers cheques.

Financial assets relating to the non-core Travellers' Cheques business are as follows:

<i>£m</i>	<u>2014</u>	<u>2013</u>
Current		
Reimbursement fund	<u>8.8</u>	<u>10.2</u>
	<u>8.8</u>	<u>10.2</u>
Non-current		
Reimbursement fund	<u>59.8</u>	<u>68.6</u>
Insurance premium asset	<u>48.1</u>	<u>50.2</u>
	<u>107.9</u>	<u>118.8</u>
	<u>116.7</u>	<u>129.0</u>

Cash flow from Travellers' Cheques transaction:

<i>£m</i>	<u>2014</u>	<u>2013</u>
Cash inflow from breaking structured deposits	—	115.4
Cash paid into the Reimbursement fund	—	(91.7)
Insurance premium	(6.3)	(40.6)
Other items	—	(12.1)
Amount recognised in cash flows from operating activities	<u>(6.3)</u>	<u>(29.0)</u>

Other items consist of a Guarantee fee, indirect taxes and structured deposit breakage fees.

<i>£m</i>	<u>2014</u>	<u>2013</u>
Cash inflow from breakage of the MasterCard structured deposits	—	115.4
Carrying value of the MasterCard structured deposits at 31 May 2013	—	(102.8)
Other items	—	(2.4)
Gain recognised in the profit and loss	<u>—</u>	<u>10.2</u>

Other items consist of indirect taxes and structured deposit breakage fees.

14. Available for sale investments

Available for sale investments represent equity shares available for sale and government and corporate bonds held in Brazil. Within reserves £2.1m (2013: £1.8m) is held as an unrecognised gain on the equity shares.

<i>£m</i>	<u>2014</u>	<u>2013</u>
Equity shares	2.6	2.1
Government and corporate bonds held in Brazil	1.2	5.9
	<u>3.8</u>	<u>8.0</u>

Reconciliation of equity shares available for sale:

<i>£m</i>	<u>2014</u>	<u>2013</u>
At 1 January	2.1	1.5
Revaluation	0.4	0.7
Exchange adjustments	0.1	(0.1)
At 31 December	<u>2.6</u>	<u>2.1</u>

The government bonds are not held for the full term and they are typically traded within 1-3 days.

15. Cash and cash equivalents

<i>£m</i>	<u>2014</u>	<u>2013</u>
Cash at bank and in hand	470.0	539.7
Term deposits with original maturities of less than three months	35.3	42.8
	<u>505.3</u>	<u>582.5</u>

Included within the cash and cash equivalents balance of £505.3m (2013: £582.5m) are the following balances:

- £191.9m (2013: £179.2m) of cash held in tills and vaults;
- £20.9m (2013: £12.8m) of customer settlements received in advance;
- £146.6m (2013: £162.5m) of monies received from Prepaid card customers whose use is restricted to the settlement of associated liabilities;
- £39.9m (2013: £49.2m) of cash and term deposits with original maturities of less than three months which are ring fenced with their use restricted to the travellers' cheques business; and

- The remaining £106.0m (2013: £178.8m) is deposited in bank accounts throughout the Group and in certain jurisdictions and, while available to the Group, is subject to regulatory and legal restrictions as to its use.

16. Restricted cash

<i>£m</i>	<u>2014</u>	<u>2013</u>
Current		
Amounts held in escrow	<u>0.3</u>	<u>0.3</u>
	<u>0.3</u>	<u>0.3</u>

Current restricted cash comprises £0.3m (2013: £0.3m) held in escrow relating to the sale of the Card Program Management business. This amount is expected to be settled within one year.

17. Trade and other payables

<i>£m</i>	<u>2014</u>	<u>2013</u>
Current		
Trade payables	127.5	101.0
Travellers' cheques awaiting redemption	224.5	248.5
Prepaid cards awaiting redemption	155.8	186.7
Other tax and social security	8.1	8.4
Other payables	30.7	30.6
Accruals and deferred income	90.1	117.9
Amounts due to joint ventures and associates	<u>0.3</u>	<u>0.2</u>
	<u>637.0</u>	<u>693.3</u>
Non current		
Accruals and deferred income	<u>0.3</u>	<u>0.9</u>
	<u>637.3</u>	<u>694.2</u>

Trade payables at 31 December 2014 include amounts prepaid by Wholesale customers for banknotes of £20.9m (31 December 2013: £12.8m) and £24.5m relating to Brazil (31 December 2013: £10.3m), which is driven by an increase in Brazil payments and wholesale banknotes businesses.

Travellers' cheques and Prepaid cards awaiting redemption represent travellers' cheques and balances on Prepaid cards issued but not encashed. These balances are presented in accordance with their contractual maturity dates, although the expected encashment profile of travellers' cheques awaiting redemption is not reflective of this contracted maturity date. Further information on Travellers' cheques is set out in Note 13.

18. Borrowings

<i>£m</i>	<u>2014</u>	<u>2013</u>
Current		
Bank loans and overdrafts	3.2	0.5
Obligations under finance leases	0.7	0.9
	<u>3.9</u>	<u>1.4</u>
Non current		
Senior secured notes		
Libor plus 7.25% PIK notes due 2015	—	—
8% £200.0m due 2018 bond	195.8	195.0
Libor plus 6% £150.0m due 2018 bond	147.6	146.5
	<u>343.4</u>	<u>341.5</u>
Borrowings from non-shareholders		
Unsecured loan and PIK notes		
10% Loan and PIK notes due 2020 (2013: due 2016)	97.5	86.8
10% Loan and PIK notes due 2020	898.5	797.4
10% Preference certificates notes due 2035	15.9	14.2
Preference shares classified as liabilities	165.1	150.1
Borrowings from shareholders	1,177.0	1,048.5
Obligations under finance leases	0.7	1.2
	<u>1,521.1</u>	<u>1,391.2</u>
	<u>1,525.0</u>	<u>1,392.6</u>

Included in preference shares classified as liabilities is £103.8m (2013: £88.8m) relating to unpaid finance costs on preference shares that are not expected to be paid within one year.

The legal maturity of the Group's borrowings range from 2018 to 2035 (2013: 2018 to 2035). As at 31 December 2014, the Directors estimated the expected maturity date of the unsecured loans and PIK notes to be January 2015 (2013: October 2014) which was their expectation of the likely completion date for the sale of the Group to UTX Holdings Limited. See Note 31.

Except as detailed in the following table, the directors consider that the carrying amounts of the borrowings recognised in the consolidated financial statements approximate their fair values, which are classified as level 2 under the fair value hierarchy.

<i>£m</i>	<u>2014</u>	<u>2014</u>
	<u>Book</u>	<u>Fair</u>
	<u>value</u>	<u>value</u>
8% £200.0m bond due 2018	195.8	209.2
Libor plus 6% £150.0m bond due 2018	147.6	151.1
Unsecured loan and PIK notes	1,011.9	498.6
Preference shares	165.1	—
	<u>1,520.4</u>	<u>858.9</u>

Fair value of current borrowings equals their market price, as the impact of discounting is insignificant. The fair values of the bonds are based on cash flows discounted using a discount rate based on UK Gilt rate plus 50 basis points at a redemption price of £104.6 for the fixed rate note and £100.8 for the floating rate note. The fair values of the unsecured loan and PIK notes and preference shares have been determined using estimated cash flows in accordance with the agreed terms of the sale of the Group to UTX Holdings Limited, discounted at an applicable risk adjusted rate.

Under the £90.0m revolving credit facility, the Group can draw up to £55.0m which will incur interest on the utilised amounts at Libor plus 3.50% and the remaining £35.0m is available to be utilised by guarantees issued on behalf of the Group. As at 31st December 2014, the cash borrowing facility is undrawn and £27.2m has been placed as guarantees. The facility was drawn down in January 2015 to finance £45.0m towards the acquisition of the remaining 51% of Grupo Confid ncia in Brazil.

The Group has given guarantees and fixed and floating charges and other security over £380.7m of its assets in relation to the debt and overdraft facilities provided by lenders to the Group. In addition, the Group is subject to financial covenant ratios involving measures such as net and gross debt to EBITDA. If covenants are breached the amounts outstanding on the revolving credit facility would be reclassified as due on demand.

Preference share capital

	2014 Number	2014 £m	2013 Number	2013 £m
10.0% cumulative preference shares of £1 each	61,287,636	61.3	61,287,636	61.3

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August 2020, on sale of the Company, or at any time upon the Company giving 10 days written notice to the holders. Shareholders are entitled to dividends at 10.0% per annum on the par value of these shares on a cumulative basis. Any preference dividend that is due and remains unpaid is entitled to 10.0% interest per annum until the date of actual payment. In the event of winding up, the preference shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any dividends accrued but unpaid in respect of their shares.

19. Financial instruments

The Group's financial instruments classified in the financial statements as at 31 December can be analysed under the following categories:

£m	Note	Loans and receivables	Available- for-sale	Assets at fair value through income statement
Financial assets				
Equity instruments	14	—	2.6	—
Debt instruments	14	—	1.2	—
Foreign exchange contracts		—	—	1.6
Foreign currency forward contracts		—	—	1.3
Travellers' cheques insurance premium	13	—	—	48.1
Travellers' cheques reimbursement fund	13	—	—	68.6
Investments	12	26.8	—	—
Cash and cash equivalents	15	505.1	—	0.2
Restricted cash	16	0.3	—	—
Trade and other receivables	11	76.8	—	—
31 December 2014		609.0	3.8	119.8

£m	Note	Other financial liabilities at amortised cost	Liabilities at fair value through income statement
Financial liabilities			
Borrowings	18	(1,521.1)	—
Other financial liabilities—Redemption liability ¹		—	(45.8)
Travellers' cheques and Prepaid cards awaiting redemption	17	(379.9)	—
Foreign exchange contracts		—	(0.7)
Foreign currency forward contracts		—	(1.1)
Amounts due to joint ventures	17	(0.3)	—
Trade and other payables	17	(244.2)	—
31 December 2014		(2,145.5)	(47.6)

<i>£m</i>	<i>Note</i>	<i>Loans and receivables</i>	<i>Available-for-sale</i>	<i>Assets at fair value through income statement</i>
Financial assets				
Equity instruments	14	—	8.0	—
Foreign exchange swap		—	—	2.2
Travellers' cheques insurance premium	13	—	—	50.2
Travellers' cheques reimbursement fund	13	—	—	78.8
Investments	12	28.7	—	2.4
Cash and cash equivalents	15	582.5	—	4.6
Restricted cash	16	0.3	—	—
Trade and other receivables	11	90.8	—	—
31 December 2013		<u>702.3</u>	<u>8.0</u>	<u>138.2</u>

<i>£m</i>	<i>Note</i>	<i>Other financial liabilities at amortised cost</i>	<i>Liabilities at fair value through income statement</i>
Financial liabilities			
Borrowings	18	(1,392.6)	—
Other financial liabilities—Share based payments		—	(32.6)
Other financial liabilities—Redemption liability ¹		—	(34.6)
Travellers' cheques and Prepaid cards awaiting redemption	17	(435.2)	—
Foreign exchange swap		—	(0.6)
Foreign currency forward contracts		—	(2.2)
Amounts due to joint ventures	17	(0.2)	—
Trade and other payables	17	(240.7)	—
31 December 2013		<u>(2,068.7)</u>	<u>(70.0)</u>

1 Redemption liability relates to the acquisition of the remaining 51% of Grupo Confidencia. The liability was estimated to be £45.8m at 31 December 2014 (2013: £37.6m). The redemption amount is calculated based on an average earnings multiple for the 3.5 years to 30 June 2014. This is recognised as a current liability under other financial liabilities. On 2 February 2015, following the receipt of regulatory approvals, the Group completed the purchase of Grupo Confidencia for £55.3m, comprising of the settlement of the redemption liability of £47.4m and release of prepaid consideration.

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including foreign currency and interest rate), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

Foreign currency risk

The Group's balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings and currency swap transactions, most notably in relation to the US dollar. The largest currency liabilities are created from the sale of travellers' cheques and Prepaid cards. All such liabilities are hedged either by ensuring investments and/or cash deposits are held in the same currencies as the liabilities or by forward foreign currency and currency swap transactions.

For operational reasons, the Group decided not to designate forward foreign currency and swap currency contracts in hedge accounting relationships. Consequently, all changes in fair values of such foreign currency forward contracts are recognised in the income statement.

As at 31 December 2014, with all variables remaining constant, if Sterling strengthened or weakened by 10% against these currencies, this would have resulted in the following (gain)/loss to pre-tax loss as detailed in the table below:

<i>£m</i>	<i>2014 +10%</i>	<i>2014 -10%</i>	<i>2013 +10%</i>	<i>2013 -10%</i>
United States Dollar	(1.8)	2.3	0.7	(0.9)
Australian Dollar	(0.4)	0.4	0.4	(0.5)
Euro	<u>1.2</u>	<u>(1.4)</u>	<u>(1.3)</u>	<u>1.5</u>

The Redemption Liability as at 31 December 2014 of £45.8m would decrease by £4.2m If Sterling strengthened by 10% against the Brazilian Real, and increase by £5.1m if Sterling weakened by 10%.

Cash flow and fair value interest rate risk

The Group borrows and invests at both fixed and floating rates of interest and utilises interest rate swaps to manage interest rate exposures where appropriate.

The Group's interest rate risk arises primarily from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2014 with all variables remaining constant, for each 0.1% change in interest rates, this would have resulted in the following (gain)/loss to pre-tax loss and equity (other than Retained Earnings), due to movement in the finance income, finance cost and mark-to-market valuation of derivatives.

£m	2014 Income statement impact	2014 Equity impact	2013 Income statement impact	2013 Equity impact
0.1% increase	0.2	—	0.2	—
0.1% decrease	(0.2)	—	(0.2)	—

Credit risk

Credit risk arises from cash and cash equivalents, prepayments made in advance on acquisition, current investments, the travellers' cheque insurance asset, derivative financial instruments, trade receivables and to a lesser extent from other contractual financial obligations. The Group's credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. Key counterparties with whom significant concentrations of risk exist as at 31 December 2014 include Deutsche Bank AG (A rated (S&P)), Barclays Bank Plc (A rated (S&P)), and HSBC Global Liquidity Fund (AAA rated (S&P)). As at 31 December 2014, the Group had deposited cash collateral of £nil (2013: £nil) with trading bank counterparties.

Current asset investments include money market deposits and structured deposits. The Group maintains prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. The Group monitors the credit ratings of counterparties regularly and ensures no positions are entered into with counterparties with long-term credit ratings below A-(S&P). At 31 December 2014, the Group's largest counterparty accounted for 23% (2013: 21%) of the Group's total exposure to current asset investments and cash and cash equivalents.

The credit risk from other financial contractual relationships, including other receivables and amounts due from joint ventures and associates, are not considered material.

The Group's exposure to credit related losses, in the event of non-performance by customers is mitigated as Group policies require new customers to be reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into. Individual credit terms are set and monitored regularly.

Financial assets past due but not impaired do not reflect any indication that counterparties will be unable to meet their obligations. Furthermore, no indications of default are recognisable for financial assets that are neither past due nor impaired. Financial assets past due but not impaired are as follows:

£m	0-3 months	3-6 months	Over 6 months	2014 Total
Trade receivables	1.0	—	—	1.0
	<u>1.0</u>	<u>—</u>	<u>—</u>	<u>1.0</u>
£m	0-3 months	3-6 months	Over 6 months	2013 Total
Trade receivables	2.0	—	—	2.0
	<u>2.0</u>	<u>—</u>	<u>—</u>	<u>2.0</u>

At 31 December 2014, impaired financial assets based upon the Group's expectation of the counterparties' ability to settle included trade receivables of £0.3m (2013: £0.3m) and other receivables of £nil (2013: £nil). There was no collateral held against impaired trade receivables and other receivables in either the current or prior year.

Liquidity risks

The Group's policy is to manage its capital requirements and liquidity through a combination of bank borrowings and other term debt, and capital markets. The Group's financing position was strengthened in August 2013 with the issuance of £350.0m Senior Secured Notes due 2018 (£200.0m 8% fixed rate and £150.0m floating rate notes) raised in capital market transaction and the refinancing of the Group's core revolving credit facility. Further details of the risk management objectives and policies are disclosed in the Risk management section of the Directors report.

The daily settlement flows in respect of financial asset and liability, spot and swap contracts require adequate liquidity which is provided through uncommitted intra-day settlement facilities.

Travellers' cheques can be encashed at any time following issue, although the encashment profile of travellers' cheques awaiting redemption is not reflective of this contractual maturity date. The encashment profile of travellers' cheques awaiting redemption is monitored on a monthly basis to ensure the Group has the liquidity to meet encashment once made. The Directors estimate that at 31 December 2014, £16.0m (2013: £19.3m) sterling equivalent of the travellers' cheques awaiting redemption will be encashed within twelve months of the balance sheet date.

Global cash management is an important daily activity and the Group operates a policy of centralising surplus cash in order to facilitate intra-group funding and to minimise external borrowings requirements.

The Group has £55.0m (2013: £60.0m) undrawn committed borrowing facility available in respect of which all conditions precedent have been met at 31 December. This facility can be used to provide short term liquidity to meet operating cash needs. The facility was drawn down in the amount of £45m in January 2015 to finance the acquisition of the remaining 51% of Grupo Confidence in Brazil.

The tables below analyse the gross undiscounted contractual cash flows on the Group's financial liabilities and net settled derivative financial instruments as at 31 December to the contractual maturity date:

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2014 Total</i>
Borrowing principal and interest payments					
Bonds	25.7	25.7	383.0	—	434.4
Loans and PIK notes	—	—	—	2,267.1	2,267.1
Preference shares	—	—	—	281.2	281.2
Bank loans and overdrafts	3.2	—	—	—	3.2
Obligations under finance leases	0.7	0.7	—	—	1.4
Travellers' cheques awaiting redemption	368.1	—	—	—	368.1
Prepaid cards awaiting redemption	155.8	—	—	—	155.8
Redemption liability	45.8	—	—	—	45.8
Amounts due to joint ventures	0.3	—	—	—	0.3
Trade and other payables	244.2	—	—	—	244.2
	<u>843.8</u>	<u>26.4</u>	<u>383.0</u>	<u>2,548.3</u>	<u>3,801.5</u>

<i>£m</i>	<i>Within one year</i>	<i>Between one and two years</i>	<i>Between two and five years</i>	<i>After five years</i>	<i>2013 Total</i>
Borrowing principal and interest payments					
Bonds	8.3	—	350.0	—	358.3
Loans and PIK notes	—	—	—	2,267.1	2,267.1
Preference shares	—	—	—	281.2	281.2
Bank loans and overdrafts	0.5	—	—	—	0.5
Obligations under finance leases	0.9	0.2	1.0	—	2.1
Travellers' cheques awaiting redemption	382.4	—	—	—	382.4
Prepaid cards awaiting redemption	186.7	—	—	—	186.7
Share based payments	40.0	—	—	—	40.0
Redemption liability	37.8	—	—	—	37.8
Amounts due to joint ventures	0.2	—	—	—	0.2
Trade and other payables	240.7	—	—	—	240.7
	<u>897.5</u>	<u>0.2</u>	<u>351.0</u>	<u>2,548.3</u>	<u>3,797.0</u>

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1—Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2—Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3—Valuation techniques (for which the lowest level of input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The table below present the Group's assets and liabilities that are measured at fair value as at 31 December:

<i>£m</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2014 Total</i>
Assets				
Available for sale investments	1.2	—	2.6	3.8
Investments	—	—	—	—
Cash and cash equivalents	0.2	—	—	0.2
Travellers' cheques insurance premium	—	—	48.1	48.1
Travellers' cheques reimbursement fund	—	—	68.6	68.6
Foreign currency forward contracts	—	1.3	—	1.3
Foreign exchange contracts	—	1.6	—	1.6
	<u>1.4</u>	<u>2.9</u>	<u>119.3</u>	<u>123.6</u>
Liabilities				
Foreign currency forward contracts	—	(1.1)	—	(1.1)
Foreign exchange swap contracts	—	(0.7)	—	(0.7)
Redemption liability	—	(45.8)	—	(45.8)
	<u>—</u>	<u>(47.6)</u>	<u>—</u>	<u>(47.6)</u>

<i>£m</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>2013 Total</i>
Assets				
Available for sale investments	5.9	—	2.1	8.0
Investments	2.4	—	—	2.4
Cash and cash equivalents	4.6	—	—	4.6
Travellers' cheques insurance premium	—	—	50.2	50.2
Travellers' cheques reimbursement fund	—	—	78.8	78.8
Foreign exchange swap	—	2.2	—	2.2
	<u>12.9</u>	<u>2.2</u>	<u>131.1</u>	<u>146.2</u>
Liabilities				
Foreign currency forward contracts	—	(2.2)	—	(2.2)
Foreign exchange swap	—	(0.6)	—	(0.6)
Redemption liability	—	—	(34.6)	(34.6)
	<u>—</u>	<u>(2.8)</u>	<u>(34.6)</u>	<u>(37.4)</u>

There were no transfers between levels 1 and 2 during the year.

Reconciliation of recurring fair value measurements categorised within level 3 of the fair value hierarchy:

<i>Equity shares (£m)</i>	<i>2014</i>	<i>2013</i>
At 1 January	2.1	1.5
Total gains recognised in equity	0.4	0.7
Exchange adjustments	0.1	(0.1)
At 31 December	<u>2.6</u>	<u>2.1</u>
<i>Travellers' cheques financial assets (£m)</i>	<i>2014</i>	<i>2013</i>
At 1 January	129.0	—
Movement in insurance premium	(1.7)	50.2
Movement in Travellers' cheques reimbursement funds	(11.9)	78.8
Revaluation gains recognised in Income statement	1.3	—
At 31 December	<u>116.7</u>	<u>129.0</u>

Valuation techniques

Foreign currency forwards and swap contracts

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Travellers' cheques

The valuation of the travellers' cheques reimbursement funds and insurance premium asset are based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed by Lane Clark & Peacock LLP on an annual basis to determine the expected level of the float write back at year end.

The valuation assumes that travellers' cheques will not be encashed more than 65 years after the year of sale. Sensitivity analysis has been performed to change the assumption of encashment for a period of only 45 years after sale and increasing encashment to 100 years after sale. The valuation changes by 5% either way.

The valuation of the reimbursement fund is the gross value of Travellers' Cheques Awaiting Redemption at year end less the assessed fair value of the float write back.

The fair value of the insurance premium asset is linked to the fair value of the float write back and therefore the percentage change in fair value applied to the float write back is used to generate the change in fair value of the insurance premium asset.

Redemption liability

The redemption liability is based on a multiple of average earnings for an earn out period ending on 30 June 2014 for Grupo Confidence. As at this date, the redemption liability was revised with actual earnings and a negotiated adjustment instead of forecast earnings.

Equity share investments

The Group holds convertible ordinary shares ('B' shares) in Visa Inc. The fair value of the unquoted ordinary shares has been determined using conversion rates of 0.4121 per share price of US\$262.2 ('A' quoted share price at 31 December 14), discounted at a rate of 46%.

Sensitivity analysis has been performed to change the assumption of the share price. If the Visa share price were to change by +/- 5%, the valuation would change by US\$201k.

Offsetting derivative financial assets and liabilities

Net financial asset

<i>£m</i> 2014	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign currency forward contracts	31.3	(30.0)	1.3
Foreign exchange swap contracts	157.5	(155.9)	1.6
	<u>188.8</u>	<u>(185.9)</u>	<u>2.9</u>

<i>£m</i> 2013	<i>Gross amounts of recognised derivative financial assets</i>	<i>Gross amounts of recognised derivative financial liabilities set off in the balance sheet</i>	<i>Net amounts of derivative financial assets presented in the balance sheet</i>
Foreign exchange swap contracts	231.3	(229.7)	1.6
	<u>231.3</u>	<u>(229.7)</u>	<u>1.6</u>

Net financial liability

<i>£m</i> 2014	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign currency forward contracts	15.2	(16.3)	(1.1)
Foreign exchange swap contracts	134.8	(135.5)	(0.7)
	<u>150.0</u>	<u>(151.8)</u>	<u>(1.8)</u>

<i>£m</i> 2013	<i>Gross amounts of recognised derivative financial liabilities</i>	<i>Gross amounts of recognised derivative financial assets set off in the balance sheet</i>	<i>Net amounts of derivative financial liabilities presented in the balance sheet</i>
Foreign exchange swap contracts	(34.0)	31.8	(2.2)
	<u>(34.0)</u>	<u>31.8</u>	<u>(2.2)</u>

20. Provisions

<i>£m</i>	<i>Onerous contracts</i>	<i>Employee related provisions</i>	<i>Other</i>	<i>Total</i>
At 1 January 2014	21.7	8.4	8.7	38.8
Exchange adjustments	0.1	(0.2)	(0.3)	(0.4)
Charged to income statement	2.9	(0.2)	4.8	7.5
Written back to income statement	(3.4)	(0.6)	(1.7)	(5.7)
Increase on acquisition	—	0.2	0.3	0.5
Reclassified to disposal group classified as held for sale	—	—	(0.9)	(0.9)
Utilised in the year	(3.2)	(3.5)	(0.3)	(7.0)
At 31 December 2014	18.1	4.1	10.6	32.8
Current	5.9	1.4	8.2	15.5
Non-current	12.2	2.7	2.4	17.3
At 31 December 2014	18.1	4.1	10.6	32.8
Current	4.0	4.4	7.8	16.2
Non-current	17.7	4.0	0.9	22.6
At 31 December 2013	21.7	8.4	8.7	38.8

Onerous contract provisions are in respect of certain airport locations and office building lease contracts. Employee related provisions primarily reflect redundancy costs. Other provisions include the fair value of a contingent liability arising on acquisition of Grupo Confidence, with the rest being individually small and are in respect of other contractual agreements and legal matters.

21. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

<i>£m</i>	<i>2014</i>	<i>2013</i>
Deferred tax assets—non current	10.3	13.0
Deferred tax liabilities	(4.6)	(5.6)
	<u>5.7</u>	<u>7.4</u>

The movement in deferred tax is as follows:

<i>£m</i>	<i>2014</i>	<i>2013</i>
At 1 January	7.4	10.9
Exchange adjustments	0.2	2.0
Income statement (charge) credit	(1.9)	2.4
Tax charged direct to equity	—	(0.6)
Acquisition of business intangibles	—	(7.3)
At 31 December	<u>5.7</u>	<u>7.4</u>

The movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<i>Property, plant and equipment</i>	<i>Intangible assets</i>	<i>Tax losses</i>	<i>Pension</i>	<i>Other temporary differences</i>	<i>Total</i>
Assets						
At 1 January 2013	6.1	—	3.8	1.7	6.0	17.6
Credited (charged) to the income statement	0.5	—	(2.0)	—	2.0	0.5
Credited (charged) direct to equity	—	—	—	(0.8)	0.2	(0.6)
Exchange adjustments	(0.5)	—	—	0.1	0.6	0.2
At 1 January 2014	6.1	—	1.8	1.0	8.8	17.7
Credited (charged) to the income statement	0.3	—	(0.2)	(0.5)	(1.7)	(2.1)
Credited (charged) direct to equity	—	—	—	—	—	—
Exchange adjustments	—	—	—	—	—	—
At 31 December 2014	<u>6.4</u>	<u>—</u>	<u>1.6</u>	<u>0.5</u>	<u>7.1</u>	<u>15.6</u>
Liabilities						
At 1 January 2013	(1.5)	(0.9)	—	—	(4.3)	(6.7)
Credited (charged) to the income statement	0.5	0.4	—	—	1.0	1.9
Additions	—	(7.3)	—	—	—	(7.3)
Exchange adjustments	—	1.5	—	—	0.3	1.8
At 1 January 2014	(1.0)	(6.3)	—	—	(3.0)	(10.3)
Credited (charged) to the income statement	(0.1)	0.4	—	—	(0.1)	0.2
Additions	—	—	—	—	—	—
Exchange adjustments	—	0.2	—	—	—	0.2
At 31 December 2014	<u>(1.1)</u>	<u>(5.7)</u>	<u>—</u>	<u>—</u>	<u>(3.1)</u>	<u>(9.9)</u>

Other net temporary differences of £4.0m (2013: £5.8m) consist primarily of deferred tax assets relating to provisions and accruals of £5.0m (2013: £6.3m), less £1.0m (2013: £1.1m) in relation to other short term differences on interest payable.

There are unrecognised deferred tax assets comprising £29.7m (2013: £23.1m) unused tax losses and other temporary differences of £33.3m (2013: £32.3m) at the year end.

22. Disposal groups classified as held for sale

On 31 October 2014, in connection with the agreed sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited entered into an agreement to sell Banque Travelex SA, and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which Dr. B.R. Shetty is also a shareholder. The sale of the French business was effected on 29 January 2015, this is further disclosed in note 31, therefore Banque Travelex SA has been classified as held for sale as at 31 December 2014.

The carrying values of assets and liabilities in this disposal group are summarised as follows:

<i>£'m</i>	<i>Book Value 2014</i>	<i>Fair value</i>
Non current assets		
Intangible assets	9.4	9.4
Property, plant and equipment	3.1	3.1
Investments	—	—
Current assets		
Stock	—	—
Trade and other receivables	9.2	9.2
Financial assets	2.4	2.4
Cash and cash equivalents	9.7	9.7
Assets classified as held for sale	<u>33.8</u>	<u>33.8</u>

<i>£'m</i>	<i>Book Value 2014</i>	<i>Fair value</i>
Non current liabilities		
Trade and other payables	0.9	0.9
Current liabilities		
Trade and other payables	16.7	16.7
Liabilities classified as held for sale	17.6	17.6
Net assets of disposal group	16.2	16.2

The carrying values of payables and receivables are considered to be an approximation of fair value primarily as all amounts are held for less than three months. None of the trade and other receivables are overdue or impaired.

The disposal has not been treated as a discontinued operation as it does not represent a major line of business or geographical area of operations, being a constituent part of the EMEA area and contributing less than 10% to group EBITDA.

23. Acquisitions

Arti Döviz Ticaret Anonim Şirketi Group

On 14 May 2014, the Group acquired 75% of the Arti Döviz Group (Arti Döviz), based in Turkey. Arti Döviz offers foreign exchange services in three of Turkey's largest airports: Istanbul Atatürk, Ankara Esenboga and Izmir Adnan Menderes. The Group is deemed to have acquired control of Arti Döviz and as such has treated the transaction as an acquisition of a subsidiary with a 25% non-controlling interest.

In the period from acquisition to 31 December 2014, Arti Döviz contributed revenue of £4.9m and operating profit of £3.3m to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that contributed revenue and operating profit would have been £7.0m and £4.7m respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

The following table summarises the consideration paid for the shareholding in Arti Döviz and our preliminary assessment of the fair value of assets acquired and liabilities assumed and non-controlling interest at the acquisition date:

<i>£m</i>	<i>Book value</i>	<i>Fair value adjustments</i>	<i>Fair value</i>
Non current assets			
Intangible assets	—	—	—
Deferred tax assets	0.1	—	0.1
	0.1	—	0.1
Current assets			
Trade and other receivables	—	—	—
Cash and cash equivalents	3.1	—	3.1
	3.1	—	3.1
Current liabilities			
Trade and other payables	(0.2)	—	(0.2)
Provisions	(0.2)	—	(0.2)
Net current assets	2.8	—	2.8
Net identifiable assets	2.8	—	2.8
Non-controlling interest	(0.7)	—	(0.7)
Net assets acquired	2.1	—	2.1

<i>£m</i>	<i>Fair value</i>
Consideration paid in cash and cash equivalents during the year	24.6
Net assets acquired	(2.8)
Non controlling interest assumed	0.7
Goodwill	22.5
Net cash outflow arising on acquisition, excluding costs	
Consideration paid in cash and cash equivalents	(24.6)
Cash and cash equivalents acquired	3.1
	(21.5)

24. Retirement benefits

The principal pension arrangements in the United Kingdom and overseas are defined contribution schemes, the assets of which are held separately from those of the Group in independently administered funds. The cost of these schemes which amounted to £5.4m (2013: £5.5m) was charged to the income statement as incurred. At the end of the year £0.3m (2013: £0.2m) of contributions were outstanding.

In 2013 the Group's defined benefit pensions scheme operating in the Netherlands changed classification from defined benefit to defined contribution.

The principal assumptions used by the actuary in the valuation of the scheme in 2013 were that the rate of increase in salaries would be 2.0%, inflation would be 2.0%, there would be no pension increase for pensioners and deferred pensioners and the applicable discount rate was 3.7%. The AG-Generation 2012–2062 mortality table was used.

The assets (liabilities) of the scheme as at the date of reclassification and at previous year ends and the expected rate of return, based on current market expectations, were:

<i>£m</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
Fixed interest bonds	—	65.6	61.2	54.6	54.4
Expected rate of return	—	3.7%	1.7%	2.6%	3.0%
Present value of scheme liabilities	—	(72.3)	(66.3)	(52.8)	(50.8)
(Deficit) Surplus in scheme	—	(6.7)	(5.1)	1.8	3.6
Transfer to defined contribution scheme	—	6.7	—	—	—
Net (deficit) surplus in scheme	—	—	(5.1)	1.8	3.6

Analysis of amounts recognised in statement of comprehensive income until the change of classification to defined contribution in December 2013:

<i>£m</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
Actual return less expected return on pension scheme assets	—	(0.9)	7.2	1.1	2.3
(Losses) gains arising on the scheme liabilities	—	(2.3)	(13.5)	(1.9)	(1.1)
Changes in assumptions underlying the plan liabilities	—	—	—	—	—
Actuarial (loss) gain recognised in statement of comprehensive income	—	(3.2)	(6.3)	(0.8)	1.2

The cumulative actuarial losses recognised in the statement of comprehensive income at 31 December 2013 were £11.7m (2012: £8.5m, 2011: £2.2m, 2010: £1.4m, 2009: £2.6m). The actual gain on plan assets was £1.6m (2012: £8.6m).

Analysis of the amount (credited) debited to other finance costs:

<i>£m</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
Interest income	—	2.5	1.4	1.7
Interest expense	—	(2.6)	(2.5)	(2.6)
Net finance cost	—	(0.1)	(1.1)	(0.9)

In 2013 the asset remeasurements less expected return on the pension scheme's assets as a percentage of the scheme's assets was 1.4%. The experience gains and losses arising on the scheme's liabilities as a percentage of the present value of the scheme's liabilities was 0.3%. The total remeasurements recognised in the statement of comprehensive income as a percentage of the present value of the scheme's liabilities was 4.4%.

Reconciliation of the defined benefit scheme's assets and obligations:

<i>£m</i>	<i>Asset</i>	<i>Obligation</i>	<i>2014 Total</i>	<i>Asset</i>	<i>Obligation</i>	<i>2013 Total</i>
At 1 January	—	—	—	61.2	(66.3)	(5.1)
Current service cost	—	—	—	—	(1.3)	(1.3)
Interest income	—	—	—	2.5	—	2.5
Interest expense	—	—	—	—	(2.6)	(2.6)
Actuarial (loss) gain due to:						
—Changes in financial assumptions	—	—	—	(0.9)	(2.5)	(3.4)
—Changes in demographic assumptions	—	—	—	—	—	—
—Experience adjustments	—	—	—	—	0.2	0.2
Contributions by the Group	—	—	—	3.1	—	3.1
Contributions by scheme participants	—	—	—	0.2	(0.2)	—
Benefits paid	—	—	—	(2.1)	2.4	0.3
Exchange adjustments	—	—	—	1.6	(2.0)	(0.4)
Classification change to defined contribution scheme	—	—	—	(65.6)	72.3	6.7
At 31 December	—	—	—	—	—	—

The net defined benefit liability was re-measured of on the date the classification changed to a defined contribution scheme. The net defined benefit of £6.7m was then recognised as a gain on settlement within exceptional items in the income statement.

25. Cash generated from operating activities

<i>£m</i>	<i>2014</i>	<i>2013</i>
Operating profit/(loss)	29.7	(38.5)
Depreciation and amortisation	24.4	23.0
Impairment charges	2.4	11.2
Loss on disposal of property plant and equipment	0.3	—
Loss on consolidation of subsidiary	—	22.9
Share based remuneration charge	3.1	17.3
Difference between the net pension charge and cash contributions	—	(1.8)
	59.9	34.1
Decrease in inventories	—	0.2
Decrease in trade and other receivables	6.5	113.4
Increase/(Decrease) in trade and other payables	6.5	(99.3)
(Decrease) Increase in Prepaid cards awaiting redemption	(32.0)	43.4
Decrease in Travellers' Cheques awaiting redemption	(19.1)	(36.4)
Decrease in Travellers' Cheques structured deposits	1.4	103.6
Decrease (Increase) in financial assets	9.9	(129.0)
Decrease in float deposits	2.4	26.6
Cash interest income received	—	(0.2)
Foreign exchange translation differences	(2.5)	17.1
Cash generated from operating activities	33.0	73.5

26. Share capital

The issued share capital of the Company is as follows:

	<i>Number</i>	<i>2014 £m</i>	<i>Number</i>	<i>2013 £m</i>
A Ordinary shares of 1p each	22,500,000	0.2	22,500,000	0.2
B Ordinary shares of 1p each	383,740	—	383,740	—
C Ordinary shares of 1p each	265,176	—	265,176	—
D Ordinary shares of 1p each	400,500	—	400,500	—
M Ordinary shares of 1p each	66,730	—	59,770	—
Deferred ordinary shares of 1p each	5,273,529	0.1	5,280,489	0.1
	<u>28,889,675</u>	<u>0.3</u>	<u>28,889,675</u>	<u>0.3</u>

The A and B ordinary shares rank pari passu in all significant respects. The C and D ordinary shares do not carry voting rights and holders can only receive dividends no greater than one third of those paid to the holders of the A and B ordinary shares. In addition, dividends paid to the holders of the C and D ordinary shares require the approval of both the shareholders and the Board of Directors. If the Group is acquired by a third party or is subject to an initial public offering the A and B ordinary shares will be converted into new ordinary shares on a one for one basis. The C ordinary shares will convert into new ordinary shares and deferred shares on the basis of a multiplier based on the exit value of the business. The D ordinary shares will convert into deferred shares and vest on the basis of a multiplier based on the exit value of the business. The M ordinary Shares do not carry any voting or dividend rights but allow shareholders to receive in total one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital.

All B, C, D and M ordinary shares which are not allocated automatically convert into deferred ordinary shares. Deferred ordinary shares carry no voting rights and can be converted back into B, C, D and M ordinary shares should they be allocated.

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with the 'out of the money' portion being waived, and the remaining balance novated upward within the Group's structure and retained in favour of UTX Holdings Limited on the same interest and repayment terms.

27. Reserves

Retained earnings includes the following reserves:

<i>£m</i>	<i>Available for sale financial assets</i>	<i>Defined benefit pension reserve</i>
At 1 January 2013	1.3	(7.3)
Current year gain	0.7	—
Actuarial movement on pension scheme	—	(3.2)
Deferred tax	(0.2)	0.8
Reclassification to defined contribution scheme	—	9.7
At 1 January 2014	1.8	—
Current year gain	0.4	—
Deferred tax	(0.1)	—
At 31 December 2014	<u>2.1</u>	<u>—</u>

Share capital is determined using the nominal value of shares that have been issued. The share premium account includes premiums received on the initial issuing of the share capital. Retained earnings are the accumulated retained losses of the Group. The translation reserve records exchange differences on consolidation of foreign subsidiaries.

At the end of the year 2,116,260 (2013: 2,116,260) B ordinary shares, 552,750 (2013: 552,750) C ordinary shares, 2,571,249 (2013: 2,571,249) D ordinary shares and 33,270 (2013: 40,230) M ordinary shares were held by Travelex Employee Share Trusts at a cost of £1.6m (2013: £1.6m), £nil (2013: £nil), £0.3m (2013: £0.3m) and £2.6m (2013: £3.0m) respectively. This amount is recorded within consolidated retained earnings.

28. Obligations under non-cancellable operating leases

The Group's future minimum operating lease payments under non-cancellable operating leases are as follows:

	2014			2013		
£m	Land and buildings	Other	Total	Land and buildings	Other	Total
Due within one year	132.3	0.3	132.6	140.7	0.4	141.1
Due between one and five years	316.5	0.6	317.1	381.1	0.4	381.5
Due after five years	25.4	—	25.4	37.4	—	37.4
	<u>474.2</u>	<u>0.9</u>	<u>475.1</u>	<u>559.2</u>	<u>0.8</u>	<u>560.0</u>

Land and buildings held under operating leases include shops at airport locations. These arrangements typically include a fixed amount payable each year, plus a contingent element payable based on passenger numbers. A number of leases permit the Group to extend the lease beyond its current term based on market rates at the time of the extension. There are no purchase options contained within the operating leases held by the Group.

29. Related party transactions

Key management compensation

£m	2014	2013
Short term employee benefits	4.7	1.7
Share based employee remuneration	0.2	4.1
Post employment benefits	0.1	0.1
Total	<u>5.0</u>	<u>5.9</u>

Key management in the table above are the members of the Group's Executive Committee and exclude Directors of the Company whose emoluments are disclosed in Note 5. During the year nil was paid to key management as a prepayment of amounts accruing under share based payment schemes (2013: £128,000).

Transactions with entities with significant influence over Travelex Holdings Limited

During the year the Group paid fees amounting to £50,000 (December 2013: £50,000) to Apax Europe VI (Apax) for the services of H Chagani and M Phillips.

During the year the Group was charged £86,360 by Sanctuary Aviation LLP, £13,798 by Sanctuary Maritime LLP, £36,750 by Esselco Office Properties Ltd and £nil by Monitor Quest Limited for services provided to the Group (December 2013: £142,100, £50,000, nil and £12,500) for services provided to the Group. L M Dorfman owns Sanctuary Aviation LLP and Sanctuary Maritime LLP; is a director of Esselco Office Properties Limited and he and Lord Stevens are Directors of Monitor Quest Limited. £300,000 (December 2013: £260,000) was paid to the Royal National Theatre, of which L M Dorfman is a Trustee.

The Group has outstanding loans of £4.4m due to certain key management. These loans are recorded as a component of term loans in these financial statements using an effective interest rate methodology. The loans and related interest are presented here based on contractual amounts due to be paid rather than the effective interest methodology within the financial statements.

<i>£m</i>	<u>2014</u>	<u>2013</u>
Balance outstanding		
Funds advised and managed by Apax Partners	546.0	496.3
L M Dorfman	385.8	355.2
Other key management	4.4	4.0
	<u>936.2</u>	<u>855.5</u>
Interest charged		
Funds advised and managed by Apax Partners	49.6	45.7
L M Dorfman	35.1	32.3
Other key management	0.4	0.4
	<u>85.1</u>	<u>78.4</u>

On 17 January 2014 £4.5m was repaid to key management in respect of the outstanding loans.

Transactions with joint ventures

Transactions with joint ventures are on a continual basis, as at 31 December trading balances of £0.3m, £nil, £(0.2)m and £nil are owed to the Group by Travelex Emirates LLC, FX Africa Foreign Exchange Pty Limited, Travelex Malaysia Sdn BHD Limited and Travelex Qatar Q.S.C. respectively (December 2013: (£0.2m), £nil, £0.2m and £0.4m; Sep 2013: (£0.1m), £1.3m, £0.2m and £0.5m). Trading balances of £0.4m and £0.2m are owing from Travelex Currency Services Inc and Travelex Ankara respectively (December 2013: £0.5m and £nil).

The Group has a loan receivable of £1.2m due from FX Africa Foreign Exchange (Propriety) Limited, repayable at the discretion of the FX Africa board and bearing no interest. This loan is also repayable if there is an imbalance between amounts owed to shareholders in excess of ZAR 5,000,000 with interest payable at 2% on the outstanding value of the loan.

Other related party transactions

Certain Directors and key management have participated in the Group's long term incentive plan and are eligible to receive loans in order to allow them to participate in this plan. As at 31 December 2014, the balances held by J P Jackson, Lord Stevens, P A Hodgkinson and M Ball were £565,000, £2,500 and £2,500 and £920,500 respectively (December 2013: £175,300, £2,500, £2,500 and £764,500). The total amount of the loans to key management was £1,394,970 (December 2013: £667,200).

Directors and key management occasionally transact with subsidiary undertakings of the Company, primarily with regard to the provision of foreign currency or foreign currency payment transactions on standard staff discount terms. The Board has considered the financial effect of these transactions with Group companies and has concluded that they are not material to the Group or the individuals concerned.

30. Contingent liabilities

The bank letter of credit issued on behalf of Travelex guaranteeing the performance of the Travellers' Cheques business in fulfilling encashments was cancelled on 31 May 2013 (2012: £50.0m). As permitted by IAS 39, the Directors have adopted the recognition and derecognition of financial instruments principles from 1 January 2004. Travellers' cheques issued by the Group prior to 1 January 2004 which the Directors believed, as at 1 January 2004, would not be cashed have been derecognised in these financial statements from the balance of travellers' cheques awaiting redemption amounting to £144.0m (2013: £133.9m).

As at the balance sheet date a total of £27.3m (2013: £28.4m) of bank guarantees (including performance guarantees) have been issued on behalf of the Group. In addition £21.2m (2013: £20.6m) of surety guarantees have been issued to certain states in the US on behalf of the Group.

The Company and its subsidiaries may, from time to time, be parties to legal claims arising in the ordinary course of business. The Directors do not anticipate that the outcome of any of these proceedings and claims, either individually or in aggregate, will have a material adverse effect on the Group's financial position.

31. Post balance sheet events

On 29 January 2015, the Group was sold to UTX Holdings Limited, a company incorporated in Jersey, and ultimately controlled by Dr B. R. Shetty. On completion, the existing Shareholder Debt was restructured, with the 'out of the money' portion being waived, and the remaining balance novated upward within the Group's structure and retained in favour of UTX Holdings Limited on the same interest and repayment terms.

On the same day and in connection with the agreed sale of Travelex Holdings Limited, Travelex France Holdings Limited, a 100% owned subsidiary in the Group, sold Banque Travelex SA, and its 100% owned subsidiary Travelex Paris SAS, for €24.6m (£18.5m) to UAE Exchange UK Limited. The Group will continue to manage the business for a fixed fee.

On 2 February 2015, the Group purchased the remaining 51% of Grupo Confidence, a group incorporated in Brazil, for R\$223.0m (£55.3m). The Group owned 49% since its acquisition in April 2013 and consolidated and a subsidiary with 51% minority interest. Grupo Confidence contributed £14.3m to EBITDA in the year.

32. Subsidiary undertakings and joint ventures

The subsidiary undertakings and joint ventures of the Group are shown below. All are wholly owned, except where stated.

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Limited	Sale of foreign currency banknotes and other foreign exchange products	Australia
TP Financing 0 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 1 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 2 Limited	Intermediate holding company and provision of finance to the Group	Jersey
TP Financing 3 Limited	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Financing PLC	Intermediate holding company and provision of finance to the Group	England and Wales
TP Financing 4 Limited	Intermediate holding company and provision of finance to the Group	Jersey
Travelex Group Limited	Intermediate holding company	England and Wales
Travelex Group Investments Limited	Intermediate holding company	England and Wales
Travelex Do Brasil Holding Societaria Ltda	Intermediate holding company	Brazil
Confidence Participacoes S.A. (49% owned) ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Confidence Turismo S.A. (49% owned) ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Banco Empreendimentos S.A. (49% owned) ¹	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Travelex Canada Limited	Sale of foreign currency banknotes and other foreign exchange products	Canada
Travelex UK Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Agency Services Limited	Sale and purchase of travel money through partner-owned stores	England and Wales
Travelex Banknotes Limited	Provision of banknotes and related distribution services	England and Wales
Interpayment Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Global and Financial Services Limited	Processing of encashed travellers' cheques	England and Wales

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex Currency Services Limited	Provision of foreign currency and ancillary services to financial institutions and travel agents	England and Wales
Travelex Central Services Limited	Provision of central services to subsidiary companies	England and Wales
Travelex Foreign Coin Services Limited	Provision of services for the handling of foreign coins	England and Wales
Travelex Italia Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Limited	Intermediate holding company and provision of central services	England and Wales
Travellers Exchange Corporation Limited	Dormant	England and Wales
Travelex Consumer Payments Limited ³	Dormant	England and Wales
Travelex Property Services Limited	Dormant	England and Wales
Travelex Deutschland GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex Financial Services GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex SA/NV	Sale of foreign currency banknotes and other foreign exchange products	Belgium
Banque Travelex SA ²	Sale of foreign currency banknotes and other foreign exchange products	France
Travelex Paris SAS ²	Sale of foreign currency banknotes and other foreign exchange products	France
Travelex Czech Republic as	Sale of foreign currency banknotes and other foreign exchange products	Czech Republic
Travelex Switzerland AG	Sale of foreign currency banknotes and other foreign exchange products	Switzerland
Travelex Financial Services NZ Limited	Sale of foreign currency banknotes and other foreign exchange products	New Zealand
Travelex Outsourcing Pty Limited	Sale of foreign currency banknotes and other foreign exchange products	Australia
Travelex Malaysia SDN. BHD (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Malaysia
Travelex Poland SP z.o.o.	Sale of foreign currency banknotes and other foreign exchange products	Poland
Travelex Finland OY	Sale of foreign currency banknotes and other foreign exchange products	Finland
Travelex Doviz Ticaret Anonim Sirketi	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex Ankara Doviz Ticareti A.S.	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex France Holdings Limited	Intermediate holding company	France
Travelex Holding (S) Pte Limited	Intermediate holding company	Singapore
Travelex Holding (HK) Limited	Intermediate holding company	Hong Kong
Travelex Currency Exchange Limited	Sale of foreign currency banknotes and other foreign exchange products	Hong Kong
Travelex Card Services Limited	Issuance of prepaid cards	Hong Kong
South American Card Services Ltda	Issuance of prepaid cards	Brazil
Travelex Panama SA (60% owned)	Sale of foreign currency banknotes and other foreign exchange products	Panama
Travelex Currency Exchange (China) Limited	Sale of foreign currency banknotes and other foreign exchange products	China
Travelex Macau Limited	Sale of foreign currency banknotes and other foreign exchange products	Macau

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex SMI Technologies (Beijing) Limited	Sale of foreign currency banknotes and other foreign exchange products	China
Travelex Commercial Services (Nanjing) Limited	Dormant	China
Travelex Commercial Services (Qingdao) Limited	Dormant	China
PT Travelex Indonesia Limited	Dormant	Indonesia
GWK Travelex NV	Sale of foreign currency banknotes and other foreign exchange products	The Netherlands
Travelex Nederland Holdings BV	Dormant	The Netherlands
Travelex Japan KK	Sale of foreign currency banknotes and other foreign exchange products	Japan
Travelex India Private Limited	Sale of foreign currency banknotes and other foreign exchange products	India
Travelex Bahrain WLL (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Bahrain
Travelex and Co LLC (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Oman
Travelex Qatar Q.S.C. (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	Qatar
Travelex Emirates LLC (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	UAE
Travelex Retail Nigeria Limited	Sale of foreign currency banknotes and other foreign exchange products	Nigeria
FX Africa Foreign Exchange (Pty) (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	South Africa
OOO Travelex	Dormant	Russia
Travelex America Holdings Inc	Intermediate holding company	USA
Travelex America Inc	Intermediate holding company	USA
Travelex Australia Holdings Pty Limited	Intermediate holding company	Australia
Travelex NY Inc	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
TCI US LLC	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
Travelex Rand Travellers Cheques Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Euro Travellers Cheque Nederland Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Financial Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Hong Kong and Shanghai Travelex Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Hong Kong
Interpayment Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travelex TC Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travellers Cheques Encashment Services Limited	Processing of encashed travellers' cheques	England and Wales
US Deposits LLC	Investment of money on behalf of the Travellers Cheques Group	USA
Travelex Currency Services Inc	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex America Inc	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex Insurance Services Inc	Sale of travel insurance products on agency basis	USA
Travelex America 2 Inc	Dormant	USA

<i>Name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>
Travelex TC LLC	Dormant	USA
Travelex Services Inc	Dormant	USA

1 The Remaining 51% of Grupo Confidence was acquired on 2 February 2015.

2 The sale of these subsidiaries was effected on 29 January 2015, see Note 31.

3 Dissolved on 14 January 2015

All subsidiary undertakings are included in the consolidation. The proportions of the voting rights of subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

33. Companies Act 2006 disclosure

The Group operates a single group of related products and services which the Directors consider for these purposes to be the same class of business. Group wide geographical analysis of income by destination is shown in the table below:

<i>£m</i>	<i>2014</i>	<i>2013</i>	<i>Growth</i>
Income			
UK	213.6	179.7	18.9%
Europe	114.8	115.8	(0.9%)
Asia Pacific	171.3	177.5	(3.6%)
Americas (excluding Brazil)	121.9	117.9	3.4%
Middle East, India, Africa	39.1	53.0	35.5%
Brazil	60.2	50.4	19.4%
Other Trade	0.6	0.7	(16.7%)
Core operations	<u>721.5</u>	<u>695.0</u>	<u>3.8%</u>

Reconciliation of statutory reported income to core operations income:

<i>£m</i>	<i>2014</i>	<i>2013</i>
Statutory reported results—continuing operations	693.3	639.6
Travellers' cheques business	(2.1)	(2.9)
Income within central & shared overheads	(3.6)	(4.4)
Disposed business included within continuing operations:		
Asia Travel	—	—
Joint venture adjustment	<u>33.9</u>	<u>62.7</u>
Total core operations	<u>721.5</u>	<u>695.0</u>

The joint venture adjustment is the deconsolidation of certain investments accounted for as joint ventures under IFRS.

The net book value of non current assets, comprising intangible assets and property, plant and equipment is as follows:

<i>£m</i>	<i>2014</i>	<i>2013</i>
UK	144.1	127.1
Europe	128.4	140.4
Asia Pacific	48.1	52.7
Americas (excluding Brazil)	53.4	54.3
Middle East, India, Africa	22.4	1.0
Brazil	<u>59.1</u>	<u>63.0</u>
	<u>455.5</u>	<u>438.5</u>

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You should rely on the information contained in this offering memorandum. Neither the Issuer nor the Initial Purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. Neither the Issuer nor the Initial Purchasers is making an offer of the Notes in any jurisdiction where such offering is not permitted. You should not assume that the Information contained in this offering memorandum is accurate as of any date other than the date of this offering memorandum.

Travelex Financing plc

€360,000,000 8% Senior Secured Notes due 2022

OFFERING MEMORANDUM
