

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

AMENDMENT No. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SYNCHRONY FINANCIAL

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

6199
(Primary Standard Industrial Classification Code Number)

51-0483352
(I.R.S. Employer Identification Number)

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(203) 585-2400
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

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

- Large accelerated filer [] Accelerated filer []
Non-accelerated filer [X] (Do not check if a smaller reporting company) Smaller reporting company []

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Dated April 25, 2014



Common Stock

We are offering _____ shares of our common stock in this offering. This is our initial public offering, and no public market currently exists for our shares. We anticipate that the initial public offering price of the shares will be between \$ _____ and \$ _____ per share.

We have granted the underwriters the right to purchase up to an additional _____ shares of our common stock at the initial public offering price less the underwriting discount.

We will apply to list our shares of common stock on the New York Stock Exchange under the symbol "SYF."

Investing in our common stock involves risks. See "[Risk Factors](#)" beginning on page 19.

PRICE \$ PER SHARE

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions ⁽¹⁾	\$ _____	\$ _____
Proceeds to us	\$ _____	\$ _____

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriters."

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of our common stock to purchasers on _____, 2014.

Global Coordinator
Goldman, Sachs & Co.
Barclays

Joint Book-Running Managers
Global Coordinator
J.P. Morgan

Citigroup

Morgan Stanley
Deutsche Bank Securities

BofA Merrill Lynch

Credit Suisse

, 2014

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Neither we nor any of the underwriters has authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we may have referred you in connection with this offering. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Neither we nor any of the underwriters is making an offer to sell or seeking offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus and the information in any free writing prospectus that we may provide you in connection with this offering is accurate only as of the date of that free writing prospectus. Our business, financial condition, results of operations and future growth prospects may have changed since those dates.

Through and including _____, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside the United States: Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

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Certain Defined Terms

Except as the context may otherwise require in this prospectus, references to:

- “we,” “us,” “our,” and the “Company” are to SYNCHRONY FINANCIAL and its subsidiaries, which together represent the businesses that historically have conducted GE’s North American retail finance business;
- “Synchrony” are to SYNCHRONY FINANCIAL only;
- “GE” are to General Electric Company and its subsidiaries;
- “GECC” are to General Electric Capital Corporation (a subsidiary of GE) and its subsidiaries;
- “GEFCF” are to GE Consumer Finance, Inc. (a subsidiary of GECC that currently owns Synchrony) and its subsidiaries; and
- the “Bank” are to GE Capital Retail Bank (a subsidiary of Synchrony), which is to be renamed Synchrony Bank in connection with this offering.

“FICO” score means a credit score developed by Fair Isaac & Co., which is widely used as a means of evaluating the likelihood that credit users will pay their obligations. For a description of certain other terms we use, including “active account,” “open account” and “purchase volume,” see the notes to “Prospectus Summary—Summary Historical and Pro Forma Financial Information—Other Financial and Statistical Data.” There is no standard industry definition for many of these terms, and other companies may define them differently than we do.

We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which, in our business and in this prospectus, we refer to as our “partners.” The terms of the programs all require cooperative efforts between us and our partners of varying natures and degrees to establish and operate the programs. Our use of the term “partners” to refer to these entities is not intended to, and does not, describe our legal relationship with them, imply that a legal partnership or other relationship exists between the parties or create any legal partnership or other relationship. The “average length of our relationship” with respect to a specified group of partners or programs is calculated on a loan receivables weighted average basis for those partners or for all partners participating in a program, based on the date each partner relationship or program, as applicable, started and the loan receivables attributable to each partner or all partners participating in a program, as applicable, as of a specified date.

“Synchrony” and its logos and other trademarks referred to in this prospectus, including, Optimizer⁺plus[™], Optimizer⁺plus Perks[™], CareCredit[®], Quickscreen[®] and eQuickscreen[™] belong to us. Solely for convenience, we refer to our trademarks in this prospectus without the [™] and [®] symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our trademarks. Other service marks, trademarks and trade names referred to in this prospectus are the property of their respective owners.

Industry and Market Data

This prospectus contains various historical and projected financial information concerning our industry and market. Some of this information is from industry publications and other third party sources, and other information is from our own data and market research that we commission. All of this information involves a variety of assumptions, limitations and methodologies and is inherently subject to uncertainties, and therefore you are cautioned not to give undue weight to it. Although we believe that those industry publications and other third party sources are reliable, we have not independently verified the accuracy or completeness of any of the data from those publications or sources. Statements in this prospectus that we are the largest provider of private label credit cards in the United States (based on purchase volume and receivables) are based on issue

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number 1,019 of “The Nilson Report,” a subscription-based industry newsletter, dated June 2013 (based on 2012 data), and references to “The Nilson Report (December 2012)” are to issue number 1,008 of The Nilson Report, dated December 2012.

Non-GAAP Measures

To assess and internally report the revenue performance of our three sales platforms, we use a measure we refer to as “platform revenue.” Platform revenue is the sum of three line items in our Combined Statements of Earnings prepared in accordance with U.S. generally accepted accounting principles (“GAAP”): “interest and fees on loans,” plus “other income,” less “retailer share arrangements.” Platform revenue itself is not a measure presented in accordance with GAAP. For a reconciliation of platform revenue to interest and fees on loans, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Platform Analysis.” We deduct retailer share arrangements but do not deduct other line item expenses, such as interest expense, provision for loan losses and other expense, because those items are managed for the business as a whole. We believe that platform revenue is a useful measure to investors because it represents management’s view of the net revenue contribution of each of our platforms. This measure should not be considered a substitute for interest and fees on loans or other measures of performance we have reported in accordance with GAAP.

We also present certain capital ratios for the Company calculated on a pro forma basis. As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these capital ratios are non-GAAP measures. We believe these capital ratios are useful measures to investors because they are widely used by analysts and regulators to assess the capital position of financial services companies, although our pro forma Basel I Tier 1 common ratio is not a Basel I defined regulatory capital ratio, and our pro forma Basel I and Basel III Tier 1 common ratios may not be comparable to similarly titled measures reported by other companies. Our pro forma Basel I Tier 1 common ratio is the ratio of Tier 1 common equity (as calculated in the reconciliation referred to below) to total risk-weighted assets as calculated in accordance with the U.S. Basel I capital rules. Our pro forma Basel III Tier 1 common ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated in accordance with the U.S. Basel III capital rules (on a fully phased-in basis). Our pro forma Basel III Tier 1 common ratio is a preliminary estimate reflecting management’s interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. For a reconciliation of the components of these capital ratios to their nearest comparable GAAP component, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital.”

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the information set forth in "Risk Factors," our combined financial statements and the related notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus, before making an investment decision.

Our Company

We are one of the premier consumer financial services companies in the United States. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our "partners." Through our partners' 329,000 locations across the United States and Canada, and their websites and mobile applications, we offer their customers a variety of credit products to finance the purchase of goods and services. During 2013, we financed \$93.9 billion of sales, and at December 31, 2013, we had \$57.3 billion of loan receivables and 62.0 million active accounts. Our active accounts represent a geographically diverse group of both consumers and businesses, with an average FICO score of 714 for consumer active accounts. Our business has been profitable and resilient, including through the recent U.S. financial crisis and ensuing years. For the year ended December 31, 2013, we had net earnings of \$2.0 billion, representing a return on assets of 3.5%.

Our business benefits from longstanding and collaborative relationships with our partners, including some of the nation's leading retailers and manufacturers with well-known consumer brands, such as Lowe's, Wal-Mart, Amazon and Ethan Allen. We believe our partner-centric business model has been successful because it aligns our interests with those of our partners and provides substantial value to both our partners and our customers. Our partners promote our credit products because they generate increased sales and strengthen customer loyalty. Our customers benefit from instant access to credit, discounts and promotional offers. We seek to differentiate ourselves through deep partner integration and our extensive marketing expertise. We have omni-channel (in-store, online and mobile) technology and marketing capabilities, which allow us to offer and deliver our credit products instantly to customers across multiple channels. For example, the purchase volume in our Retail Card platform from our online and mobile channels increased by \$3.0 billion, or 39.6%, from \$7.6 billion in 2011 to \$10.6 billion in 2013.

We offer our credit products primarily through our wholly-owned subsidiary, GE Capital Retail Bank, which is to be renamed Synchrony Bank in connection with this offering (the "Bank"). Through the Bank, we offer a range of deposit products insured by the Federal Deposit Insurance Corporation ("FDIC"), including certificates of deposit, individual retirement accounts ("IRAs"), money market accounts and savings accounts, under our Optimizer⁺Plus brand, directly to retail and commercial customers. We also take deposits at the Bank through third-party securities brokerage firms that offer our FDIC-insured deposit products to their customers. We are expanding our online direct banking operations to increase our deposit base as a source of stable and diversified low cost funding for our credit activities. We had \$25.7 billion in deposits at December 31, 2013.

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Our Sales Platforms

We offer our credit products through three sales platforms: Retail Card, Payment Solutions and CareCredit. Set forth below is a summary of certain information relating to our Retail Card, Payment Solutions and CareCredit platforms at or for the year ended December 31, 2013:

<i>(\$ in millions, except for average loan receivable balance)</i>	<u>Retail Card</u>	<u>Payment Solutions</u>	<u>CareCredit</u>
Partners	24	61,000	149,000
Partner locations	34,000	118,000	177,000
Purchase volume	\$ 75,739	\$ 11,360	\$ 6,759
Active accounts (in millions)	50.8	6.8	4.4
Average loan receivable balance	\$ 782	\$ 1,654	\$ 1,470
Average FICO for consumer active accounts	718	709	684
Period end loan receivables	\$ 39,834	\$ 10,893	\$ 6,527
Interest and fees on loans	\$ 8,317	\$ 1,506	\$ 1,472
Other income	407	36	45
Retailer share arrangements ⁽¹⁾	(2,320)	(36)	(6)
Platform revenue ⁽²⁾	<u>\$ 6,404</u>	<u>\$ 1,506</u>	<u>\$ 1,511</u>

(1) Most of our Retail Card program agreements contain retailer share arrangements that provide for payments to our partner if the economic performance of the program exceeds a contractually defined threshold.

(2) Platform revenue is a non-GAAP measure. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Platform Analysis."

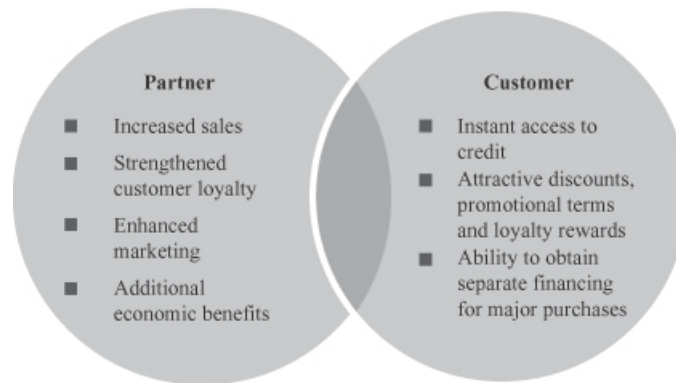
- Retail Card.** Retail Card is a leading provider of private label credit cards, and also provides Dual Cards and small and medium-sized business credit products. We offer one or more of these products through programs with 24 national and regional retailers that collectively have 34,000 retail locations. The average length of our relationship with our Retail Card partners is 15 years. Our partners are diverse by industry and include Amazon, Belk, Brooks Brothers, Chevron, Dillard's, Gap, JCPenney, Lowe's, Sam's Club, T.J.Maxx and Wal-Mart. Our Retail Card programs typically are exclusive with respect to the credit products we offer at that partner. Private label credit cards are partner-branded credit cards that are used for the purchase of goods and services from the partner. Our patented Dual Cards are credit cards that function as a private label credit card when used to purchase goods and services from our partners and as a general purpose credit card when used elsewhere. Substantially all of the credit extended in this platform is on standard (i.e., non-promotional) terms.
- Payment Solutions.** Payment Solutions is a leading provider of promotional financing for major consumer purchases, offering primarily private label credit cards and installment loans. We offer these products through 252 programs with national and regional retailers, manufacturers, buying groups and industry associations, and a total of 61,000 participating partners that collectively have 118,000 retail locations. Our partners operate in seven product markets: automotive (tires and repair), home furnishing/flooring, electronics/appliances, jewelry and other luxury items, power (motorcycles, ATVs and lawn and garden), home specialty (windows, doors, roofing, siding, HVAC and repair) and other retail. We have programs with a diverse group of retailers, manufacturers, buying groups and industry associations, such as Ashley HomeStores, Discount Tire, h.h.gregg, the North American Home Furnishings Association and P.C. Richard & Son. Substantially all of the credit extended in this platform is promotional financing for major purchases. We offer three types of promotional financing: deferred interest, no interest and reduced interest. In almost all cases, our partners compensate us for all or part of the cost of providing this promotional financing.

- **CareCredit.** CareCredit is a leading provider of promotional financing to consumers for elective healthcare procedures or services, such as dental, veterinary, cosmetic, vision and audiology. We offer our products through a network we have developed of 149,000 healthcare partners that collectively have 177,000 locations. The vast majority of our partners are individual and small groups of independent healthcare providers, and the remainder are national and regional healthcare providers and manufacturers. Our national and regional healthcare and manufacturer partners include LCA-Vision, Heartland Dental, Starkey Laboratories and Veterinary Centers of America (VCA Antech). We also have relationships with more than 100 professional and other associations, including the American Dental Association and the American Animal Hospital Association, various state dental and veterinary associations, manufacturers and buying groups, which endorse and promote (in some cases for compensation) our credit products to their members. We offer customers a CareCredit-branded private label credit card that may be used across our network of CareCredit providers. Substantially all of the credit extended in this platform is promotional financing, and in almost all cases, our partners compensate us for all or part of the cost of providing this promotional financing.

Our Value Proposition

We offer strong value propositions to both our partners and our customers.

Our Value Proposition



Value to Our Partners

Our consumer finance programs deliver the following benefits to our partners:

- **Increased sales.** Our programs drive increased sales for our partners by providing instant credit with an attractive value proposition (which may include discounts, promotional financing and customized loyalty rewards). Based on our research and experience in our Retail Card and Payment Solutions platforms, we believe average sales per customer in these platforms are generally higher for customers who use our cards compared to consumers who do not. In Payment Solutions, the availability of promotional financing is important to the consumer’s decision to make purchases of “big-ticket” items and a driver of retailer selection. In CareCredit, the availability of credit can also have a substantial influence over consumer spending with a significant number of consumers indicating in our research that they would postpone or forego all or a portion of their desired healthcare procedures or services if credit was not available through their healthcare providers.

- **Strengthened customer loyalty.** Our programs benefit our partners through strengthened customer loyalty. Our Retail Card customers have had their cards an average of 7.7 years at December 31, 2013. We believe customer loyalty drives repeat business and additional sales. In the year ended December 31, 2013, our 50.8 million active Retail Card accounts made an average of more than 12 purchases per account. Our CareCredit customers can use their card at any provider within our provider network, which we believe is an important source of new business to our providers, and 69% of CareCredit transactions in 2013 were from existing customers reusing their card at one or more providers.
- **Enhanced marketing.** We have developed significant marketing expertise that we share with our partners, including through dedicated on-site teams, a national field sales force and experts who reside in our marketing centers of excellence. We believe this expertise is of substantial value to our partners in increasing sales and profitability. Our omni-channel capabilities allow us to market our credit products wherever our partners offer their products. Our customer relationship management (“CRM”) and data analytics capabilities allow us to track customer responsiveness to different marketing strategies, which helps us target marketing messages and promotional offers to our partners’ customers. In Payment Solutions, our dedicated industry-focused sales and marketing teams bring substantial retailer marketing expertise to our smaller retailer and merchant partners. These partners benefit from our research on how to increase store traffic with various promotional offerings. We also provide them with website and e-commerce capabilities that many could not afford to develop on their own.
- **Additional economic benefits.** Our programs provide economic benefits to our partners in addition to increasing sales. Our Retail Card partners typically benefit from retailer share arrangements that provide for payments to them once the economic performance of the program exceeds a contractually-defined threshold. These shared economics enhance our partners’ engagement with us and provide an incentive for partners to support our programs. In addition, for most of our partners, our credit programs reduce costs by eliminating the interchange fees for in-store purchases that would otherwise be paid when general purpose credit cards or debit cards are used. Our programs also allow our partners to avoid the risks and administrative costs associated with carrying an accounts receivable balance for their customers, and this is particularly attractive to many of our CareCredit partners.

Value to Our Customers

Our consumer finance programs deliver the following benefits to our customers:

- **Instant access to credit.** We offer qualified customers instant access to credit at the point of sale and across multiple channels. Annual applications for our credit products increased by 24.7%, from 37.7 million applications in 2011 to 47.0 million in 2013. In addition, our applications from online and mobile channels increased by 43.1%, from 9.4 million in 2011 to 13.4 million in 2013. Our Retail Card programs provide financing for frequent purchases with attractive program benefits, including, in the case of our Dual Card, the convenience of a general purpose credit card. Payment Solutions and CareCredit offer promotional financing that enables qualified customers to make major purchases, including, in the case of CareCredit, elective healthcare procedures or services that typically are not covered by insurance.
- **Attractive discounts, promotional terms and loyalty rewards.** We believe our programs provide substantial value to our customers through attractive discounts, promotional terms and loyalty rewards. Retail Card customers typically benefit from first purchase discounts (e.g., 10% or more off the purchase price when a new account is opened) and discounts or loyalty rewards when their card is used to make subsequent purchases from our partners. Our Retail Card customers typically earn rewards based on the amount of their purchases from our partners at a rate which is generally higher than the reward rate on general purpose credit cards. Our Payment Solutions and CareCredit customers typically

benefit from promotional financing such as interest-free periods on purchases. These types of promotions typically are not available to consumers when they use a general purpose credit card outside of introductory offer periods.

- **Ability to obtain separate financing for major purchases.** We believe many consumers prefer to obtain separate financing for major purchases or category expenditures rather than accessing available borrowing capacity under their general purpose credit cards or using cash. We believe our customers also value the ability to compartmentalize, budget and track their spending and borrowing through separate financing for a major purchase.

Our Industry

We believe our business is well positioned to benefit from the following favorable industry trends:

- **Improvements in consumer spending and credit utilization.** Consumer spending has increased as U.S. economic conditions and consumer confidence continue to recover from the recent financial crisis. The U.S. consumer payments industry, which consists of credit, debit, cash, check and electronic payments, is projected to grow by 25% from 2011 to 2016 (from \$8.3 trillion in 2011 to \$10.4 trillion in 2016) according to The Nilson Report (December 2012). According to that report, credit card payments are expected to account for the majority of the growth of the U.S. consumer payments industry. Credit card payments accounted for \$2.1 trillion or 25.6% of U.S. consumer payments volume in 2011 and are expected to grow to \$3.5 trillion or 34.1% of U.S. consumer payments volume in 2016. Credit card spending is growing as a percentage of total consumer spending, driven in part by the growth of online and mobile purchases.
- **Improvements in U.S. household finances.** U.S. household finances have recovered substantially since the financial crisis. According to the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”), the average U.S. household’s ratio of debt payments to disposable personal income (“debt service ratio”) is better than pre-crisis levels, having improved to 9.9% for the three months ended September 30, 2013 from 13.1% for the three months ended September 30, 2007. According to the Federal Reserve Board, aggregate U.S. household net worth also has increased, from \$68.0 trillion at December 31, 2007 to \$77.3 trillion at September 30, 2013.
- **Growth of direct banking and deposit balances.** According to a 2012 American Bankers Association survey, the percentage of customers who prefer to do their banking via direct channels (internet, mail, phone and mobile) increased from 53% to 62% between 2010 and 2012, while those who prefer branch banking declined from 25% to 18% over the same period. This preference for direct banking has been evidenced by robust growth in direct deposits.

Competitive Strengths

Our business has a number of competitive strengths, including the following:

- **Large, diversified and well established consumer finance franchise.** Our business is large and diversified with 62.0 million active accounts and a partner network with 329,000 locations across the United States and in Canada. At December 31, 2013, we had \$57.3 billion in total loan receivables, and we are the largest provider of private label credit cards in the United States based on purchase volume and receivables according to The Nilson Report (June 2013). We have built large scale operations that support each of our sales platforms, and we believe our extensive partner network, with its broad geographic reach and diversity by industry, provides us with a distribution capability that is difficult to replicate. We believe the scale of our business and resulting operating efficiencies also contribute significantly to our success and profitability. In addition, we believe our partner-centric model, including our distribution capability, could lend itself to geographic expansion.

- **Partner-centric model with long-standing and stable relationships.** Our business is based on a partner-centric, business-to-business model. Our ability to establish and maintain deep, collaborative relationships with our partners is a core skill that we have developed through decades of experience. At December 31, 2013, the average length of our relationship for our 40 largest programs across all platforms (measured by platform revenue for the year ended December 31, 2013), which accounted in aggregate for 74.9% of our 2013 platform revenue, is 14 years. From these same 40 programs, 55.1% of our 2013 platform revenue is generated under programs with current contractual terms that continue through at least January 1, 2017. A diverse and growing group of more than 200,000 partners accounted for the remaining 25.1% of our 2013 platform revenue.
- **Deeply integrated technology across multiple channels.** Our proprietary technology is deeply integrated with our partners' systems and processes, which enables us to provide customized credit products to their customers at the point of sale across multiple channels. Our technologies enable customers to apply for credit at the point of sale in-store, online or on a mobile device and, if approved, purchase instantly. Our online and mobile technologies are capable of being seamlessly integrated into our partners' systems to enable our customers to check their available credit line, manage their account, access our eChat online customer service and participate in many of our partners' loyalty rewards programs online and using mobile devices. In addition, in CareCredit, we have developed what we believe is one of the largest healthcare provider locators of its kind, helping to connect customers to our 177,000 healthcare provider locations. This online locator received an average of 560,000 hits per month in 2013, helping to drive incremental business for our provider partners. We believe that our continued investment in technology and mobile offerings will help us deepen our relationships with our existing partners, as well as provide a competitive advantage when seeking to win new business.
- **Strong operating performance.** Over the three years ended December 31, 2013, we have grown our purchase volume and loan receivables at 9.8% and 8.2% compound annual growth rates, respectively. For 2011, 2012 and 2013, our net earnings were \$1.9 billion, \$2.1 billion and \$2.0 billion, respectively, and our return on assets was 4.1%, 4.2% and 3.5%, respectively. We were profitable throughout the recent U.S. financial crisis. We believe our ability to maintain profitability through various economic cycles is attributable to our rigorous underwriting process, strong pricing discipline, low cost to acquire new accounts, operational expertise and retailer share arrangements with our largest partners.
- **Strong balance sheet and capital base.** We have a strong capital base and a diversified and stable funding profile with access to multiple sources of funding, including a growing deposit platform at the Bank, securitized financings under well-established programs, a new GECC term loan facility and a new bank term loan facility. In addition, following this offering, we intend to access the public unsecured debt markets as a source of funding. At December 31, 2013, pro forma for the Transactions (as defined under "—Summary Historical and Pro Forma Financial Information"), we would have had a fully phased-in Basel III Tier 1 common ratio of % , and our business would have been funded with \$25.7 billion of deposits at the Bank, \$15.4 billion of securitized financings, \$ billion of transitional funding from the new GECC term loan facility, \$ billion from the new bank term loan facility and \$ billion of additional unsecured debt from a planned debt offering. At December 31, 2013, on a pro forma basis, we would have had \$ billion of cash and short-term liquid investments (or % of total assets) and approximately \$ billion of undrawn committed capacity under securitization facilities. We also had, at the same date and on the same basis, more than \$25.0 billion of unencumbered assets in the Bank available to be used to generate additional liquidity through secured borrowings or asset sales.
- **Experienced and effective risk management.** We have an experienced risk management team and an enterprise risk management infrastructure that we believe enable us to effectively manage our risk. Our enterprise risk management function is designed to identify, measure, monitor and control risk, including credit, market, liquidity, strategic and operational risks. Our focus on the credit process is evidenced by

the success of our business through multiple economic cycles. We control the credit criteria for all of our programs and issue credit only to consumers who qualify under those credit criteria. Our systems are integrated with our partners' systems, and therefore we can use our proprietary credit approval processes to make credit decisions instantly at the point of sale and across all application channels in accordance with our underwriting guidelines and risk appetite. Our risk management strategies are customized by industry and partner, and we believe our proprietary decisioning systems and customized credit scores provide significant incremental predictive capabilities over standard credit bureau-based scores alone. In addition, we have an extensive compliance program, and we have invested, and will continue to invest, in enhancing our regulatory compliance capabilities.

- **High quality and diverse asset base.** The quality of our loan receivables portfolio is high. Our consumer active accounts had an average FICO score of 714, and our total loan receivables had a weighted average consumer FICO score of 696, in each case at December 31, 2013. In addition, 71.3% of our portfolio's loan receivables are from consumers with a FICO score of greater than 660 at December 31, 2013. Our over-30 day delinquency rate at December 31, 2013 is below 2007 pre-financial crisis levels. We have a seasoned customer base with 32.7% of our loan receivables at December 31, 2013 associated with accounts that have been open for more than six years. Our portfolio is also diversified by geography, with receivables balances broadly reflecting the U.S. population distribution.
- **Experienced management team and business built on GE culture.** Our senior management team, including key members who helped us successfully navigate the financial crisis, will continue to lead our company following this offering. We have operated as a largely standalone business within GECC, with our own sales, marketing, risk management, operations, collections, customer service and compliance functions. Our business has been built on GE's culture and heritage, with a strong emphasis on our partners and customers, a rigorous use of metrics and analytics, a disciplined approach to risk management and compliance and a focus on continuous improvement and strong execution.

Our Business and Growth Strategy

We intend to grow our business and increase our profitability by building on our financial and operating strengths and capitalizing on projected favorable industry trends, as well as by pursuing a number of important growth strategies for our business, including the following:

Increase customer penetration at our existing partners. We believe there is a significant opportunity to grow our business by increasing the usage of our cards in each of our sales platforms. In Retail Card, based on sales data provided by our partners, we have increased penetration of our partners' aggregate sales in each of the last three years. For the year ended December 31, 2013, penetration of our Retail Card partners' sales ranged from 1% to 49%, and the aggregate sales of all Retail Card partners were \$555.6 billion, which we believe represents a significant opportunity for potential growth. We believe there is also a significant market opportunity for us to increase our penetration in Payment Solutions and CareCredit.

Attract new partners. We seek to attract new partners by both launching new programs and acquiring existing programs from our competitors. In Retail Card, which is typically characterized by longer-term, exclusive relationships, we added four new Retail Card partners from January 1, 2011 through December 31, 2013, which accounted for \$2.3 billion of receivables at December 31, 2013. In Payment Solutions, where a significant portion of our programs include independent dealers and merchants that enter into separate arrangements with us, we established 37 new Payment Solutions programs from January 1, 2011 through December 31, 2013, which accounted for \$1.2 billion of loan receivables at December 31, 2013, and we increased our total partners from 57,000 at December 31, 2010 to 61,000 at December 31, 2013. In CareCredit, where we attract new healthcare provider partners largely by leveraging our endorsements from professional associations and healthcare consultants,

we increased the number of partners with which we had agreements from 122,000 at December 31, 2010 to 149,000 at December 31, 2013. We believe there is a significant opportunity to attract new partners in each of our platforms, including by adding additional merchants, dealers and healthcare providers under existing programs.

Our strategies to both increase penetration among our current partners and attract new partners include the following elements:

- **Leverage technology to support our partners.** Our business model is focused on supporting our partners by offering credit wherever they offer their products and services (i.e., in-store, online and on mobile devices). We intend to continue to make significant investments in online and mobile technologies, which we believe will lead to new accounts, increased sales and deeper relationships with our existing partners and will give us an advantage when competing for new partners. We intend to continue to roll out the capability for consumers to apply for our products via their mobile devices, receive an instant credit decision and obtain immediate access to credit, and to deliver targeted rewards and promotions to our customers via their mobile devices for immediate use.
- **Capitalize on our strong data, analytics and customer relationship management capabilities.** We believe that our ongoing efforts to expand our data and analytics capabilities help differentiate us from our competitors. We have access to a vast amount of data (such as our customers' purchase patterns and payment histories) from our 108.9 million open accounts at December 31, 2013 and the hundreds of millions of transactions our customers make each year. Consistent with applicable privacy rules and regulations, we are developing new tools to assess this data to develop and deliver valuable insights and actionable analysis that can be used to improve the effectiveness of marketing strategies leading to incremental growth for both our partners and our business. Our recently enhanced CRM platform will utilize these insights and analysis to drive more relevant and timely offers to our customers via their preferred channels of communication. We believe the combination of our analytics expertise and extensive data access will drive greater partner engagement and increased sales, strengthen customer loyalty, and provide us a competitive advantage.
- **Launch our integrated multi-tender loyalty programs.** We are leveraging our extensive data analytics, loyalty experience and broad retail presence to launch multi-tender loyalty programs that enable customers to earn rewards from a partner, regardless of how they pay for their purchases (e.g., cash, private label or general purpose credit cards). By expanding our loyalty program capabilities beyond private label credit cards we can provide deeper insights to our partners about their customers, including spending patterns and shopping behaviors. Multi-tender loyalty programs will also provide us with access to non-cardholders, giving us the opportunity to grow our customer base by marketing our credit products to them and delivering a more compelling value proposition.
- **Increase focus on small and mid-sized businesses.** We currently offer private label credit cards and Dual Cards for small to mid-sized commercial customers that are similar to our consumer offerings. We are increasing our focus on marketing our commercial pay-in-full accounts receivable product to a wide range of business customers and are rolling out an improved customer experience for this product with enhanced functionality. Our loan receivables from business customers were \$1.3 billion at December 31, 2013, and we believe our strategic focus on business customers will enable us to continue to attract new business customers and increase the diversity of our loan receivables.
- **Expand our direct banking activities.** In January 2013, we acquired the deposit business of MetLife Bank, N.A. ("MetLife"), which is a direct banking platform that at the time of the acquisition had \$6.0 billion in U.S. direct deposits and \$0.4 billion in brokered deposits. Our U.S. direct deposits grew from \$0.9 billion at December 31, 2012 to \$10.9 billion at December 31, 2013 (including the MetLife acquisition). The acquisition of this banking platform is a key part of our strategy to increase our deposit base as a source of stable and diversified low cost funding. The platform is highly scalable, allowing us to expand without the overhead expenses of a traditional "brick and mortar" branch network. We believe we

are well-positioned to benefit from the consumer-driven shift from branch banking to direct banking. According to a 2012 American Bankers Association survey, the percentage of customers who prefer to do their banking via direct channels (i.e., internet, mail, phone and mobile) increased from 53% to 62% between 2010 and 2012, while those who prefer branch banking declined from 25% to 18% over the same period. To attract new deposits and retain existing ones, we are enhancing our loyalty program and expanding mobile banking offerings. We also intend to introduce new deposit products and enhancements to our existing products. These new and enhanced products include the introduction of checking accounts, overdraft protection lines of credit, a bill payment account feature and debit cards, as well as enhanced small business deposit accounts and expanded affinity offers.

Formation and Regulation of Synchrony

Synchrony is a holding company for the legal entities that historically conducted GE's North American retail finance business. Synchrony (previously named GE Capital Retail Finance Corporation) was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013 conducted no business. During the period from April 1, 2013 to September 30, 2013, as part of a regulatory restructuring, substantially all of the assets and operations of GE's North American retail finance business, including the Bank, were transferred to Synchrony. The remaining assets and operations of that business have been or will be transferred to Synchrony prior to the completion of this offering.

As a savings and loan holding company, Synchrony is subject to extensive regulation, supervision and examination by the Federal Reserve Board. In addition, as a large provider of consumer financial services, Synchrony is subject to extensive regulation, supervision and examination by the Consumer Financial Protection Bureau (the "CFPB").

The Bank is a federally chartered savings association and therefore is subject to extensive regulation, supervision and examination by the Office of the Comptroller of the Currency of the U.S. Treasury (the "OCC"), which is its primary regulator, and by the CFPB. In addition, the Bank, as an insured depository institution, is supervised by the FDIC.

For a discussion of the regulation of our company and the Bank, see "Regulation." For information regarding certain regulatory matters, including a Consent Order relating to our CareCredit platform that we entered into with the CFPB on December 10, 2013 (the "Consent Order") and a related Assurance of Discontinuance that we entered into with the Attorney General for the State of New York on June 3, 2013 (the "Assurance"), see "Regulation—Consumer Financial Services Regulation" and "Risk Factors—Risks Relating to Regulation—Changes to our methods of offering our CareCredit products could materially impact operating results."

GE Ownership and Our Separation from GE

GE currently owns 100% of the common stock of GECC, GECC currently owns 100% of the common stock of GECCI and GECCI currently owns 100% of the common stock of Synchrony.

On November 15, 2013, GE announced that it planned a staged exit from our business, consistent with its strategy of reducing GECC's percentage of GE's total earnings and increasing GECC's focus on its commercial lending and leasing businesses. GE's exit from our business is expected to consist of three distinct, but inter-related steps described below.

- *This Offering.* This offering is the first step in GE's planned staged exit from our business. After the completion of this offering, GE will beneficially own % of our outstanding common stock (or % if the underwriters' option to purchase additional shares of common stock from us is exercised in full). GE expects in all cases to retain at least 80% of the Company's outstanding common stock immediately following the offering.

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- *Separation.* The second step of GE's exit from our business will involve GE's disposition of all of its remaining shares of our stock through a Split-off (defined below) or one or more other transactions following this offering, which is referred to as the "Separation."
 - *Form of Separation Transaction.* GE has indicated that it expects to effect a split-off transaction by making a tax-free distribution of all of its remaining shares of our stock to electing GE stockholders in exchange for shares of GE's common stock (the "Split-off"). GE may also decide to exit our business by selling or otherwise distributing or disposing of all or a portion of its shares of our stock in a different type of transaction.
 - *Conditions to Separation.* The Separation would be subject to various conditions, including receipt of any necessary bank regulatory and other approvals, the existence of satisfactory market conditions, and, in the case of the Split-off, a private letter ruling from the Internal Revenue Service ("IRS") as to certain issues relating to, and an opinion from tax counsel confirming, the tax-free treatment of the transaction to GE and its stockholders.
- *GE SLHC Deregistration.* The final step in GE's exit from our business will be complete when the Federal Reserve Board determines that GE no longer controls us for regulatory purposes and releases GE from savings and loan holding company registration (the "GE SLHC Deregistration"). Prior to the GE SLHC Deregistration, we will be required to file an application with, and receive approval from, the Federal Reserve Board to continue to be a savings and loan holding company and to retain ownership of the Bank following the GE SLHC Deregistration, which we expect to happen only once the Federal Reserve Board has conducted an in-depth review and is satisfied as to our preparedness to operate on a standalone basis, independently of GE.

Anticipated Timeframe for Separation and GE SLHC Deregistration. GE has indicated that it currently is targeting to complete the Separation in 2015. The conditions to any transaction involved in the Separation may not be satisfied in 2015 or thereafter, or GE may decide for any reason not to consummate the Separation in 2015 or thereafter. Further, GE's willingness to proceed with the Separation may effectively be conditioned on its obtaining the necessary determination by the Federal Reserve Board that the GE SLHC Deregistration will occur upon Separation, although the Separation and the GE SLHC Deregistration need not coincide. For this reason, any delays in obtaining the GE SLHC Deregistration may delay the consummation of the Separation.

Anticipated Costs Associated with Separation and GE SLHC Deregistration. We currently expect to incur significant additional expenses to operate as a fully independent public company. For a discussion of these expenses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Trends and Conditions," "—Separation from GE and Related Financial Arrangements," "Use of Proceeds" and "Selected Historical and Pro Forma Financial Information—Unaudited Pro Forma Financial Information."

For a discussion of certain risks associated with Separation and the GE SLHC Deregistration, including risks related to anticipated timing and costs, see "Risk Factors—Risks Relating to Our Separation from GE."

Debt Financings

Prior to the completion of this offering, we will enter into a term loan facility (the "New Bank Term Loan Facility") with third party lenders that will provide \$ billion principal amount of unsecured term loans maturing in 2019. Prior to the completion of this offering, we will also enter into a term loan facility (the "New GECC Term Loan Facility") with GECC that will provide \$ billion principal amount of unsecured term loans maturing in 2019. We expect to borrow the full \$ billion available under the New Bank Term Loan Facility and the New GECC Term Loan Facility concurrent with the closing of this offering. See "Use of Proceeds."

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Prior to the completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ billion of undrawn committed capacity from private lenders under two of our existing securitization programs.

We also currently plan to issue approximately \$ billion of senior unsecured debt securities in one or more series shortly after the completion of this offering (the “Planned Debt Offering”). We cannot assure you that the Planned Debt Offering will be completed or, if completed, on what terms it will be completed.

For a discussion of these financings, see “Description of Certain Indebtedness—New Bank Term Loan Facility,” “—New GECC Term Loan Facility,” “—Securitized Financings” and “—New Senior Notes.”

Our primary funding sources historically have included cash from operations, deposits (direct and brokered deposits), securitization financings and related party debt provided by GECC and its affiliates. As described in “Use of Proceeds” below, we intend to use the net proceeds from this offering, together with borrowings under the New Bank Term Loan Facility, the New GECC Term Loan Facility and the Planned Debt Offering, to, among other things, repay \$ billion of related party debt owed to GECC and its affiliates (of which \$8,959 million was outstanding at December 31, 2013). The weighted average interest rate on this related party debt was 1.7% per annum for the year ended December 31, 2013. We expect the new debt (including the New GECC Term Loan Facility) will be higher cost funding than the existing related party debt, and that our debt outstanding will increase to fund a larger liquidity portfolio. Pro forma for the Transactions, at December 31, 2013 our debt outstanding would have increased by approximately \$ billion, and for the year ended December 31, 2013, our interest expense would have increased by \$ million, and our cost of funds would have increased from % to % per annum. See “Selected Historical and Pro Forma Financial Information—Unaudited Pro Forma Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Business Trends and Conditions—Changing funding mix and increased funding costs.”

Risks Relating to Our Company

As part of your evaluation of our company, you should consider the risks associated with our business, regulation of our business, the Separation and this offering. These risks include:

- *Risks relating to our business*, including: (i) impact of macroeconomic conditions; (ii) retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; (iii) our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and reduction in our credit ratings; (iv) our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; (v) our reliance on dividends, distributions and other payments from the Bank; (vi) our ability to grow our deposits in the future; (vii) changes in market interest rates; (viii) effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses, and accuracy of the assumptions or estimates used in preparing our financial statements; (ix) our ability to offset increases in our costs in retailer share arrangements; (x) competition in the consumer finance industry; (xi) our concentration in the U.S. consumer credit market; (xii) our ability to successfully develop and commercialize new or enhanced products and services; (xiii) our ability to realize the value of strategic investments; (xiv) reductions in interchange fees; (xv) fraudulent activity; (xvi) cyber-attacks or other security breaches; (xvii) failure of third parties to provide various services that are important to our operations; (xviii) disruptions in the operations of our computer systems and data centers; (xix) international risks and compliance and regulatory risks and costs associated with international operations; (xx) catastrophic events;

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(xxi) alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; (xxii) litigation and regulatory actions; (xxiii) damage to our reputation; (xxiv) our ability to attract, retain and motivate key officers and employees; (xxv) tax legislation initiatives or challenges to our tax positions; and (xxvi) state sales tax rules and regulations;

- *Risks relating to regulation*, including: (i) significant and extensive regulation, supervision and examination of, and enforcement relating to, our business by governmental authorities, impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and, the impact of the CFPB’s regulation of our business; (ii) changes to our methods of offering our CareCredit products; (iii) impact of capital adequacy rules; (iv) restrictions that limit our ability to pay dividends and repurchase our capital stock and that limit the Bank’s ability to pay dividends; (v) regulations relating to privacy, information security and data protection; (vi) use of third-party vendors and ongoing third-party business relationships; and (vii) as long as we are controlled by GECC for bank regulatory purposes, regulations pertaining to GECC;
- *Risks relating to the Separation*, including: (i) GE not completing the Separation as planned or at all, and GE’s inability to obtain the GE SLHC Deregistration; (ii) Federal Reserve Board approval required for us to continue to be a savings and loan holding company, and Federal Reserve Board agreement required for us to be treated as a financial holding company after the GE SLHC Deregistration; (iii) need to significantly expand many aspects of our infrastructure; (iv) loss of association with GE’s strong brand and reputation; (v) limited right to use the GE brand name and logo and need to establish a new brand; (vi) terms of our arrangements with GE may be more favorable than we will be able to obtain from unaffiliated third parties, GE has significant control over us and reliance on exemptions from the corporate governance requirements of the NYSE available for a “controlled company”; (vii) our historical combined and pro forma financial results may not be a reliable indicator of what we would have achieved or will achieve as a standalone company; (viii) obligations associated with being a public company; (ix) GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and (x) failure caused by us of GE’s distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE; and
- *Risks relating to this offering*, including: (i) future sales of a substantial number of shares of our common stock; (ii) no prior public market for our common stock; (iii) volatility of the price of our common stock; (iv) our dividend policy may change at any time; (v) applicable laws and regulations, and provisions of our certificate of incorporation and by-laws may discourage takeover attempts and business combinations; and (vi) our common stock is and will be subordinate to all of our existing and future indebtedness and any preferred stock.

For a discussion of these and other risks, see “Risk Factors.”

Additional Information

Our corporate headquarters and principal executive offices are located at 777 Long Ridge Road, Stamford, Connecticut 06902. Our telephone number at that address is (203) 585-2400. Our internet address is www.synchronyfinancial.com. Information on, or accessible through, our website is not part of this prospectus.

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The Offering	
Issuer	SYNCHRONY FINANCIAL
Common stock offered by us	shares of common stock.
Option to purchase additional shares	shares of common stock.
Common stock to be outstanding immediately after this offering	shares of common stock.
Common stock listing	We will apply to list our common stock on the New York Stock Exchange (“NYSE”) under the trading symbol “SYF.”
Use of proceeds	Assuming an initial public offering price of \$ per share, which is the midpoint of the range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of our common stock in this offering will be \$ (or \$ if the underwriters exercise in full their option to purchase additional shares of common stock from us), after deducting estimated underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds from this offering, together with borrowings under the New Bank Term Loan Facility and the New GECC Term Loan Facility, to repay \$ billion of the related party debt owed to GECC and its affiliates outstanding on the closing date of this offering (\$8,959 million at December 31, 2013), to increase our capital, to invest in liquid assets to increase the size of our liquidity portfolio and for such additional uses as we may determine in the future. See “Use of Proceeds” and “Description of Certain Indebtedness.”
Voting rights	One vote per share for all matters on which stockholders are entitled to vote, except that, until the earlier to occur of: (i) the time immediately prior to the Split-off and (ii) the GE SLHC Deregistration, no stockholder or group (other than GE or its affiliates and certain other exempted persons) shall have the right to vote more than 4.99% of our capital stock entitled to vote generally in the election of directors.
Dividend policy	Following the offering, our board of directors intends to consider our policy regarding the payment and amount of dividends. The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including the financial condition, earnings, capital and liquidity requirements of us and the Bank, regulatory restrictions, corporate law and contractual restrictions and other factors that our board of directors deems relevant. See “Risk Factors—Risks Relating to Our Business—We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank,” “—Risks Relating to Regulation—We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock,” “—Risks Relating to This Offering—We may change our dividend policy at any time” and “Dividend Policy.”

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Risk factors See the section entitled “Risk Factors” beginning on page 19 for a discussion of some of the factors you should consider before investing in our common stock.

Debt financings

Prior to the completion of this offering, we will enter into the New Bank Term Loan Facility with third party lenders that will provide \$ billion principal amount of unsecured term loans maturing in 2019. Prior to the completion of this offering, we will also enter into the New GECC Term Loan Facility with GECC that will provide \$ billion principal amount of unsecured term loans maturing in 2019.

We also currently intend to issue approximately \$ billion of senior unsecured debt securities in the Planned Debt Offering shortly after the completion of this offering.

Prior to the completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ billion of undrawn committed capacity from private lenders under two of our existing securitization programs.

For a discussion of these financings, see “Description of Certain Indebtedness—New Bank Term Loan Facility,” “—New GECC Term Loan Facility,” “—New Senior Notes” and “—Securitized Financings.”

Unless otherwise indicated, all information in this prospectus, including information regarding the number of shares of our common stock outstanding:

- is based on an assumption of shares of common stock outstanding at December 31, 2013, which reflects the consummation of a stock split expected to occur immediately prior to this offering pursuant to which shares of common stock will be issued to the holder of common stock for each share held;
- assumes an initial public offering price of \$ per share (the midpoint of the price range set forth on the front cover of this prospectus);
- assumes the underwriters’ option to purchase additional shares of common stock from us has not been exercised; and
- does not include the shares of common stock underlying unvested restricted stock units and stock options issued to certain employees pursuant to “founders’ grants” under the Synchrony 2014 Long-Term Incentive Plan or the remaining shares of common stock reserved for issuance under the Synchrony 2014 Long-Term Incentive Plan, as described under “Management—Compensation Plans Following This Offering—Synchrony 2014 Long-Term Incentive Plan.”

Summary Historical and Pro Forma Financial Information

The following table sets forth summary historical combined and unaudited pro forma financial information. You should read this information in conjunction with the information under “Selected Historical and Pro Forma Financial Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our combined financial statements and the related notes included elsewhere in this prospectus.

Synchrony is a holding company for the legal entities that historically conducted GE’s North American retail finance business. Synchrony was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013, conducted no business. During the period from April 1, 2013 to September 30, 2013, as part of a regulatory restructuring, substantially all of the assets and operations of GE’s North American retail finance business, including the Bank, were transferred to Synchrony. The remaining assets and operations of that business have been or will be transferred to Synchrony prior to the completion of this offering.

We have prepared our historical combined financial statements as if Synchrony had conducted GE’s North American retail finance business throughout all relevant periods. Our historical combined financial information and statements include the assets, liabilities and operations of GE’s North American retail finance business.

The unaudited pro forma information set forth below reflects our historical combined financial information, as adjusted to give effect to the following transactions (the “Transactions”) as if each had occurred as of January 1, 2013, in the case of statements of earnings information, and December 31, 2013, in the case of statements of financial position information:

- issuance of million shares of our common stock at an estimated offering price of \$ per share (the midpoint of the price range set forth on the front cover of this prospectus);
- repayment of \$ billion of the Outstanding Related Party Debt (as defined under “Use of Proceeds”);
- entering into of, and costs associated with, the New Bank Term Loan Facility and the New GECC Term Loan Facility;
- completion of, and costs associated with, the Planned Debt Offering;
- investment in liquid assets to further increase the size of our liquidity portfolio consistent with our liquidity and funding policies; and
- issuance of a founders’ grant of restricted stock units and stock options to certain employees under the Synchrony 2014 Long-Term Incentive Plan.

The unaudited pro forma information below is based upon available information and assumptions that we believe are reasonable. The unaudited pro forma financial information is for illustrative and informational purposes only and is not intended to represent what our financial condition or results of operations would have been had the Transactions occurred on the dates indicated. The unaudited pro forma information also should not be considered representative of our future financial condition or results of operations.

In addition to the pro forma adjustments to our historical combined financial statements, various other factors will have an effect on our financial condition and results of operations after the completion of this offering, including those discussed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” For a discussion of the pro forma adjustments, see “Selected Historical and Pro Forma Financial Information.”

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Other Financial and Statistical Data

	Pro Forma ⁽¹⁾ Year Ended December 31, 2013	Historical			
		Years Ended December 31,			
		2013	2012	2011	
<i>(\$ in millions, except per account data)</i>					
Financial Position Data (Average):					
Loan receivables	\$	\$52,407	\$47,549	\$44,131	
Total assets	\$	\$56,184	\$49,905	\$46,218	
Deposits	\$	\$22,911	\$17,514	\$15,442	
Borrowings	\$	\$25,209	\$25,304	\$24,687	
Total equity	\$	\$ 5,121	\$ 4,764	\$ 4,009	
Selected Performance Metrics:					
Purchase volume ⁽²⁾	\$	93,858	\$93,858	\$85,901	\$77,883
Average active accounts (in thousands) ⁽³⁾		56,253	56,253	53,021	51,313
Average purchase volume per active account	\$	1,668	\$ 1,668	\$ 1,620	\$ 1,518
Average loan receivables balance per active account	\$	932	\$ 932	\$ 897	\$ 860
Net interest margin ⁽⁴⁾		%	18.8%	19.7%	18.4%
Net charge-offs	\$	2,454	\$ 2,454	\$ 2,343	\$ 2,560
Net charge-offs as a % of average loan receivables		4.7%	4.7%	4.9%	5.8%
Allowance coverage ratio ⁽⁵⁾		5.1%	5.1%	4.3%	4.3%
Return on assets ⁽⁶⁾		%	3.5%	4.2%	4.1%
Return on equity ⁽⁷⁾		%	38.6%	44.5%	47.1%
Equity to assets ⁽⁸⁾		%	9.1%	9.5%	8.7%
Other expense as a % of average loan receivables		%	4.7%	4.5%	4.6%
Efficiency ratio ⁽⁹⁾		%	28.6%	26.3%	27.6%
Effective income tax rate		%	37.0%	37.2%	37.2%
Capital Ratios for the Bank⁽¹⁰⁾:					
Tier 1 risk-based capital ratio		%	16.0%	13.8%	13.3%
Total risk-based capital ratio		%	17.3%	15.1%	14.5%
Tier 1 leverage ratio		%	14.9%	17.2%	16.0%
Capital Ratios for the Company⁽¹¹⁾:					
Tier 1 common ratio		%	—	—	—
Tier 1 risk-based capital ratio		%	—	—	—
Total risk-based capital ratio		%	—	—	—
Tier 1 leverage ratio		%	—	—	—
Selected Period End Data:					
Total loan receivables	\$	57,254	\$57,254	\$52,313	\$47,741
Allowance for loan losses	\$	2,892	\$ 2,892	\$ 2,274	\$ 2,052
30+ days past due as a % of loan receivables		4.3%	4.3%	4.6%	4.9%
90+ days past due as a % of loan receivables		2.0%	2.0%	2.0%	2.2%
Total active accounts (in thousands) ⁽³⁾		61,957	61,957	57,099	56,605
Other Information:					
Full time employees		9,333	9,333	8,447	8,203
Interest and fees on loans	\$	11,295	\$11,295	\$10,300	\$ 9,134
Other income		488	488	473	498
Retailer share arrangements		(2,362)	(2,362)	(1,975)	(1,430)
Platform revenue ⁽¹²⁾	\$	9,421	\$ 9,421	\$ 8,798	\$ 8,202

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- (1) The unaudited pro forma financial information for Financial Position Data (Average) and Selected Performance Metrics give effect to the Transactions as if they had occurred as of January 1, 2013 for amounts calculated using average financial position data.
- (2) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.
- (3) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Open accounts represent credit card or installment loan accounts that are not closed, blocked or more than 60 days delinquent.
- (4) Net interest margin represents net interest income divided by average interest earning assets.
- (5) Allowance coverage ratio represents allowance for loan losses divided by total end-of-period loan receivables.
- (6) Return on assets represents net earnings as a percentage of average total assets.
- (7) Return on equity represents net earnings as a percentage of average total equity.
- (8) Equity to assets represents average equity as a percentage of average total assets.
- (9) Efficiency ratio represents (i) other expense, divided by (ii) net interest income, after retailer share arrangements, plus other income.
- (10) Represent Basel I capital ratios calculated for the Bank.
- (11) Represent Basel I capital ratios calculated for the Company on a pro forma basis. At December 31, 2013, pro forma for the Transactions, the Company had a fully phased-in Basel III Tier 1 common ratio of % . The Company's pro forma capital ratios are non-GAAP measures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital."
- (12) Platform revenue is a non-GAAP measure. The table sets forth each component of our platform revenue for the periods presented. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Platform Analysis."

RISK FACTORS

You should carefully consider the following risks before investing in our common stock. These risks could materially affect our business, results of operations or financial condition and cause the trading price of our common stock to decline. You could lose part or all of your investment.

Risks Relating to Our Businesses

Macroeconomic conditions could have a material adverse effect on our business, results of operations, financial condition and stock price.

Key macroeconomic conditions historically have affected our business, results of operations and financial condition and are likely to affect them in the future. Consumer confidence, unemployment and housing indicators are among the factors that often impact consumer spending behavior. Poor economic conditions reduce the usage of our credit cards and other financing products and the average purchase amount of transactions on our credit cards and through our other products, which, in each case, reduces our interest and fee income. We rely primarily on interest and fee income to generate our net earnings. Our interest and fee income was \$11.3 billion for the year ended December 31, 2013 and \$10.3 billion for the year ended December 31, 2012. Poor economic conditions also adversely affect the ability and willingness of customers to pay amounts owed to us, increasing delinquencies, bankruptcies, charge-offs and allowances for loan losses, and decreasing recoveries. For example, our over-30 day delinquency rate was 8.2% on December 31, 2009 during the financial crisis, compared to 4.3% on December 31, 2013, and our full-year net charge-off rate was 11.3% for the year ended December 31, 2009, compared to 4.7% for the year ended December 31, 2013. We believe the delinquency rate in our portfolio is at historically low levels and charge-off rates in our portfolio are back to pre-recession levels, and they both may increase and are likely to increase materially if economic conditions deteriorate.

While certain economic conditions in the United States have shown signs of improvement, economic growth has been slow and uneven as consumers continue to be affected by high unemployment rates, slowly recovering housing values and continuing concerns about the level of U.S. government debt and fiscal actions that may be taken to address this. A prolonged period of slow economic growth or a significant deterioration in economic conditions would likely affect consumer spending levels and the ability and willingness of customers to pay amounts owed to us, and could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions may also cause net earnings to fluctuate and diverge from expectations of securities analysts and investors, who may have differing assumptions regarding the impact of these conditions on our business, and this may adversely impact the trading price of our common stock.

Our results of operations and growth depend on our ability to retain existing partners and attract new partners.

Substantially all of our revenue is generated from the credit products we provide to customers of our partners pursuant to program agreements we enter into with our partners. As a result, our results of operations and growth depend on our ability to retain existing partners and attract new partners. Historically, there has been turnover in our partners, and we expect this will continue in the future. For example, based on written notices received to date from partners for three of our 40 largest programs measured by platform revenue for the year ended December 31, 2013, we do not expect their program agreements to be extended beyond their contractual expiration dates in 2014. These three program agreements represented, in the aggregate, 2.5 % of our total platform revenue for the year ended December 31, 2013 and 3.1% of our total loan receivables at December 31, 2013. In addition, based on discussions to date with one of our ten largest partners, PayPal, we expect to extend our program agreement with that partner for two years beyond its current contractual expiration date in 2014. Although we do not expect the program agreement to be extended beyond the two year extension, we expect that

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we will agree to a fixed formula for PayPal to purchase the portfolio after the extension expires. The extension is also expected to eliminate certain exclusivity provisions that exist in the current program agreement which we expect will result in lower platform revenue and loan receivables from our PayPal program during the remaining term of the agreement. The PayPal program agreement represented 3.1% of our total platform revenue for the year ended December 31, 2013 and 2.6% of our total loan receivables at December 31, 2013.

Program agreements with our Retail Card partners and national and regional retailer and manufacturer Payment Solutions partners typically are for multi-year terms. These program agreements generally permit us and our partner to terminate the agreement prior to its scheduled termination date for various reasons, including, in some cases, if we fail to meet certain service levels, if we change certain key cardholder terms or, in some cases, certain of our credit criteria, if we fail to achieve certain targets with respect to approvals of new customers as a result of the credit criteria we use, or if we elect not to increase the program size when the outstanding loan receivables under the program reach certain thresholds. Certain of these program agreements are also subject to early termination by a party if the other party has a material adverse change in its financial condition. Programs with manufacturers, buying groups and industry associations generally are made available to Payment Solutions partners such as individual retail outlets, dealers and merchants under dealer agreements, which typically may be terminated at will by the other party on short notice to us (e.g., 15 days).

There is significant competition for our existing partners, and our failure to retain our existing larger partner relationships upon the expiration or our earlier loss of a relationship upon the exercise of a partner's early termination rights, or the termination of a substantial number of smaller partner relationships, could have a material adverse effect on our results of operations and financial condition to the extent not offset by the addition of new partners of similar size and profitability. The competition for new partners is also significant, and our failure to attract new partners could adversely affect our ability to grow.

A significant percentage of our platform revenue comes from relationships with a small number of Retail Card partners, and the loss of any of these Retail Card partners could adversely affect our business and results of operations.

Our ten largest partner relationships are with Retail Card partners and accounted for an aggregate of 58.9% of our total platform revenue for the year ended December 31, 2013. Our five largest programs (Gap, JCPenney, Lowe's, Sam's Club and Wal-Mart) accounted in aggregate for 47.9% of our total platform revenue for the year ended December 31, 2013. Sam's Club is a subsidiary of Wal-Mart that is a separate contracting entity with its own program agreement with us. Our programs with JCPenney and Wal-Mart each accounted for more than 10% of our total platform revenue over the same period. We expect to have significant concentration in our largest relationships for the foreseeable future. Although we have multi-year program agreements with each of our ten largest partners, their current agreements expire at various times and the agreement with one of these partners, which represented \$1.3 billion, or 2.3%, of our total loan receivables for the year ended December 31, 2013, is scheduled to expire before the end of 2014 and is one of the partners discussed in the preceding Risk Factor, whose program agreements we do not expect to be extended beyond their contractual expiration dates in 2014. In addition, based on discussions to date with another of our ten largest partners, PayPal, we expect to extend our program agreement with that partner for two years beyond its current contractual expiration date in 2014. Although we do not expect the program agreement to be extended beyond the two year extension, we expect that we will agree to a fixed formula for PayPal to purchase the portfolio after the extension expires.

The program agreements generally permit us or our partner to terminate the agreement prior to its scheduled termination date under various circumstances as described in the preceding risk factor. Some of our program agreements also provide that, upon expiration or termination, our partner may purchase or designate a third party to purchase the accounts and loans generated with respect to its program and all related customer data. The loss of any of our largest partners or a material reduction in the revenues we receive from their customers could have a material adverse effect on our results of operations and financial condition.

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Our results depend, to a significant extent, on the active and effective promotion and support of our products by our partners.

Our partners generally accept most major credit cards and various other forms of payment, and therefore our success depends on their active and effective promotion of our products to their customers. We depend on our partners to integrate the use of our credit products into their store culture by training their sales associates about our products, having their sales associates encourage their customers to apply for, and use, our products and otherwise effectively marketing our products. In addition, although our Retail Card programs and our Payment Solutions programs with national and regional retailer partners typically are exclusive with respect to the credit products we offer at that partner, some Payment Solutions programs and most CareCredit provider relationships are not exclusive to us, and therefore a partner may choose to promote a competitor's financing over ours, depending upon cost, availability or attractiveness to consumers or other factors. Typically we do not have, or utilize, any recourse against these non-exclusive partners when they do not sufficiently promote our products. Partners may also implement changes in their systems and technologies that may disrupt the integration between their systems and technologies and ours, which could disrupt the use of our products. The failure by our partners to effectively promote and support our products or changes they make in their business models that negatively impact card usage could have a material adverse effect on our business and results of operations. In addition, if our partners engage in improper business practices, do not adhere to the terms of our program agreements or other contractual arrangements, or otherwise diminish the value of our brand, we may suffer reputational damage and customers may be less likely to use our products, which could have a material adverse effect on our business and results of operations.

Our results are impacted, to a significant extent, by the financial performance of our partners.

Our ability to generate new loans and the interest income and fees and other income associated with them is dependent upon sales of merchandise and services by our partners. The retail and healthcare industries in which our partners operate are intensely competitive. Our partners compete with retailers and department stores in their own geographic areas, as well as catalog and internet sales businesses. Our partners in the healthcare industry compete with other healthcare providers. Our partners' sales may decrease or may not increase as we anticipate for various reasons, some of which are in the partners' control and some of which are not. For example, partner sales may be adversely affected by macroeconomic conditions having a national, regional or more local effect on consumer spending, business conditions affecting a particular partner or industry, or catastrophes affecting broad or more discrete geographic areas. If our partners' sales decline for any reason, it generally results in lower credit sales, and therefore lower loan volume and associated interest income and fees and other income for us from their customers. In addition, if a partner closes some or all of its stores or becomes subject to a voluntary or involuntary bankruptcy proceeding (or if there is a perception that it may become subject to a bankruptcy proceeding), its customers who have used our financing products may have less incentive to pay their outstanding balances to us, which could result in higher charge-off rates than anticipated and our costs for servicing its customers' accounts may increase. This risk is particularly acute with respect to our largest partners that account for a significant amount of our platform revenue. See "—A significant percentage of our platform revenue comes from relationships with a small number of Retail Card partners, and the loss of any of these Retail Card partners could adversely affect our business and results of operations." Moreover, if the financial condition of a partner deteriorates significantly or a partner becomes subject to a bankruptcy proceeding, we may not be able to recover for customer returns, customer payments made in partner stores or other amounts due to us from the partner. A decrease in sales by our partners for any reason or a bankruptcy proceeding involving any of them could have a material adverse impact on our business and results of operations.

We will need additional financing, and our borrowing costs are expected to be higher following the completion of this offering; adverse financial market conditions or our inability to effectively manage our funding and liquidity risk could have a material adverse effect on our funding, liquidity and ability to meet our obligations.

We need to effectively manage our funding and liquidity in order to meet our cash requirements such as day to day operating expenses, extensions of credit to our customers, payments of principal and interest on our

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borrowings and payments on our other obligations. Historically, our primary sources of funding and liquidity have been, and following this offering are expected to be, collections from our customers, deposits, funds from securitized financings and proceeds from unsecured borrowings. Historically, our unsecured borrowings have come from GECC and we believe our affiliation with GE has made it easier and less expensive for us to obtain some of our funding from third parties. Following completion of this offering, we do not expect to receive funding from GECC (other than transitional financing from GECC under the New GECC Term Loan Facility) and expect our borrowing costs from third parties will be higher than our historical costs from GECC. In addition, following completion of this offering, it may be more difficult for us to securitize our loans because our credit rating from the rating agencies will be lower than GECC's current credit rating, which may cause investors, and the credit rating agencies, to view us as a weaker sponsor. To compensate, our future issuances of asset-backed securities may need to provide for a higher interest rate or provide additional credit enhancements and, even then, the credit ratings on our asset-backed securities may be lower than they have been historically. These factors may increase the costs of securitizing our loans relative to our historical costs.

If we do not have sufficient liquidity, we may not be able to meet our obligations, particularly during a liquidity stress event. If we maintain or are required to maintain too much liquidity, it could be costly and reduce our financial flexibility.

We will need additional financing in the future to refinance any existing debt and finance growth of our business. The availability of additional financing will depend on a variety of factors such as financial market conditions generally, including the availability of credit to the financial services industry, consumers' willingness to place money on deposit in the Bank, our performance and credit ratings and the performance of our securitized portfolios. Disruptions, uncertainty or volatility in the capital, credit or deposit markets, such as the uncertainty and volatility experienced in the capital and credit markets during the financial crisis and more recently arising from the sovereign debt crisis in Europe and concerning the level of U.S. government debt and fiscal measures that may be taken over the longer term to address these matters, may limit our ability to obtain additional financing or refinance maturing liabilities on desired terms (including funding costs) in a timely manner or at all. It may also be more difficult or costly for us to obtain funds following the Separation. As a result, we may be forced to delay obtaining funding or be forced to issue or raise funding on undesirable terms, which could significantly reduce our financial flexibility and cause us to contract or not grow our business, all of which could have a material adverse effect on our results of operations and financial conditions.

In addition, prior to the completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ billion of undrawn committed capacity from private lenders under two of our existing securitization programs. Regulatory reforms have recently been adopted in the United States and internationally that are intended to address certain issues that affected banks in the recent financial crisis. These reforms, generally referred to as "Basel III," subject banks to more stringent capital, liquidity and leverage requirements. To the extent that the Basel III requirements result in increased costs to the banks providing this undrawn committed capacity under our securitization programs, these costs are likely to be passed on to us. In addition, in response to Basel III, some banks in the market have added provisions to their credit agreements permitting them to delay disbursement of funding requests for 30 days or more. If our bank lenders demand these delayed funding provisions and/or higher pricing for committing undrawn capacity to us, our cost of funding and access to liquidity could be adversely affected.

While financial market conditions have stabilized and, in many cases, improved since the financial crisis, there can be no assurance that significant disruptions, uncertainties and volatility will not occur in the future. If we are unable to continue to finance our business, access capital markets and attract deposits on favorable terms and in a timely manner, or if we experience an increase in our borrowing costs or otherwise fail to manage our liquidity effectively, our results of operations and financial condition may be materially adversely affected.

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A reduction in our credit ratings could materially increase the cost of our funding from, and restrict our access to, the capital markets.

We expect our senior unsecured debt to be rated by one or more rating agencies prior to the completion of this offering. In addition, certain of the asset-backed securities issued by our publicly registered securitization trust are also rated by Fitch Ratings, Inc. (“Fitch”), Standard & Poor’s (“S&P”) and/or Moody’s Investor Services, Inc. (“Moody’s”). The ratings for our unsecured debt are based on a number of factors, including our financial strength, as well as factors that may not be within our control, such as macroeconomic conditions and the rating agencies’ perception of the industries in which we operate and the products we offer. Following the completion of the offering, we expect our unsecured debt credit rating from the rating agencies will be lower than GECC’s current unsecured debt credit rating. The ratings of our asset-backed securities are, and will continue to be, based on a number of factors, including the quality of the underlying loans and the credit enhancement structure with respect to each series of asset-backed securities, as well as the credit rating of GECC as the servicer of our publicly registered securitization trust and our credit rating as sponsor. These ratings also reflect the various methodologies and assumptions used by the rating agencies, which are subject to change and could adversely affect our ratings. The rating agencies regularly evaluate our credit ratings and those of GECC, as well as the credit ratings of our asset-backed securities. We expect GECC will resign and assign its servicing obligations for our publicly registered securitization trust to us, and we intend to amend the program documents for this trust to enable that assignment. We expect the GECC resignation and assignment will occur on the earlier of: (i) the date all asset-backed securities outstanding at the effective time of the amendment have been redeemed or paid in full (which is expected to occur no later than 2019) and (ii) when the holders of such securities have consented to an assignment of such servicing obligations to us (the “Expected GECC Servicer Assignment Date”). There can be no assurance that we will be able to maintain our unsecured debt or asset-backed securities credit ratings or that any of our credit ratings will not be lowered or withdrawn in the future, including as GE decreases its ownership in us or when GECC is no longer the servicer. We also cannot be sure that GECC’s credit ratings will not be lowered or what impact any such action would have on our credit ratings as well as those of our asset-backed securities. A downgrade in our unsecured debt or asset-backed securities credit ratings (or investor concerns that a downgrade may occur) could materially increase the cost of our funding from, and restrict our access to, the capital markets.

Neither we nor GE have any obligation to replace or supplement the credit enhancement or to take any other action to maintain any ratings of any asset-backed securities. If the ratings on our asset-backed securities are reduced, put on negative watch or withdrawn as a result of the Separation, the GE SLHC Deregistration or otherwise, it may have an adverse effect on the liquidity or the market price of our asset-backed securities and on the cost of or our ability to continue using securitized financings to the extent anticipated.

Our inability to securitize our loans would have a material adverse effect on our business, liquidity, cost of funds and financial condition.

We use the securitization of loans, which involves the transfer of loans to a trust and the issuance by the trust of asset-backed securities to third-party investors, as a significant source of funding. Our average level of securitized financings from third parties was \$16.2 billion and \$15.2 billion for the years ended December 31, 2013 and 2012, respectively. For a discussion of our securitization activities, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Sources—Securitized Financings,” “Description of Certain Indebtedness—Securitized Financings” and Note 6. *Variable Interest Entities* to our combined financial statements.

Although the securitization market for credit cards has been re-established since the financial crisis that began in 2008, there can be no assurance that the market will not experience future disruptions. The extent to which we will securitize our loans in the future will depend in part upon the conditions in the securities markets in general and the credit card asset-backed securities market in particular, the overall credit quality of our loans and the conformity of the loans and our securitization program to rating agency requirements, the costs of securitizing our loans, and the legal, regulatory, accounting and tax requirements governing securitization

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transactions. In the event we are unable to refinance existing asset-backed securities from our publicly registered securitization trust with new securities from the same trust, there are structural and regulatory constraints on our ability to refinance these asset-backed securities with Bank deposits or other funding at the Bank, and therefore we would be required to rely on sources outside of the Bank. A prolonged inability to securitize our loans on favorable terms, or at all, or to refinance our asset-backed securities would have a material adverse effect on our business, liquidity, cost of funds and financial condition.

The occurrence of an early amortization of our securitization facilities would have a material adverse effect on our liquidity and cost of funds.

Our liquidity would be materially adversely affected by the occurrence of events resulting in the early amortization of our existing securitized financings. For a description of these early amortization events, see “Description of Certain Indebtedness—Securitized Financings.” During an early amortization period, principal collections from the loans in our asset-backed securitization trusts would be applied to repay principal of the asset-backed securities rather than being available on a revolving basis to fund purchases of newly originated loans. This would negatively impact our liquidity, including our ability to originate new loans under existing accounts, and require us to rely on alternative funding sources, which might increase our funding costs or might not be available when needed.

Our loss of the right to service or subservice our securitized loans would have a material adverse effect on our liquidity and cost of funds.

GECC currently acts as servicer with respect to our publicly registered securitization trust and its related series of asset-backed securities, and the Bank acts as servicer with respect to our other two securitization trusts. If the Bank or GECC, as applicable, defaults in its servicing obligations, an early amortization event could occur with respect to the relevant asset-backed securities and/or the Bank or GECC, as applicable, could be replaced as servicer. Servicer defaults include, for example, the failure of the servicer to make any payment, transfer or deposit in accordance with the securitization documents, a breach of representations, warranties or agreements made by the servicer under the securitization documents, the delegation of the servicer’s duties contrary to the securitization documents and the occurrence of certain insolvency events with respect to the servicer. Such an amortization event would have the adverse consequences discussed in the immediately preceding risk factor.

We expect GECC will resign and assign its servicing obligations for our publicly registered securitization trust to us on the Expected GECC Servicer Assignment Date and until that time, our ability to service the public securitization trust’s assets pursuant to the sub-servicing arrangement with GECC will be dependent on GECC not being terminated as servicer for a servicer default or resigning in accordance with the requirements specified in the trust’s program documents, as well as us not being terminated for a default under our sub-servicing arrangements with GECC. If GECC defaults or resigns (or if we default under our sub-servicing arrangement), a third party could be appointed servicer with respect to our publicly registered securitization trust, particularly if neither we nor the Bank have the required ratings to serve as successor servicer. Similarly, if we default in our servicing obligations with respect to either of our other two securitization trusts, a third party could be appointed as servicer of the related trust. If a third-party servicer is appointed, there is no assurance that the third-party will engage us as sub servicer, in which event we would no longer be able to control the manner in which the related trust’s assets are serviced, and the failure of a third party to appropriately service such assets could lead to an early amortization event in the affected securitization trust, which would have the adverse consequences discussed in the immediately preceding risk factor.

Lower payment rates on our securitized loans could materially adversely affect our liquidity and financial condition.

Certain collections from our securitized loans come back to us through our subsidiaries, and we use these collections to fund our purchase of newly originated loans to collateralize our securitized financings. If payment rates on our securitized loans are lower than they have historically been, fewer collections will be remitted to us

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on an ongoing basis. Further, certain series of our asset-backed securities include a requirement that we accumulate principal collections in a restricted account for a specified number of months prior to the applicable security's maturity date. We are required under the program documents to lengthen this accumulation period to the extent we expect the payment rates to be low enough that the current length of the accumulation period is inadequate to fully fund the restricted account by the applicable security's maturity date. Lower payment rates, and in particular, payment rates that are low enough that we are required to lengthen our accumulation periods, could materially adversely affect our liquidity and financial condition.

We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank.

As a holding company, we will rely significantly on dividends, distributions and other payments from the Bank to fund any dividends to our stockholders and repurchases of our stock, as well as to satisfy our debt and other obligations. The ability of the Bank to make dividends and other distributions and payments to us is subject to regulation by the OCC and the Federal Reserve Board. Limitations on the amounts we receive from the Bank could impact our liquidity. See “—Risks Relating to Regulation— We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock.”

Our inability to grow our deposits in the future could materially adversely affect our liquidity and ability to grow our business.

We obtain deposits directly from retail and commercial customers or through brokerage firms that offer our deposit products to their customers. At December 31, 2013, we had \$10.9 billion in direct deposits (which includes deposits from banks and financial institutions and deposits related to prepaid cards) and \$14.8 billion in deposits originated through brokerage firms (including network deposit sweeps procured through a program arranger who channels brokerage account deposits to us). A key part of our liquidity plan and funding strategy is to expand our direct deposits, and we intend to continue to rely on brokered deposits as a source of funding.

The deposit business is highly competitive, with intense competition in attracting and retaining deposits. We compete on the basis of the rates we pay on deposits, features and benefits of our products, the quality of our customer service and the competitiveness of our digital banking capabilities. Our ability to originate and maintain retail deposits is also highly dependent on the strength of the Bank and the perceptions of consumers and others of our business practices and our financial health. Adverse perceptions regarding our reputation could lead to difficulties in attracting and retaining deposits accounts. Negative public opinion could result from actual or alleged conduct in a number of areas, including lending practices, regulatory compliance, inadequate protection of customer information or sales and marketing, and from actions taken by regulators or others in response to such conduct. In addition, our ability to originate and maintain deposits could be adversely affected by the loss of our association with GE's brand and reputation following the completion of this offering.

The demand for the deposit products we offer may also be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences, reductions in consumers' disposable income, regulatory actions that decrease customer access to particular products or the availability of competing products. Competition from other financial services firms and others that use deposit funding products may affect deposit renewal rates, costs or availability. Changes we make to the rates offered on our deposit products may affect our profitability and liquidity.

The Federal Deposit Insurance Act (the “FDIA”) prohibits an insured bank from accepting brokered deposits or offering interest rates on any deposits significantly higher than the prevailing rate in the bank's normal market area or nationally (depending upon where the deposits are solicited), unless it is “well capitalized,” or it is “adequately capitalized” and receives a waiver from the FDIC. A bank that is “adequately capitalized” and accepts brokered deposits under a waiver from the FDIC may not pay an interest rate on any deposit in excess of 75 basis points over certain prevailing market rates. There are no such restrictions under the FDIA on a bank that is “well capitalized” and at December 31, 2013, the Bank met or exceeded all applicable requirements to be deemed “well

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capitalized” for purposes of the FDIA. However, there can be no assurance that the Bank will continue to meet those requirements. The Bank’s inability to accept brokered deposits for any reason (including regulatory limitations on the amount of brokered deposits as a percentage of total assets) in the future could materially adversely impact our funding costs and liquidity. Any limitation on the interest rates the Bank can pay on deposits could competitively disadvantage us in attracting and retaining deposits and have a material adverse effect on our business.

Changes in market interest rates could have a material adverse effect on our net earnings, funding and liquidity.

Changes in market interest rates cause our net interest income and our interest expense to increase or decrease, as certain of our assets and liabilities carry interest rates that fluctuate with market benchmarks. At December 31, 2013, 56.8% of our loans bore a fixed interest rate to the customer and we generally fund these assets with fixed rate certificates of deposit, securitized financing and unsecured debt. At December 31, 2013, 43.2% of our loans bore a floating interest rate to the customer, and we generally fund these assets with floating rate deposits, asset-backed securities and unsecured debt. The interest rate benchmark for our floating rate assets is the prime rate, and the interest rate benchmark for our floating rate liabilities is generally either the London Interbank Offered Rate (“LIBOR”) or the federal funds rate. The prime rate and LIBOR or the federal funds rate could reset at different times or could diverge, leading to mismatches in the interest rates on our floating rate assets and floating rate liabilities. To the extent we are unable to effectively match the interest rates on our assets and liabilities (including, in the future, potentially through the use of derivatives), our net earnings could be materially adversely affected.

Competitive factors may limit, and future regulatory reform may limit or restrict, our ability to raise interest rates, fixed or floating, on our loans. In addition, some of our program agreements limit the rate of interest we can charge to customers under those agreements. If interest rates were to rise materially over a sustained period of time, and we are unable to sufficiently raise our interest rates in a timely manner, our net interest margin could be adversely impacted, which could have a material adverse effect on our net earnings.

Interest rates may also adversely impact our customers’ spending levels and ability and willingness to pay amounts owed to us. Our floating rate credit products bear interest rates that fluctuate with the prime rate. Higher interest rates often lead to higher payment obligations by customers to us and other lenders under mortgage, credit card and other consumer loans, which may reduce our customers’ ability to remain current on their obligations to us and therefore lead to increased delinquencies, bankruptcies, charge-offs and allowances for loan losses, and decreasing recoveries, all of which could have a material adverse effect on our net earnings.

Changes in interest rates and competitor responses to these changes may also impact customer decisions to maintain deposits with us, and reductions in deposits could materially adversely affect our funding costs and liquidity.

We assess our interest rate risk by estimating the effect on our net earnings of various scenarios that differ based on assumptions about the direction and the magnitude of interest rate changes. We take risk mitigation actions based on those assessments. Changes in interest rates could materially reduce our net interest income and our net earnings, and could also increase our funding costs and reduce our liquidity, especially if actual conditions turn out to be materially different from those we assumed. For a discussion of interest rate risk sensitivities, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk.”

Our risk management processes and procedures may not be effective in mitigating our risks.

Our risk management processes and procedures seek to appropriately balance risk and return and mitigate risks. We have established processes and procedures intended to identify, measure, monitor and control the types of risk to which we are subject, including credit risk, market risk, liquidity risk, strategic risk and operational risk. Credit risk is the risk of loss that arises when an obligor fails to meet the terms of an obligation. We are exposed to both consumer credit risk, from our customer loans, and institutional credit risk, principally from our partners. Market risk is the risk of loss due to changes in external market factors such as interest rates. Liquidity

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risk is the risk that financial condition or overall safety and soundness are adversely affected by an inability, or perceived inability, to meet obligations and support business growth. Strategic risk is the risk from changes in the business environment, improper implementation of decisions or inadequate responsiveness to changes in the business environment. Operational risk is the risk of loss arising from inadequate or failed processes, people or systems, external events (i.e., natural disasters) or compliance, reputational or legal matters and includes those risks as they relate directly to our company as well as to third parties with whom we contract or otherwise do business. See “Business—Credit Risk Management” and “Business—Risk Management” for additional information on the types of risks affecting our business.

We seek to monitor and control our risk exposure through a framework that includes our risk appetite statement, enterprise risk assessment process, risk policies, procedures and controls, reporting requirements, credit risk culture and governance structure. Management of our risks in some cases depends upon the use of analytical and/or forecasting models. If the models that we use to manage these risks are ineffective at predicting future losses or are otherwise inadequate, we may incur unexpected losses or otherwise be adversely affected. In addition, the information we use in managing our credit and other risk may be inaccurate or incomplete as a result of error or fraud, both of which may be difficult to detect and avoid. There may also be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated including when processes are changed or new products and services are introduced. If our risk management framework does not effectively identify and control our risks, we could suffer unexpected losses or be adversely affected, and that could have a material adverse effect on our business, results of operations and financial condition.

We rely extensively on models in managing many aspects of our business, and if they are not accurate or are misinterpreted, it could have a material adverse effect on our business and results of operations.

We rely extensively on models in managing many aspects of our business, including liquidity and capital planning (including stress testing), customer selection, credit and other risk management, pricing, reserving and collections management. The models may prove in practice to be less predictive than we expect for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including failures to update assumptions appropriately or in a timely manner). Our assumptions may be inaccurate for many reasons including that they often involve matters that are inherently difficult to predict and beyond our control (e.g., macroeconomic conditions and their impact on partner and customer behaviors) and they often involve complex interactions between a number of dependent and independent variables, factors and other assumptions. The errors or inaccuracies in our models may be material, and could lead us to make wrong or sub-optimal decisions in managing our business, and this could have a material adverse effect on our business, results of operations and financial condition.

Our business depends on our ability to successfully manage our credit risk, and failing to do so may result in high charge-off rates.

Our success depends on our ability to manage our credit risk while attracting new customers with profitable usage patterns. We select our customers, manage their accounts and establish terms and credit limits using proprietary scoring models and other analytical techniques that are designed to set terms and credit limits to appropriately compensate us for the credit risk we accept, while encouraging customers to use their available credit. The models and approaches we use to manage our credit risk may not accurately predict future charge-offs for various reasons discussed in the preceding risk factor.

Our ability to manage credit risk and avoid high charge-off rates also may be adversely affected by economic conditions that may be difficult to predict, such as the recent financial crisis. Although delinquencies and charge-offs continued to decline through 2013, they both may increase in the future and are likely to increase materially if economic conditions deteriorate. We remain subject to conditions in the consumer credit environment. There can be no assurance that our credit underwriting and risk management strategies will enable us to avoid high charge-off levels or delinquencies, or that our allowance for loan losses will be sufficient to cover actual losses.

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A customer's ability to repay us can be negatively impacted by increases in their payment obligations to other lenders under mortgage, credit card and other loans (including student loans). These changes can result from increases in base lending rates or structured increases in payment obligations, and could reduce the ability of our customers to meet their payment obligations to other lenders and to us. In addition, a customer's ability to repay us can be negatively impacted by the restricted availability of credit to consumers generally, including reduced and closed lines of credit. Customers with insufficient cash flow to fund daily living expenses and lack of access to other sources of credit may be more likely to increase their card usage and ultimately default on their payment obligations to us, resulting in higher credit losses in our portfolio. Our collection operations may not compete effectively to secure more of customers' diminished cash flow than our competitors. In addition, we may not identify customers who are likely to default on their payment obligations to us and reduce our exposure by closing credit lines and restricting authorizations quickly enough, which could have a material adverse effect on our business, results of operations and financial condition.

Our ability to manage credit risk also may be adversely affected by legal or regulatory changes (such as bankruptcy laws and minimum payment regulations) and collection regulations, competitors' actions and consumer behavior, as well as inadequate collections staffing, techniques, models and performance of vendors such as collection agencies.

Our allowance for loan losses may prove to be insufficient to cover losses on our loans.

We maintain an allowance for loan losses (a reserve established through a provision for losses charged to expense) that we believe is appropriate to provide for incurred losses in our loan portfolio. In addition, for portfolios we may acquire when we enter into new partner program agreements, any deterioration in the performance of the purchased portfolios after acquisition results in incremental loss reserves. Growth in our loan portfolio generally would lead to an increase in the allowance for loan losses.

The process for establishing an allowance for loan losses is critical to our results of operations and financial condition, and requires complex models and judgments, including forecasts of economic conditions. Changes in economic conditions affecting borrowers, new information regarding our loans and other factors, both within and outside of our control, may require an increase in the allowance for loan losses. We may underestimate our incurred losses and fail to maintain an allowance for loan losses sufficient to account for these losses. In cases where we modify a loan, if the modified loans do not perform as anticipated, we may be required to establish additional allowances on these loans. Moreover, our regulators, as part of their supervisory function, periodically review our methodology, models and the underlying assumptions, estimates and assessments we use for calculating, and the adequacy of, our allowance for loan losses. Our regulators, based on their judgment, may conclude that we should modify our methodology or models, increase our allowance for loan losses and/or recognize further losses.

We periodically review and update our methodology, models and the underlying assumptions, estimates and assessments we use to establish our allowance for loan losses to reflect our view of current conditions. During 2012 and 2013, we enhanced our allowance for loan losses methodology. This enhancement resulted in a more granular portfolio segmentation analysis, by loss type, included a qualitative assessment of the adequacy of the portfolio's allowance for loan losses, which compared the allowance for losses to projected net charge-offs over the next 12 months, in a manner consistent with regulatory guidance, and was designed to provide a better estimate of the date of a probable loss event and length of time required for a probable loss event to result in a charge-off. As a result, we recognized incremental provisions of \$343 million and \$642 million in 2012 and 2013, respectively. We continuously review and evaluate our methodology and models, and we will implement further enhancements or changes to them, as needed. We cannot assure you that our loan loss reserves will be sufficient to cover actual losses. Future increases in the allowance for loan losses or recognized losses (as a result of any review, update, regulatory guidance or otherwise) will result in a decrease in net earnings and capital and could have a material adverse effect on our business, results of operations and financial condition.

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If assumptions or estimates we use in preparing our financial statements are incorrect or are required to change, our reported results of operations and financial condition may be adversely affected.

We are required to make various assumptions and estimates in preparing our financial statements under GAAP, including for purposes of determining allowances for loan losses, asset impairment, reserves related to litigation and other legal matters, valuation of income and other taxes and regulatory exposures and the amounts recorded for certain contractual payments to be paid to or received from partners and others under contractual arrangements. In addition, significant assumptions and estimates are involved in determining certain disclosures required under GAAP, including those involving the fair value of our financial instruments. If the assumptions or estimates underlying our financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, and this could have a material adverse effect on our results of operations and financial condition.

In addition, the Financial Accounting Standards Board (“FASB”) is currently reviewing or proposing changes to several financial accounting and reporting standards that govern key aspects of our financial statements, including the proposed standard on accounting for credit losses and other areas where assumptions or estimates are required. As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain of the assumptions or estimates we previously used in preparing our financial statements, which could materially impact how we record and report our results of operations and financial condition generally. For additional information on the key areas for which assumptions and estimates are used in preparing our financial statements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates” and Note 2. *Basis of Presentation and Summary of Significant Accounting Policies* to our combined financial statements.

We may not be able to offset increases in our costs with decreased payments under our retailer share arrangements, which could reduce our profitability.

Most of our Retail Card program agreements and certain other program agreements contain retailer share arrangements that provide for payments to our partners if the economic performance of the relevant program exceeds a contractually defined threshold. Although the share arrangements vary by partner, these arrangements are generally structured to measure the economic performance of the program, based typically on agreed upon program revenues (including interest income and certain other income) less agreed upon program expenses (including interest expense, provision for credit losses, retailer payments and operating expenses), and share portions of this amount above a negotiated threshold. These arrangements are typically designed to permit us to achieve an economic return before we are required to make payments to our partners based on the agreed contractually defined threshold. However, because the threshold and the economic performance of a program that are used to calculate payments to our partners may be based on, among other things, agreed upon measures of program expenses rather than our actual expenses, we may not be able to pass on increases in our actual expenses (such as funding costs or operating expenses) in the form of reduced payments under our retailer share arrangements, and our economic return on a program could be adversely affected.

Competition in the consumer finance industry is intense.

The success of our business depends on our ability to retain existing partners and attract new partners. The competition for partners is intense and becoming more competitive. Our primary competitors for partners include major financial institutions, such as Alliance Data, American Express, Capital One, Chase, Citibank, TD Bank and Wells Fargo, and to a lesser extent, potential partners’ own in-house financing capabilities. Some of our competitors are substantially larger, have substantially greater resources and may offer a broader range of products and services. We compete for partners on the basis of a number of factors, including program financial and other terms, underwriting standards, marketing expertise, service levels, product and service offerings (including incentive and loyalty programs), technological capabilities and integration, brand and reputation. In addition, some of our competitors for partners have a business model that allows for their partners to manage underwriting (e.g., new account approval), customer service and collections, and other core banking

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responsibilities that we retain but some partners may prefer to handle. As a result of competition, we may be unable to acquire new partners, lose existing relationships to competing companies or find it more costly to maintain our existing relationships.

Our success also depends on our ability to attract and retain customers and generate usage of our products by them. The consumer credit and payments industry is also highly competitive, and we will face an increasingly dynamic industry as emerging technologies enter the marketplace. As a form of payment, our products compete with cash, checks, debit cards, Visa and MasterCard credit cards, as well as American Express, Discover Card, other private-label card brands and, to a certain extent, prepaid cards. We also compete with non-traditional providers such as PayPal. In the future, we expect our products will face increased competition from new emerging payment technologies, such as Google Wallet, ISIS Mobile Wallet and Square, as well as consortia of merchants that are expected to combine payment systems to reduce interchange and other costs (e.g., MCX). We compete for customers and their usage of our products, and to minimize transfers to competitors of our customers' outstanding balances, based on a number of factors, including pricing (interest rates and fees), product offerings, credit limits, incentives (including loyalty programs) and customer service. Although we offer a variety of consumer credit products, some of our competitors provide a broader selection of services, including home and automobile loans, debit cards and bank branch ATM access, which may position them better among customers who prefer to use a single financial institution to meet all of their financial needs. Some of our competitors are substantially larger than we are, which may give those competitors advantages, including a more diversified product and customer base, the ability to reach out to more customers and potential customers, operational efficiencies, more versatile technology platforms, broad-based local distribution capabilities and lower-cost funding. In addition, some of our competitors, including new and emerging competitors in the digital and mobile payments space, are not subject to the same regulatory requirements or legislative scrutiny to which we are subject, which also could place us at a competitive disadvantage. Customer attrition from any or all of our credit products or any lowering of the pricing of our products by reducing interest rates or fees in order to retain customers could reduce our revenues and therefore our earnings.

In our retail deposits business, we have acquisition and servicing capabilities similar to other direct banking competitors. We compete for deposits with traditional banks and, in seeking to grow our direct banking business, we compete with other banks that have direct banking models similar to ours, such as Ally Financial, American Express, Capital One (ING), Discover, Nationwide, Sallie Mae and USAA. Competition among direct banks is intense because online banking provides customers the ability to rapidly deposit and withdraw funds and open and close accounts in favor of products and services offered by competitors.

If we are unable to compete effectively for partners, customer usage or deposits, our business and results of operations could be materially adversely affected.

Our business is heavily concentrated in U.S. consumer credit, and therefore our results are more susceptible to fluctuations in that market than a more diversified company.

Our business is heavily concentrated in U.S. consumer credit. As a result, we are more susceptible to fluctuations and risks particular to U.S. consumer credit than a more diversified company. For example, our business is particularly sensitive to macroeconomic conditions that affect the U.S. economy and consumer spending and consumer credit. We are also more susceptible to the risks of increased regulations and legal and other regulatory actions that are targeted at consumer credit or the specific consumer credit products that we offer (including promotional financing). Due to our CareCredit platform, we are also more susceptible to increased regulations and legal and other regulatory actions targeted at elective healthcare related procedures or services, in contrast to other industries. Our business concentration could have an adverse effect on our results of operations.

We may be unable to successfully develop and commercialize new or enhanced products and services.

Our industry is subject to rapid and significant changes in technologies, products and services. A key part of our financial success depends on our ability to develop and commercialize new products and services or enhancements to existing products and services, including with respect to loyalty programs and mobile and point

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of sale technologies. Realizing the benefits of those products and services is uncertain. We may not assign the appropriate level of resources, priority or expertise to the development and commercialization of these new products, services or enhancements. Our ability to develop, acquire or commercialize competitive technologies, products or services on acceptable terms or at all may be limited by intellectual property rights that third parties, including competitors and potential competitors, may assert. In addition, success is dependent on factors such as partner and customer acceptance, adoption and usage, competition, the effectiveness of marketing programs, the availability of appropriate technologies and business processes and regulatory approvals. Success of a new product, service or enhancement also may depend upon our ability to deliver it on a large scale, which may require a significant investment.

We also may select, utilize and invest in technologies, products and services that ultimately do not achieve widespread adoption and therefore are not as attractive or useful to our partners, customers and service partners as we anticipate, or partners may not recognize the value of our new products and services or believe they justify any potential costs or disruptions associated with implementing them. In addition, because our products and services typically are marketed through our partners, if our partners are unwilling or unable to effectively implement our new technologies, products, services or enhancements, we may be unable to grow our business. Competitors may also develop or adopt technologies or introduce innovations that change the markets we operate in and make our products less competitive and attractive to our partners and customers.

In any event, we may not realize the benefit of new technologies, products, services or enhancements for many years or competitors may introduce more compelling products, services or enhancements. Our failure to successfully develop and commercialize new or enhanced products, services or enhancements could have a material adverse effect on our business and results of operations.

We may not realize the value of strategic investments that we pursue and such investments could divert resources or introduce unforeseen risks to our business.

We may execute strategic acquisitions or partnerships or make other strategic investments in businesses, products, technologies or platforms to enhance or grow our business. These strategic investments may introduce new costs or liabilities which could impact our ability to grow or maintain acceptable performance.

We may be unable to integrate systems, personnel or technologies from our strategic investments. These strategic investments may also present unforeseen legal, regulatory or other challenges that we may not be able to manage effectively. The planning and integration of an acquisition, partnership or investment may shift employee time and other resources which could impair our ability to focus on our core business.

Strategic investments may not perform as expected due to lack of acceptance by partners, customers or employees, higher than forecasted costs, lengthy transition periods, synergies or savings not being realized and a variety of other factors. This may result in a delay or unrealized benefit, or in some cases, increased costs or other unforeseen risks to our business.

Reductions in interchange fees may reduce the competitive advantages our private label credit card products currently have by virtue of not charging interchange fees and would reduce our income from those fees.

Interchange is a fee merchants pay to the interchange network in exchange for the use of the network's infrastructure and payment facilitation, and which are paid to credit card issuers to compensate them for the risk they bear in lending money to customers. We earn interchange fees on Dual Card transactions but we do not charge or earn interchange fees from our partners or customers on our private label credit card products.

Merchants, trying to decrease their operating expenses, have sought to, and have had some success at, lowering interchange rates. Several recent events and actions indicate a continuing increase in focus on interchange by both regulators and merchants. Beyond pursuing litigation, legislation and regulation, merchants

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are also pursuing alternate payment platforms as a means to lower payment processing costs. To the extent interchange fees are reduced, one of our current competitive advantages with our partners—that we typically do not charge interchange fees when our private label credit card products are used to purchase our partners' goods and services—may be reduced. Moreover, to the extent interchange fees are reduced, our income from those fees will be lower. We received approximately \$325 million of interchange fees for the year ended December 31, 2013. As a result, a reduction in interchange fees could have a material adverse effect on our business and results of operations. In addition, for our Dual Cards, we are subject to the operating regulations and procedures set forth by the interchange network, and our failure to comply with these operating regulations, which may change from time to time, could subject us to various penalties or fees, or the termination of our license to use the interchange network, all of which could have a material adverse effect on our business and results of operations.

Fraudulent activity associated with our products and services could negatively impact our operating results brand and reputation and cause the use of our products and services to decrease and our fraud losses to increase.

We are subject to the risk of fraudulent activity associated with partners, customers and third parties handling customer information. Our fraud-related losses have increased significantly from \$72 million to \$132 million to \$134 million in the years ended December 31, 2011, 2012 and 2013, respectively. This increase is due primarily to growth in our Dual Card product, which like the overall market for general purpose credit cards, has experienced significant counterfeit and mail/phone fraud. Our private label credit card product is also susceptible to application fraud, because among other things, we provide immediate access to the credit line at the time of approval. In addition, sales on the internet and through mobile channels are becoming a larger part of our business and fraudulent activity is higher as a percentage of sales in those channels than in stores. Dual Cards and private label credit cards are susceptible to different types of fraud, and, depending on our product channel mix, we may continue to experience variations in, or levels of, fraud-related expense that are different from or higher than that experienced by some of our competitors or the industry generally.

The risk of fraud continues to increase for the financial services industry in general, and credit card fraud, identity theft and related crimes are likely to continue to be prevalent, and perpetrators are growing more sophisticated. Our resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. For example, credit cards with embedded security chip technology (such as the so-called "EMV" chips) provide additional security against fraudulent activity and have been widely adopted in Europe and Asia but have not been widely accepted by merchants in the United States. As a result, our credit cards continue to use the traditional magnetic stripes for card processing and therefore do not benefit from the embedded security chip feature, and our adoption of this technology would still require wider acceptance by merchants to reduce our risk. The level of our fraud charge-offs and results of operations could be materially adversely affected if fraudulent activity were to significantly increase. High profile fraudulent activity also could negatively impact our brand and reputation, which could negatively impact the use of our cards and thereby have a material adverse effect on our results of operations. In addition, significant increases in fraudulent activity could lead to regulatory intervention (such as customer notifications and mandatory issuance of cards with EMV chips), which could increase our costs and also negatively impact our brand and reputation or could lead us to take steps to reduce fraud risk, which could increase our costs.

Cyber-attacks or other security breaches could have a material adverse effect on our business.

In the normal course of business, we collect, process and retain sensitive and confidential information regarding our partners and our customers. We also have arrangements in place with our partners and other third parties through which we share and receive information about their customers who are or may become our customers. Although we devote significant resources and management focus to ensuring the integrity of our systems through information security and business continuity programs, our facilities and systems, and those of our partners and third-party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events. We

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and our partners and third-party service providers have experienced all of these events in the past and expect to continue to experience them in the future. Although the impact to date from these events has not had a material adverse effect on us, we cannot be sure this will be the case in the future.

Information security risks for large financial institutions like us have increased recently in part because of new technologies, the use of the internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized crime, perpetrators of fraud, hackers, terrorists and others. In addition to cyber-attacks or other security breaches involving the theft of sensitive and confidential information, hackers recently have engaged in attacks against large financial institutions that are designed to disrupt key business services, such as consumer-facing web sites. The Separation and our emergence as a separately branded company could increase our profile and therefore risk of being targeted for cyber-attacks and other security breaches, including attacks targeting our key business services and websites. We are not able to anticipate or implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. We employ detection and response mechanisms designed to contain and mitigate security incidents, but early detection may be thwarted by sophisticated attacks and malware designed to avoid detection.

We also face risks related to cyber-attacks and other security breaches in connection with credit card transactions that typically involve the transmission of sensitive information regarding our customers through various third-parties, including our partners, merchant acquiring banks, payment processors, card networks (e.g., Visa, MasterCard) and our processors (e.g., First Data Corporation (“First Data”)). Some of these parties have in the past been the target of security breaches and cyber-attacks, and because the transactions involve third-parties and environments such as the point of sale that we do not control or secure, future security breaches or cyber-attacks affecting any of these third-parties could impact us through no fault of our own, and in some cases we may have exposure and suffer losses for breaches or attacks relating to them. We also rely on numerous other third party service providers, such as Fidelity National Information Services, Inc. (“FIS”), to conduct other aspects of our business operations and face similar risks relating to them. While we regularly conduct security assessments on these third parties, we cannot be sure that their information security protocols are sufficient to withstand a cyber-attack or other security breach.

The access by unauthorized persons to, or the improper disclosure by us of, confidential information regarding our customers or our own proprietary information, software, methodologies and business secrets could result in significant legal and financial exposure, supervisory liability, damage to our reputation or a loss of confidence in the security of our systems, products and services, which could have a material adverse impact on our business, financial condition and results of operations. In addition, recently there have been a number of well-publicized attacks or breaches affecting others in our industry that have heightened concern by consumers generally about the security of using credit cards, which have caused some consumers, including our customers, to use our credit cards less in favor of alternative methods of payment and has led to increased regulatory focus on, and potentially new regulations relating to, these matters. Further cyber-attacks or other breaches in the future, whether affecting us or others, could intensify consumer concern and regulatory focus and result in reduced use of our cards and increased costs, all of which could have a material adverse effect on our business.

The failure of third parties to provide various services that are important to our operations could have a material adverse effect on our business.

Some services important to our business are outsourced to third-party vendors. For example, our credit card transaction processing and production are handled by First Data, and the technology platform for our online retail deposits is managed by FIS. In some cases, a third-party vendor is the sole source or one of a limited number of sources of the services they provide for us. It would be difficult for us to replace some of our third-party vendors, particularly First Data and FIS, in a timely manner if they were unwilling or unable to provide us with these services in the future (as a result of their financial or business conditions or otherwise), and our business and operations likely would be adversely affected. First Data has publicly disclosed that it is highly leveraged and

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that it has incurred net losses of \$869.1 million, \$700.9 million and \$516.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. Unless renewed or extended by the parties, our principal agreements with First Data expire under their existing terms at various times between 2016 and 2020. Unless renewed or extended by the parties, our principal agreement with FIS expires under its existing terms in 2020. In addition, if a third-party provider fails to provide the services we require, fails to meet contractual requirements, such as compliance with applicable laws and regulations, or suffers a cyber-attack or other security breach, our business could suffer economic and reputational harm that could have a material adverse effect on our business and results of operations.

Disruptions in the operation of our computer systems and data centers could have a material adverse effect on our business.

Our ability to deliver products and services to our partners and our customers and operate our business in compliance with applicable laws depends on the efficient and uninterrupted operation of our computer systems and data centers, as well as those of our partners and third-party service providers. These computer systems and data centers may encounter service interruptions at any time due to system or software failure, natural disaster or other reasons. In addition, the implementation of technology changes and upgrades to maintain current and integrate new systems may also cause service interruptions, transaction processing errors and system conversion delays and may cause our failure to comply with applicable laws, all of which could have a material adverse effect on our business.

In connection with the Separation, we must migrate, and in some cases, establish with third parties, key parts of our technology infrastructure, including our data centers. When we migrate our data centers, our partners will also need to make changes to their networks to establish connectivity with us. These infrastructure changes, both the ones that we make and the ones required of our partners, may cause disruptions, systems interruptions, transaction processing errors and system conversion delays. In addition, we have entered into transitional services arrangements with GE pursuant to which it will provide certain services to us relating to technology and business processes. Some of these transitional services arrangements will remain in effect until 2016, and during that time we will rely on GE to provide these services. The complexities of these arrangements and the services provided will increase the operational risk associated with the Separation, and this increased risk could result in unanticipated expenses, disruptions to our operations or other adverse consequences, all of which could have a material adverse effect on our business.

We expect that new technologies and business processes applicable to the consumer credit industry will continue to emerge, and these new technologies and business processes may be better than those we currently use. The pace of technology change is high and our industry is intensely competitive, and we cannot assure you that we will be able to sustain our investment in new technology as critical systems and applications become obsolete and better ones become available. A failure to maintain current technology and business processes could cause disruptions in our operations or cause our products and services to be less competitive, all of which could have a material adverse effect on our business, financial condition and results of operations.

We have international operations that subject us to various international risks as well as increased compliance and regulatory risks and costs.

We have international operations, primarily in India, the Philippines and Canada, and some of our third party service providers provide services to us from other countries, all of which subject us to a number of international risks, including, among other things, sovereign volatility and socio-political instability. U.S. regulations also govern various aspects of the international activities of domestic corporations and increase our compliance and regulatory risks and costs. Any failure on our part or the part of our service providers to comply with applicable U.S. regulations, as well as the regulations in the countries and markets in which we or they operate, could result in fines, penalties, injunctions or other similar restrictions, any of which could have a material adverse effect on our business, results of operations and financial condition.

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We face risks from catastrophic events.

We are subject to catastrophes such as natural disasters, severe weather conditions, health pandemics and terrorist attacks, any of which could have a negative effect on our business and technology infrastructure (including our computer network systems and data centers), our partners and their business and our customers. Catastrophic events could prevent or make it more difficult for our customers to travel to our partners' locations to shop, thereby negatively impacting consumer spending in the effected regions, or in severe cases, nationally, interrupt or disable local or national communications networks, including the payment systems network, which could prevent our partners and our customers from using our products to make purchases or make payments (temporarily or over an extended period). These events could also impair the ability of third parties to provide critical services to us. All of these adverse effects of catastrophic events could result in a decrease in the use of our products or payments to us, which could have a material adverse effect on our business, results of operations and financial condition.

If we are alleged to have infringed upon the intellectual property rights owned by others or are not able to protect our intellectual property, our business and results of operations could be adversely affected.

Competitors or other third parties may allege that we, or consultants or other third parties retained or indemnified by us, infringe on their intellectual property rights. We also may face allegations that our employees have misappropriated intellectual property of their former employers or other third parties. Given the complex, rapidly changing and competitive technological and business environment in which we operate, and the potential risks and uncertainties of intellectual property-related litigation, an assertion of an infringement claim against us may cause us to spend significant amounts to defend the claim (even if we ultimately prevail), pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual property, cease offering certain products or services, or incur significant license, royalty or technology development expenses. Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies like ours. Even in instances where we believe that claims and allegations of intellectual property infringement against us are without merit, defending against such claims is time consuming and expensive and could result in the diversion of time and attention of our management and employees. In addition, although in some cases a third party may have agreed to indemnify us for such costs, such indemnifying party may refuse or be unable to uphold its contractual obligations.

Moreover, we rely on a variety of measures to protect our intellectual property and proprietary information, including copyrights, trademarks, patents, trade secrets and controls on access and distribution. These measures may not prevent misappropriation or infringement of our intellectual property or proprietary information and a resulting loss of competitive advantage, and in any event, we may be required to litigate to protect our intellectual property and proprietary information from misappropriation or infringement by others, which is expensive, could cause a diversion of resources and may not be successful. Third parties may challenge, invalidate or circumvent our intellectual property, or our intellectual property may not be sufficient to provide us with competitive advantages. Our competitors or other third parties may independently design around or develop similar technology, or otherwise duplicate our services or products such that we could not assert our intellectual property rights against them. In addition, our contractual arrangements may not effectively prevent disclosure of our intellectual property or confidential and proprietary information or provide an adequate remedy in the event of an unauthorized disclosure.

Following this offering, we expect to launch our new brand, "Synchrony," and expect to spend significant amounts over the next few years promoting the new brand. We recently filed trademark applications to protect our new name in the United States and certain other countries, but the registrations of these trademarks are not complete and they may ultimately not become registered. Our use of our new name (for our existing or any new products in the United States or other countries) may be challenged by third parties, and we may become involved in legal proceedings to protect or defend our rights with respect to our new name, all of which could have a material adverse effect on our business and results of operations.

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Litigation and regulatory actions could subject us to significant fines, penalties, judgments and/or requirements resulting in increased expenses.

Our business is subject to increased risks of litigation and regulatory actions as a result of a number of factors and from various sources, including the highly regulated nature of the financial services industry, the focus of state and federal prosecutors on banks and the financial services industry and the structure of the credit card industry.

In the normal course of business, from time to time, we have been named as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with our business activities. Certain of the legal actions include claims for substantial compensatory and/or punitive damages, or claims for indeterminate amounts of damages. In addition, while the arbitration provision in our customer agreements historically has limited our exposure to consumer class action litigation, there can be no assurance that we will be successful in enforcing our arbitration clause in the future. There may also be legislative, administrative or regulatory efforts to directly or indirectly prohibit the use of pre-dispute arbitration clauses, including by the CFPB, or we may be compelled as a result of competitive pressure or reputational concerns to voluntarily eliminate pre-dispute arbitration clauses.

We are also involved, from time to time, in reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our business (collectively, “regulatory matters”), which could subject us to significant fines, penalties, obligations to change our business practices or other requirements resulting in increased expenses, diminished income and damage to our reputation. The current environment of additional regulation, increased regulatory compliance efforts and enhanced regulatory enforcement has resulted in significant operational and compliance costs and may prevent or make it less attractive for us to continue providing certain products and services. There is no assurance that these governmental actions will not, in the future, affect how we conduct our business and in turn have a material adverse effect on our business, results of operations and financial condition.

We contest liability and/or the amount of damages as appropriate in each pending matter. The outcome of pending and future matters could be material to our results of operations, financial condition and cash flows depending on, among other factors, the level of our earnings for that period, and could adversely affect our business and reputation. For a discussion of certain legal proceedings, see Note 16. *Legal Proceedings and Regulatory Matters* to our combined financial statements.

Damage to our reputation could negatively impact our business.

Recently, financial services companies have been experiencing increased reputational risk as consumers take issue with certain of their practices or judgments. Maintaining a positive reputation is critical to our attracting and retaining customers, partners, investors and employees. In particular, adverse perceptions regarding our reputation could also make it more difficult for us to execute on our strategy of increasing retail deposits at the Bank and may lead to decreases in deposits. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by our partners, outsourced service providers or other counterparties, litigation or regulatory actions, failure by us or our partners to meet minimum standards of service and quality, inadequate protection of customer information, and compliance failures. Negative publicity regarding us (or others engaged in a similar business or activities), whether or not accurate, may damage our reputation, which could have a material adverse effect on our business, results of operations and financial condition.

Our business could be adversely affected if we are unable to attract, retain and motivate key officers and employees.

Our success depends, in large part, on our ability to retain, recruit and motivate key officers and employees. Our senior management team has significant industry experience and would be difficult to replace. Competition for senior executives in the financial services and payment industry is intense. Although we do not currently

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anticipate any significant changes to the management team following the completion of this offering or the Separation, we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management team or other key personnel following the completion of this offering or the Separation (when we are no longer part of GE) or at any other time. Guidance issued by the federal banking regulators, as well as proposed rules implementing the executive compensation provisions of the Dodd-Frank Act, may limit the type and structure of compensation arrangements that we may enter into with our most senior executives. In addition, proposed rules under the Dodd-Frank Act would prohibit the payment of “excessive” compensation to our executives. Compensation paid to officers of the Bank would be subject to comparable limitations. These restrictions could negatively impact our ability to compete with other companies in recruiting, retaining and motivating key personnel. Failure to retain talented senior leadership could have a material adverse effect on our business, results of operations and financial condition.

Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We operate in multiple jurisdictions and we are subject to tax laws and regulations of the U.S. federal, state and local governments, and of various foreign jurisdictions. From time to time, legislative initiatives may be proposed, such as proposals for fundamental tax reform in the United States and lowering the corporate tax rate, which may impact our effective tax rate and could adversely affect our deferred tax assets, tax positions and/or our tax liabilities. In addition, U.S. federal, state and local, as well as foreign, tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our historical tax positions will not be challenged by relevant tax authorities or that we would be successful in defending our position in connection with any such challenge.

State sales tax rules and regulations, and their application and interpretation by the respective states, could change and adversely affect our results of operations.

State sales tax rules and regulations, and their application and interpretation by the respective states, could adversely affect our results of operations. Retailers collect sales tax from retail customers and remit those collections to the applicable states. When customers fail to repay their loans, including the amount of sales tax advanced by us to the merchant on their behalf, we are entitled, in some cases, to seek a refund of the amount of sales tax from the applicable state. Sales tax laws and regulations enacted by the various states are subject to interpretation, and our compliance with such laws is routinely subject to audit and review by the states. Audit risk is concentrated in several states, and these states are conducting on-going audits. The outcomes of ongoing and any future audits and changes in the states’ interpretation of the sales tax laws and regulations involving the recovery of tax on bad debts could materially adversely impact our results of operations.

Risks Relating to Regulation

Our business is subject to extensive government regulation, supervision, examination and enforcement, which could adversely affect our business, results of operations and financial condition.

Our business, including our relationships with our customers, is subject to extensive regulation, supervision and examination under U.S. federal, state and foreign laws and regulations. These laws and regulations cover all aspects of our business, including lending practices, treatment of our customers, safeguarding deposits, customer privacy and information security, capital structure, liquidity, dividends and other capital distributions, transactions with affiliates and conduct and qualifications of personnel. As a unitary savings and loan holding company, Synchrony is subject to extensive regulation, supervision and examination by the Federal Reserve Board. As a large provider of consumer financial services, we are also subject to extensive regulation, supervision and examination by the CFPB. Until the GE SLHC Deregistration, we will be controlled by GECC, which is also subject to extensive regulation, supervision and examination by the Federal Reserve Board. The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation,

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supervision and examination by the OCC, which is its primary regulator, and by the CFPB. In addition, the Bank, as an insured depository institution, is supervised by the FDIC. We, GECC and the Bank are regularly reviewed and examined by our respective regulators, which results in supervisory comments and directions relating to many aspects of our business that require response and attention. See “Regulation” for more information about the regulations applicable to us.

Banking laws and regulations are primarily intended to protect federally insured deposits, the federal Deposit Insurance Fund (“DIF”) and the banking system as a whole, and not intended to protect our stockholders or creditors. If we or the Bank, or until the GE SLHC Deregistration, GECC, fail to satisfy applicable laws and regulations, our respective regulators have broad discretion to enforce those laws and regulations, including with respect to the operation of our business, required capital levels, payment of dividends and other capital distributions, engaging in certain activities and making acquisitions and investments. Our regulators also have broad discretion with respect to the enforcement of applicable laws and regulations, including through enforcement actions that could subject us to civil money penalties, customer remediations, increased compliance costs, and limits or prohibitions on our ability to offer certain products and services or to engage in certain activities. In addition, to the extent we undertake actions requiring regulatory approval or non-objection, our regulators may make their approval or non-objection subject to conditions or restrictions that could have a material adverse effect on our business, results of operations and financial condition. Any other actions taken by our regulators could also have a material adverse impact on our business, reputation and brand, results of operations and financial condition. Moreover, some of our competitors are subject to different, and in some cases less restrictive, legislative and regulatory regimes, which may have the effect of providing them with a competitive advantage over us.

New laws or regulations or policy or practical changes in enforcement of existing laws or regulations applicable to our businesses may be imposed, which could adversely impact our profitability, limit our ability to continue existing or pursue new business activities, require us to change certain of our business practices or alter our relationships with customers, affect retention of our key personnel, or expose us to additional costs (including increased compliance costs). These changes may also require us to invest significant management attention and resources to make any necessary changes and could adversely affect our business, results of operations and financial condition. For example, the CFPB has broad authority over the businesses in which we engage. See “—The Consumer Financial Protection Bureau is a new agency, and there continues to be uncertainty as to how the agency’s actions will impact our business; the agency’s actions have had and may continue to have an adverse impact on our business.”

We are also subject to potential enforcement and other actions that may be brought by state attorneys general or other state enforcement authorities and other governmental agencies. Any such actions could subject us to civil money penalties and fines, customer remediations and increased compliance costs, as well as damage our reputation and brand and limit or prohibit our ability to offer certain products and services or engage in certain business practices. For a discussion of risks related to actions or proceedings brought by regulatory agencies, see “Risks Relating to Our Business—Litigation and regulatory actions could subject us to significant fines, penalties, judgments and/or requirements resulting in increased expenses.”

The Dodd-Frank Act has had, and may continue to have, a significant impact on our business, financial condition and results of operations.

The Dodd-Frank Act was enacted on July 21, 2010. While certain provisions in the Act were effective immediately, many of the provisions require implementing regulations to be effective. The Dodd-Frank Act and regulations promulgated thereunder have had, and may continue to have, a significant adverse impact on our business, results of operations and financial condition. For example, the Dodd-Frank Act and related regulations restrict certain business practices, impose more stringent capital, liquidity and leverage ratio requirements, as well as additional costs, on us (including increased compliance costs and increased costs of funding raised through the issuance of asset-backed securities), limit the fees we can charge for services and impact the value of

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our assets. We describe certain provisions of the Dodd-Frank Act and other legislative and regulatory developments in “Regulation.” Federal agencies continue to promulgate regulations to implement the Dodd-Frank Act, and these regulations may continue to have a significant adverse impact on our business, financial condition and results of operations.

Many provisions of the Dodd-Frank Act require the adoption of additional rules to implement. In addition, the Dodd-Frank Act mandates multiple studies, which could result in additional legislative or regulatory action. As a result, the ultimate impact of the Dodd-Frank Act and its implementing regulations remains unclear and could have a material adverse effect on our business, results of operations and financial condition.

The Consumer Financial Protection Bureau is a new agency, and there continues to be uncertainty as to how the agency’s actions will impact our business; the agency’s actions have had and may continue to have an adverse impact on our business.

The CFPB, which commenced operations in July 2011, has broad authority over the businesses in which we engage. This includes authority to write regulations under federal consumer financial protection laws and to enforce those laws against and examine large financial institutions, such as us and the Bank, for compliance. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority. The Federal Reserve Board and the OCC and state government agencies may also invoke their supervisory and enforcement authorities to prevent unfair and deceptive acts or practices. These federal and state agencies are authorized to remediate violations of consumer protection laws in a number of ways, including collecting civil money penalties and fines and providing for customer restitution. The CFPB also engages in consumer financial education, requests data and promotes the availability of financial services to underserved consumers and communities. In addition, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the products we offer. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus.

There continues to be uncertainty as to how the CFPB’s strategies and priorities, including in both its examination and enforcement processes, will impact our businesses and our results of operations going forward. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive and restricting our ability to offer them. For example, in July 2012, the CFPB issued an industry bulletin regarding marketing practices with respect to credit card add-on products, including debt cancellation products. See “Regulation—Consumer Financial Services Regulation.” The Bank has made a number of changes, including changes in response to the CFPB bulletin, with respect to its marketing and sale of debt cancellation products to credit card customers, including ceasing all telesales of such products, and the Bank has also enhanced the disclosures associated with its website sales of such products. In addition, in October 2013, the CFPB published its first biennial report reviewing the impact of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (the “CARD Act”) on the consumer credit card market. In the report, the CFPB identified practices that may warrant further scrutiny by it, including add-on products (such as debt protection, identity theft protection, credit score monitoring and other products that are supplementary to the extension of credit), cards that charge substantial application fees, and deferred interest offers and products (which could include our promotional financing products). The report further identified concerns regarding the adequacy of online disclosures, as well as of the disclosures associated with rewards products and grace periods. Separately, the CFPB is also studying pre-dispute arbitration clauses, and our litigation exposure could increase if the CFPB exercises its authority to limit or ban pre-dispute arbitration clauses.

Although we have committed significant resources to enhancing our compliance programs, changes by the CFPB in regulatory expectations, interpretations or practices or interpretations that are different or stricter than ours or those adopted in the past by other regulators could increase the risk of additional enforcement actions, fines and penalties. Actions by the CFPB could result in requirements to alter our products and services that may make them less attractive to consumers or less profitable to us. In this regard, on December 10, 2013, we entered

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into a consent order with the CFPB relating to our CareCredit platform. See “—Changes to our methods of offering our CareCredit products could materially impact operating results.” Starting in December 2012 and continuing into 2013, the CFPB conducted a review of the Bank’s debt cancellation products and its marketing practices in its telesales channel related to those products. We are currently in discussions with the CFPB relating to this review. We cannot predict the final outcome of the discussions and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business. In addition, in 2012, the Bank discovered through an audit of its collection operations, potential violations of the Equal Credit Opportunity Act where certain Spanish-speaking customers and customers residing in Puerto Rico were excluded from certain statement credit and settlement offers that were made to certain delinquent customers. We provided information to the CFPB in connection with this matter and have been in discussions with the CFPB. This matter has been referred to the Department of Justice, which has initiated a civil investigation. We cannot predict the final outcome of the discussions or the investigation, and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business. There is no assurance that the resolution of these matters will not have a material adverse effect on our business and results of operations.

Future actions by the CFPB (or other regulators) that discourage the use of products we offer or suggest to consumers the desirability of other products or services could result in reputational harm and a loss of customers. If the CFPB changes regulations which were adopted in the past by other regulators and transferred to the CFPB by the Dodd-Frank Act, or modifies through supervision or enforcement past related regulatory guidance or interprets existing regulations in a different or stricter manner than they have been interpreted in the past by us, the industry or other regulators, our compliance costs and litigation exposure could increase. If future regulatory or legislative restrictions or prohibitions are imposed that affect our ability to offer promotional financing for certain of our products or require us to make significant changes to our business practices, and we are unable to develop compliant alternatives with acceptable returns, these restrictions could have a material adverse impact on our business, results of operations and financial condition.

The Dodd-Frank Act authorizes state officials to enforce regulations issued by the CFPB and to enforce the Act’s general prohibition against unfair, deceptive or abusive practices. This could make it more difficult than in the past for federal financial regulators to declare state laws that differ from federal standards to be preempted. To the extent that states enact requirements that differ from federal standards or state officials and courts adopt interpretations of federal consumer laws that differ from those adopted by the CFPB, we may be required to alter or cease offering products or services in some jurisdictions, which would increase compliance costs and reduce our ability to offer the same products and services to consumers nationwide, and we may be subject to a higher risk of state enforcement actions.

Changes to our methods of offering our CareCredit products could materially impact operating results.

The Consent Order which we entered into with the CFPB on December 10, 2013 relating to our CareCredit platform requires us to pay up to \$34.1 million to qualifying customers, to provide additional training and monitoring of our CareCredit partners, to include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, to make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and to terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the changes required by the Consent Order are similar to requirements in the Assurance that we entered with the Attorney General for the State of New York on June 3, 2013. The Bank expects to be in full compliance with the business practice changes required by the Consent Order and the Assurance by the third quarter of 2014, subject to ongoing reporting obligations, and will complete the additional provider training by the fourth quarter of 2015. In addition to the costs of remediation, which were not material for the Assurance and will be up to \$34.1 million for the Consent Order, the Company estimates it will incur one-time costs of approximately \$3 million to implement these changes, and ongoing annual costs of approximately \$3 million. Although at this time we do not believe that the Consent Order and Assurance will have a material adverse impact on net earnings going forward, we cannot be sure this will be the case and we cannot be sure whether the settlement will have an adverse impact on our

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reputation or whether the new requirements imposed by the Consent Order and the Assurance will adversely affect customers' use of our credit cards or our business. Moreover, we may elect or be required to make changes with respect to these and other deferred interest products in the future, and those changes may adversely affect customers' use of our credit cards or our business. In addition, our resolutions with the CFPB and the New York Attorney General do not preclude other regulators or state attorneys general from seeking additional monetary or injunctive relief with respect to CareCredit, and any such relief could have a material adverse effect on our business, results of operations or financial condition.

Failure by Synchrony, the Bank and, until the GE SLHC Deregistration, GECC to meet applicable capital adequacy rules could have a material adverse effect on us.

Synchrony and the Bank must meet rules for capital adequacy as discussed in "Regulation." As a savings and loan holding company, Synchrony historically has not been required to maintain minimum capital. Beginning as early as 2015, however, we expect that Synchrony will be subject to capital requirements similar to those that apply to the Bank. In addition, as discussed below, until the GE SLHC Deregistration, we will be controlled by GECC, which itself is expected to be subject to capital requirements similar to those that apply to the Bank. See "—As long as we are controlled by GECC for bank regulatory purposes, regulation governing GECC could adversely affect us." These capital requirements have recently been substantially revised, including as a result of Basel III and the requirements of the Dodd-Frank Act. Moreover, these requirements are supplemented by outstanding regulatory proposals by the federal banking agencies, based on, and in addition to, changes recently adopted by the Basel Committee to increase the amount and scope of the supplemental leverage capital requirement by increasing the assets included in the denominator of the leverage ratio calculation. Although we cannot predict the final form or the effects of these leverage ratio regulatory proposals under the Dodd-Frank Act and the newly adopted rules implementing Basel III (even independent of any potentially increased and expanded supplemental leverage capital requirement), Synchrony, the Bank and GECC expect to be subject to increasingly stringent capital adequacy standards in the future.

In connection with applicable capital adequacy standards, Synchrony, the Bank and GECC also will be required to conduct stress tests on an annual basis. Under the Federal Reserve Board's and the OCC's stress test regulations, Synchrony, the Bank and GECC will each be required to use stress-testing methodologies providing for results under at least three different sets of conditions, including baseline, adverse and severely adverse conditions. In addition, as part of meeting our minimum capital requirements, we and GECC may be required to comply with the Federal Reserve Board's Comprehensive Capital Analysis and Review ("CCAR") process or some modified version of the CCAR process, which would measure our minimum capital requirement levels under various stress scenarios. In connection with this process, we and GECC may be required to develop for the Federal Reserve Board's review and approval a capital plan that will include how we and GECC will each meet our minimum capital requirements under specified stress scenarios.

If Synchrony, the Bank or, until the GE SLHC Deregistration, GECC fails to meet current or future minimum capital, leverage or other financial requirements, its operations, results of operations and financial condition could be materially adversely affected. Among other things, failure by Synchrony, the Bank or, until the GE SLHC Deregistration, GECC to maintain its status as "well capitalized" (or otherwise meet current or future minimum capital, leverage or other financial requirements) could compromise our competitive position and result in restrictions imposed by the Federal Reserve Board or the OCC, including, potentially, on the Bank's ability to engage in certain activities. These could include restrictions on the Bank's ability to enter into transactions with affiliates, accept brokered deposits, grow its assets, engage in material transactions and extend credit in certain highly leveraged transactions, amend or change its charter, bylaws or accounting methods, pay interest on its liabilities without regard to regulatory caps on the rates that may be paid on deposits and pay dividends or repurchase stock. In addition, failure to maintain the well capitalized status of the Bank could result in our having to invest additional capital in the Bank, which could in turn require us to raise additional capital. The market and demand for, and cost of, our asset-backed securities also could be adversely affected by failure to meet current or future capital requirements.

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We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock.

Following the offering, our board of directors intends to consider our policy regarding the payment and amount of dividends. The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including the financial condition, earnings, capital and liquidity requirements of us and the Bank, regulatory restrictions, corporate law restrictions, contractual restrictions (including restrictions contained in the New Bank Term Loan Facility and the New GECC Term Loan Facility) and other factors that our board of directors deems relevant.

We and the Bank are subject to broad regulatory restrictions on our ability to pay dividends and make capital distributions, including the repurchase of our stock. The application of these restrictions involves broad discretion by our regulators.

We are limited in our ability to pay dividends or repurchase stock by the Federal Reserve Board, including on the basis that doing so would be an unsafe or unsound banking practice. If we intend to declare or pay a dividend to our stockholders, we generally will be required to inform and consult with the Federal Reserve Board in advance to ensure that such dividend does not raise supervisory concerns. It is the policy of the Federal Reserve Board that a savings and loan holding company (like our company) should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the organization's capital needs and overall current and prospective financial condition. Similarly, we will be required to inform and consult with the Federal Reserve Board in advance of redeeming or repurchasing our stock if the result will be a net reduction in our equity compared to our equity as of the beginning of the quarter in which the redemption or repurchase occurs. Moreover, the approval process for any capital plan we are required to submit could result in restrictions on our ability to pay dividends or make other capital distributions. See "Regulation—Savings and Loan Holding Company Regulation—Dividends and Stock Repurchases." In addition, as a condition to any Federal Reserve Board approval of our application to continue to be a savings and loan holding company following the GE SLHC Deregistration, we may be required to maintain liquidity or capital at a level that could affect our ability to pay dividends or repurchase our stock. The Federal Reserve Board could also prevent or restrict us with respect to paying dividends or repurchasing our stock during its consideration of our application.

We rely significantly on dividends and other distributions and payments from the Bank for liquidity, and federal law limits the amount of dividends and other distributions and payments that the Bank may pay to us. For example, OCC regulations limit the ability of savings associations to make distributions of capital, including payment of dividends, stock redemptions and repurchases, cash-out mergers and other transactions charged to the capital account. The Bank must obtain the OCC's approval prior to making a capital distribution in certain circumstances, including if the Bank proposes to make a capital distribution when it does not meet certain capital requirements (or will not do so as a result of the proposed capital distribution) or certain net income requirements. In addition, the Bank must file a prior written notice of a planned or declared dividend or other distribution with the Federal Reserve Board. The Federal Reserve Board or the OCC may object to a capital distribution if, among other things, the Bank is, or as a result of such dividend or distribution would be, undercapitalized or the Federal Reserve Board has safety and soundness concerns. Additional restrictions on bank dividends may apply if the Bank fails the qualified thrift lender ("QTL") test. The Bank must also meet certain conditions to declare or pay a dividend under the Bank's Operating Agreement with the OCC entered into in connection with its acquisition of the deposit business of MetLife. Limitations on the Bank's payments of dividends and other distributions and payments that we receive from the Bank could reduce our liquidity and limit our ability to pay dividends to our stockholders. See "Regulation—Savings Association Regulation—Dividends and Stock Repurchases" and "—Activities."

Until the GE SLHC Deregistration, we will be controlled by GECC, which as a savings and loan holding company is subject to all of the same regulatory requirements regarding dividends and stock repurchases and redemptions to which we are subject. Accordingly, until the GE SLHC Deregistration, our ability to pay

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dividends and repurchase our stock may be affected by GECC's ability to meet the same requirements to which we are subject. In addition, the Financial Stability Oversight Council ("FSOC") has designated GECC as a nonbank systemically important financial institution ("nonbank SIFI") under the Dodd-Frank Act. As a nonbank SIFI, GECC may be required to provide a capital plan for Federal Reserve Board approval that includes proposed capital distributions (including dividends and stock redemptions or repurchases) not only by GECC but also by entities controlled by GECC, such as us. As long as we are controlled by GECC for bank regulatory purposes, any such capital plan requirement imposed on GECC by the Federal Reserve Board could affect our ability to pay dividends and to repurchase our stock. See "Regulation—Savings and Loan Holding Company Regulation—Dividends and Stock Repurchases." Also, until the GE SLHC Deregistration, GECC will have an approval right over our ability to declare or pay any dividend or repurchase our stock. See "Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Master Agreement—Approval Rights."

Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities.

We are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification, and we could be negatively impacted by them. For example, in the United States, certain of our businesses are subject to the Gramm-Leach-Bliley Act ("GLBA") and implementing regulations and guidance. Among other things, the GLBA: (i) imposes certain limitations on the ability of financial institutions to share consumers' nonpublic personal information with nonaffiliated third parties, (ii) requires that financial institutions provide certain disclosures to consumers about their information collection, sharing and security practices and affords customers the right to "opt out" of the institution's disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions) and (iii) requires financial institutions to develop, implement and maintain a written comprehensive information security program containing safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of customer information processed by the financial institution as well as plans for responding to data security breaches.

Moreover, various United States federal banking regulatory agencies, states and foreign jurisdictions have enacted data security breach notification requirements with varying levels of individual, consumer, regulatory and/or law enforcement notification in certain circumstances in the event of a security breach. Many of these requirements also apply broadly to our partners that accept our cards. In many countries that have yet to impose data security breach notification requirements, regulators have increasingly used the threat of significant sanctions and penalties by data protection authorities to encourage voluntary notification and discourage data security breaches.

Furthermore, legislators and/or regulators in the United States and other countries in which we operate are increasingly adopting or revising privacy, information security and data protection laws that potentially could have a significant impact on our current and planned privacy, data protection and information security-related practices, our collection, use, sharing, retention and safeguarding of consumer and/or employee information, and some of our current or planned business activities. This could also increase our costs of compliance and business operations and could reduce income from certain business initiatives. In the United States, this includes increased privacy-related enforcement activity at the Federal level, by the Federal Trade Commission, as well as at the state level, such as with regard to mobile applications.

Compliance with current or future privacy, data protection and information security laws (including those regarding security breach notification) affecting customer and/or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing information with third parties or storing sensitive credit card information), which could materially and adversely affect our profitability. Our failure to comply with privacy, data protection and information security laws could result in potentially significant regulatory and/or governmental investigations and/or actions, litigation, fines, sanctions and damage to our reputation and our brand.

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Our use of third-party vendors and our other ongoing third-party business relationships are subject to increasing regulatory requirements and attention.

We regularly use third-party vendors and subcontractors as part of our business. We also have substantial ongoing business relationships with our partners and other third-parties. These types of third-party relationships are subject to increasingly demanding regulatory requirements and attention by our federal bank regulators (the Federal Reserve Board, the OCC and the FDIC) and our consumer regulator (the CFPB). Regulatory guidance requires us to enhance our due diligence, ongoing monitoring and control over our third-party vendors and subcontractors and other ongoing third-party business relationships, including with our partners. In certain cases we may be required to renegotiate our agreements with these vendors and/or their subcontractors to meet these enhanced requirements, which could increase our costs. We expect that our regulators will hold us responsible for deficiencies in our oversight and control of our third-party relationships and in the performance of the parties with which we have these relationships. As a result, if our regulators conclude that we have not exercised adequate oversight and control over our third-party vendors and subcontractors or other ongoing third-party business relationships or that such third parties have not performed appropriately, we could be subject to enforcement actions, including civil money penalties or other administrative or judicial penalties or fines as well as requirements for customer remediation.

As long as we are controlled by GECC for bank regulatory purposes, regulation governing GECC could adversely affect us.

GECC is a regulated savings and loan holding company and therefore is subject to all of the regulatory obligations to which we are subject. Until the GE SLHC Deregistration, GECC's regulatory obligations as a savings and loan holding company may, for reasons related or unrelated to us, adversely affect us, including restricting our ability to initiate or continue various business activities or practices, pay dividends or repurchase our stock.

As a nonbank SIFI, GECC, our indirect parent company, is subject to enhanced prudential standards and regulation by the Federal Reserve Board, which is expected to include regulatory capital requirements. Nonbank SIFIs, such as GECC, currently are subject to some, but not all, of the enhanced prudential standards under the Dodd-Frank Act. The Federal Reserve Board has issued regulations implementing certain of the enhanced prudential standards of the Dodd-Frank Act for bank holding companies and foreign banking organizations, but not for nonbank SIFIs. In connection with these regulations, the Federal Reserve Board has indicated that it will apply enhanced prudential standards to an individual nonbank SIFI, such as GECC, by rule or order. Although the enhanced prudential standards currently applicable to GECC in its capacity as a nonbank SIFI do not have the effect of imposing direct regulatory obligations on us, we cannot be certain that standards imposed by rule or order on GECC as a nonbank SIFI by the Federal Reserve Board in the future will not have the effect of directly or indirectly imposing obligations on us so long as we are controlled by GECC for bank regulatory purposes.

Risks Relating to Our Separation from GE

GE may not complete the Separation as planned or at all.

On November 15, 2013, GE announced that it planned a staged exit from our business, consistent with its strategy of reducing GECC's percentage of GE's total earnings and increasing GECC's focus on its commercial financing businesses. This offering is the first step in that exit. After the completion of this offering, GE will beneficially own % of our outstanding common stock (or % if the underwriters' option to purchase additional shares of common stock from us is exercised in full).

GE has indicated that after this offering it currently is targeting to complete its exit from our business in 2015 through the Separation. The Separation would be subject to various conditions, including receipt of any necessary bank regulatory and other approvals, the existence of satisfactory market conditions, and, in the case of a tax-free transaction, a private letter ruling from the IRS as to certain issues relating to, and an opinion of

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counsel confirming, the tax-free treatment of the transaction to GE and its stockholders. In addition, since GE's exit from our business will not be completed until GE has obtained the GE SLHC Deregistration, GE's willingness to proceed with the Separation may be conditioned on its obtaining the necessary determination by the Federal Reserve Board that the GE SLHC Deregistration is effective (i.e., that, following the Separation, GE, along with GECC and GECFI, no longer controls us and therefore GE, GECC and GECFI are released from savings and loan holding company registration).

The conditions related to the Separation, and the GE SLHC Deregistration, may not be satisfied in 2015 or thereafter, or GE may decide for any other reason not to consummate the Separation in 2015 or thereafter. Any delay by GE in completing, or uncertainty about its ability or intent to complete, the Separation and the GE SLHC Deregistration on the planned timetable, on the contemplated terms (including at the contemplated capital and liquidity levels), or at all, could have a material adverse effect on our company and the market price for our common stock.

If GE is unable to obtain the GE SLHC Deregistration, it will continue to have significant control over us.

If the GE SLHC Deregistration is not obtained, GE will continue to have significant control over us. GE's degree of control will depend on, among other things, its level of ownership of our common stock, the number of persons it is entitled to designate for nomination for election to our board of directors under the Master Agreement and the requirement under the Master Agreement that we obtain GECC's prior written approval before undertaking (or permitting or authorizing the Bank or any of our other subsidiaries to undertake) various significant corporate actions. This may mean that GE (through GECC) does not always exercise its control in a way that benefits our public stockholders. Conflicts of interest may arise between us and GE that could be resolved in a manner unfavorable to us. We will also continue to be subject to the regulatory supervision applicable to GE and companies under its control and the trading market for our common stock may be depressed until the GE SLHC Deregistration is obtained. See "—GE has significant control over us and may not always exercise its control in a way that benefits our public stockholders."

We need Federal Reserve Board approval to continue to be a savings and loan holding company following the GE SLHC Deregistration, and we cannot be certain we will receive this approval in a timely manner or at all, or what approval conditions may be imposed.

The Savings and Loan Holding Company Act generally requires Federal Reserve Board approval before a company acquires a savings association and becomes a savings and loan holding company. We were exempt from this requirement when we initially acquired the Bank and became a savings and loan holding company, because we were a subsidiary of GE, GECC and GECFI, existing savings and loan holding companies. We do not expect this exemption to continue to apply to us following the GE SLHC Deregistration. As a result, we will be required to file an application with, and receive approval from, the Federal Reserve Board to continue to be a savings and loan holding company and to retain ownership of the Bank following the GE SLHC Deregistration. See "Regulation—Savings and Loan Holding Company Regulation."

We do not expect that the Federal Reserve Board will act on our application to continue to be a savings and loan holding company and to retain ownership of the Bank following the GE SLHC Deregistration until it has completed an in-depth review of our preparedness to operate on a standalone basis, independently of GE. We do not expect this review to commence until some period after the completion of this offering. We cannot predict when the Federal Reserve Board will commence this review or how long it will take to complete the review. We expect the review will require a significant period of time. In addition, as a result of the Federal Reserve Board review, we may have to take additional actions beyond the significant infrastructure expansion we are already planning and implementing to satisfy the Federal Reserve Board that we are prepared to operate on a standalone basis, independently of GE. Those actions may involve significant additional expenses for us and require significant time to implement.

We also cannot assure you that our application to continue to be a savings and loan holding company following the GE SLHC Deregistration will be approved. The Federal Reserve Board's action on our application may be affected by circumstances we do not know or cannot predict at this time, including factors identified in the Federal

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Reserve Board's in-depth review of us, changes from our current condition or changes in general economic and market conditions relevant to our operations. If the application is not approved, GE will not be able to obtain the GE SLHC Deregistration as currently planned. GE may be unwilling to proceed with the Separation unless or until it is able to obtain the GE SLHC Deregistration. Even if our application is approved, we cannot be certain when such approval will be granted, or what conditions or restrictions, if any, will be imposed for such approval. The Federal Reserve Board's approval could include conditions or restrictions more onerous than those generally applicable to savings and loan holding companies, such as requiring higher capital or liquidity levels or imposing more extensive restrictions on our ability to pay dividends or repurchase stock, engage in various business activities or grow our business. Any such conditions or restrictions could be significant and have a material adverse effect on our business, results of operations and financial condition. GE's ability or willingness to proceed with the Separation as currently planned could be affected by the nature and effect of any such conditions or restrictions.

If the GE SLHC Deregistration is obtained, we also will need Federal Reserve Board agreement that we meet the criteria for a savings and loan holding company to be treated as a financial holding company, and we cannot be certain of such agreement without us having to take additional steps, such as with respect to capital enhancements.

We currently are a grandfathered unitary savings and loan holding company, but do not expect to continue to qualify as such a grandfathered unitary savings and loan holding company following the GE SLHC Deregistration. As a result, in connection with our application to continue to be a savings and loan holding company, we will need to submit to the Federal Reserve Board a request to become a financial holding company in order to engage in activities that are permissible only for savings and loan holding companies that are treated as financial holding companies (including to continue to obtain financing through our securitization programs). We believe that we will meet the criteria for a savings and loan holding company to be treated as a financial holding company. However, we cannot assure you that the Federal Reserve Board will agree, or that the Federal Reserve Board will not impose conditions or restrictions, such as requiring higher capital or liquidity levels or imposing more extensive restrictions on our ability to pay dividends or repurchase stock, engage in various business activities or grow our business, before it will permit our submission to become a financial holding company to be effective. GE's ability or willingness to proceed with the Separation as currently planned could be affected by the nature of any such conditions or restrictions required by the Federal Reserve Board in order for us to be treated as a financial holding company.

Prior to the Separation and the GE SLHC Deregistration, we need to significantly expand many aspects of our infrastructure, and our failure to do so in a timely manner, within anticipated costs and without disrupting our ongoing business, could have a material adverse effect on our business and results of operations and could delay or prevent the Separation and the GE SLHC Deregistration.

Although historically we have operated as a largely standalone business within GECC with our own sales, marketing, risk management, operations, collections, customer service and compliance functions, we need to significantly expand many aspects of our infrastructure prior to the Separation to enable us to operate as a fully standalone public company after our transitional services with GE terminate (for most services, within 24 months after the completion of this offering) and to enable GE to obtain the GE SLHC Deregistration in connection with the Separation or thereafter. The infrastructure to be expanded relates to, among other areas, enterprise risk governance and management, information technology systems, data storage, treasury and finance, and investor relations. Expanding the infrastructure will involve substantial costs, the hiring and integration of a large number of new employees (including a number at senior levels), and integration of the new and expanded infrastructure with our existing infrastructure, and in some cases, the infrastructure of our partners and other third parties. It will also require significant time and attention from our senior management and others throughout the company, in addition to their day to day responsibilities running the business. We cannot be sure we will be able to expand the infrastructure to the extent required, in the time required, or at the costs anticipated, and without disrupting our ongoing business operations in a material way, all of which could have a material adverse effect on our business and results of operations. Moreover, we do not expect that the Federal Reserve Board will act on our application to continue to be a

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savings and loan holding company and to retain ownership of the Bank following the GE SLHC Deregistration until it has completed an in-depth review of our preparedness to operate on a standalone basis, which we expect to involve a review of much of the new infrastructure we will be adding. As a result, delays in expanding our infrastructure may delay the review of our preparedness by the Federal Reserve Board, and this could delay the Separation and the GE SLHC Deregistration, and the Federal Reserve Board may require additions or changes to our infrastructure, including the infrastructure we have added. See “—GE may not complete the Separation as planned or at all.”

The Separation could adversely affect our business and profitability due to GE’s strong brand and reputation.

As a subsidiary of GE, we market many of our products using the “GE” brand name and logo, and we believe the association with GE has provided many benefits, including:

- a world-class brand associated with trust, integrity and longevity;
- perception of high-quality products and services;
- strong capital base and financial strength;
- preferred status among our partners, customers and employees; and
- established relationships with bank and other regulators.

The Separation could adversely affect our ability to attract and retain partners. We may be required to provide more favorable pricing and other terms to our partners and take other action to maintain our relationship with existing, and attract new, partners, all of which could have a material adverse effect on our business, financial condition and results of operations.

Although we do not expect a material loss of customers or usage following the Separation (or more difficulty attracting new customers and increasing their usage) because our product will continue to be closely associated with our partners and their brands, we cannot be sure this will be the case. In addition, although our capital at the Bank will be increased in connection with this offering and the customer facing aspects of our business will remain largely unchanged following this offering and the Separation, we cannot be sure that we will not lose deposits or have more difficulty attracting new deposits following this offering or the Separation because of depositor concerns that we will no longer be part of GE and benefitting from its brand and financial strength.

We cannot predict the effect that this offering and the Separation will have on our partners, customers, depositors or employees. The risks relating to this offering and the Separation could materialize at various times, including:

- immediately upon the completion of this offering, when GE’s beneficial ownership in our common stock will decrease to % (% if the underwriters’ option to purchase additional shares of common stock from us is exercised in full);
- when GE reduces its ownership in our common stock to a level below 50%; and
- when we cease using the GE name and logo in our sales and marketing materials, particularly when we deliver notices to partners, customers and depositors that our name and the name of the Bank and some of our other subsidiaries will change.

We will only have the right to use the GE brand name and logo for a limited period of time and if we fail to establish a new, independently recognized brand name, we could be adversely affected.

In March 2014 we changed our corporate name to “SYNCHRONY FINANCIAL,” although we, the Bank and our other subsidiaries may continue to use the GE brand name and logo in marketing our products and services for a limited period of time. Pursuant to a transitional trademark license agreement, GE will grant us the right to use certain “GE,” “GE Capital,” “GE Capital Retail Bank,” “GE Money” and “GECAF” marks and related logos and the GE monogram in connection with our products and services until such time as GE ceases to

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beneficially own more than 50% of our outstanding common stock, subject to certain exceptions (e.g., we generally will have a right to use those marks and related logos and the monogram on our credit cards for a period of three and a half years after the completion of this offering). Development of a new brand is an expensive, uncertain and long-term process. When our right to use the GE brand name and logo expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to our new brand in a timely manner, our reputation among our partners, customers, depositors and employees could be adversely affected.

The terms of our arrangements with GE may be more favorable than we will be able to obtain from an unaffiliated third party. We may be unable to replace the services GECC provides us in a timely manner or on comparable terms.

We and GECC will enter into a transitional services agreement and other agreements prior to the completion of this offering. Pursuant to the transitional services agreement, GECC and its affiliates will agree to provide us with transitional services after this offering, including treasury, payroll, tax and other financial services, human resources and employee benefits services, information systems and network access, application and support related services, and procurement and sourcing support.

We negotiated these arrangements with GECC in the context of a parent-subsidiary relationship. Although GECC is contractually obligated to provide us with services during the term of the transitional services agreement, we cannot assure you that these services will be sustained at the same level after the expiration of that agreement, or that we will be able to replace these services in a timely manner or on comparable terms. When GECC ceases to provide services pursuant to those arrangements, our costs of procuring those services from third parties may increase. Other agreements with GE and GECC also will govern the relationship between us and GE after this offering and will provide for the allocation of employee benefits, tax and other liabilities and obligations attributable or related to periods or events prior to this offering. They also contain terms and provisions that may be more favorable than terms and provisions we might have obtained in arm's length negotiations with unaffiliated third parties. See "Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC."

GE has significant control over us and may not always exercise its control in a way that benefits our public stockholders.

Upon the completion of this offering, GE will beneficially own approximately % of our outstanding common stock (% if the underwriters' option to purchase additional shares of common stock from us is exercised in full). GE has indicated that, following completion of this offering, it intends to divest its remaining interest in us. However, so long as GE continues to beneficially own more than 50% of our outstanding voting stock, GE generally will be able to determine the outcome of corporate actions requiring stockholder approval and GE will have the voting power to elect the board of directors.

The Master Agreement will give GECC certain significant rights until such time, if any, as the GE SLHC Deregistration occurs. Some of GECC's rights under the Master Agreement will not terminate until the GE SLHC Deregistration occurs, and therefore it is possible that GE will exercise some or all of such rights at a time when it does not own any of our common stock. Under the Master Agreement, GECC will have the right to designate five persons for nomination for election to our nine-member board of directors so long as GE beneficially owns more than 50% of our outstanding common stock and to designate a lesser number as GE's percentage ownership decreases until the GE SLHC Deregistration. In addition, subject to certain exceptions and ownership thresholds, until the GE SLHC Deregistration, we will be required to obtain GECC's prior written approval before undertaking (or permitting or authorizing the Bank or any of our other subsidiaries to undertake) various significant corporate actions. These include (subject to certain agreed exceptions):

- consolidating or merging with or into any person or, subject to certain exceptions, permitting any subsidiary to merge with or into any person;
- acquiring control of a bank or savings association or making any other acquisition of assets or equity for a price in excess of \$500 million (other than acquisitions of receivables portfolios in the ordinary course of

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business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the threshold for ordinary course transactions will be increased to \$2 billion;

- disposing of assets or securities in a single transaction or a series of related transactions for a price (including assumed debt) in excess of \$500 million (other than dispositions of receivables in the ordinary course of business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the threshold for ordinary course transactions will be increased to \$2 billion;
- incurring or guaranteeing debt that would reasonably be expected to result in a downgrade of our publicly issued debt below specified ratings at the time of this offering;
- dissolving, liquidating, or winding up our company;
- altering, amending, terminating or repealing or adopting any provision inconsistent with, the provisions of our certificate of incorporation or our bylaws;
- adopting or implementing any stockholder rights plan or similar takeover defense measure;
- declaring or paying any dividend or other distribution in respect of our common stock;
- repurchasing our common stock, subject to certain exceptions;
- entering into a new principal line of business or enter into business outside of the United States and Canada; or
- establishing an executive committee of our board of directors.

GE's interests may differ from your interests, and therefore actions GE takes with respect to us, as a controlling or significant stockholder or under the Master Agreement, may not be favorable to you.

As long as GE owns a majority of our common stock, we will rely on certain of the exemptions from the corporate governance requirements of the NYSE available for "controlled companies".

Upon the completion of this offering, we will be a "controlled company" within the meaning of the corporate governance listing standards of the NYSE because GE will continue to own more than 50% of our outstanding common stock. A "controlled company" may elect not to comply with certain corporate governance requirements of the NYSE. Consistent with this, the Master Agreement will provide that, so long as we are a "controlled company," we will elect not to comply with the requirements to have a majority of independent directors or to have the Nominating and Corporate Governance and Management Development and Compensation Committees of our board of directors consist entirely of independent directors. Upon completion of this offering, we expect that six of our nine directors, including one member of the board of directors' Nominating and Corporate Governance Committee and one member of the board of directors' Management Development and Compensation Committee, will not qualify as "independent directors" under the applicable rules of the NYSE. As a result, you will not have certain of the protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our historical combined and pro forma financial information do not reflect the results we would have achieved as a standalone company and may not be a reliable indicator of our future results.

The historical combined and pro forma financial information included in this prospectus does not reflect the financial condition, results of operations or cash flows we would have achieved as a standalone company during the periods presented and may not be a reliable indicator of our future results. The pro forma financial information depends on various assumptions that may be incorrect. For example, the actual weighted average funding cost for additional debt incurred in connection with the Transactions may be higher than that assumed for purposes of preparing the pro forma financial information, interest earned on additional assets may be lower than assumed, or the Planned Debt Offering may not occur. The pro forma financial information also does not give effect to or make any adjustment for various factors including anticipated increases in our operating expense following this offering and increases in payments under recently extended program agreements.

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In addition, the historical combined and pro forma financial information does not reflect the impact of any conditions or restrictions that may be imposed by the Federal Reserve Board in connection with the GE SLHC Deregistration, including requiring higher capital or liquidity levels or restricting our business activities or growth. Accordingly, our historical combined and pro forma financial information should not be relied upon as representative or indicative of what our financial condition or results of operations would have been had the Transactions occurred on the dates indicated. This information also should not be relied upon as representative or indicative of our future financial condition, results of operations or cash flows. For additional information relating to our historical combined and pro forma financial information, see “Selected Historical and Pro Forma Financial Information.”

The obligations associated with being a public company will require significant resources and management attention.

In connection with this offering, we will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) and SEC rules under that act. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act and SEC rules thereunder require, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. We have established all of the procedures and practices required as a subsidiary of GE but we will have additional procedures and practices to establish as a separate, standalone public company. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur. Furthermore, the need to establish the corporate infrastructure necessary for a standalone public company may divert some of management’s attention from operating our business and implementing our strategy. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements.

The Sarbanes-Oxley Act and SEC rules require annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we file with the SEC, and, in the annual report for the next succeeding year, a report by our independent auditors addressing such assessments. Failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business and stock price.

GE could engage in business and other activities that compete with us.

GE has agreed that, subject to certain exceptions, for two years after the GE SLHC Deregistration, it will not engage in the business of providing credit to consumers through: (i) private label credit cards or dual cards in conjunction with programs with retailers, merchants or healthcare providers primarily for the purchase of goods and services from the applicable retailer, merchant or healthcare provider, or (ii) general purpose credit cards, in each case, in the United States and Canada. See “Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Master Agreement—Noncompetition Agreement.” Our certificate of incorporation provides that, other than that non-compete agreement and any other contractual provisions to the contrary, GE will have no obligation to refrain from:

- engaging in the same or similar business activities or lines of business as us; or
- doing business with any of our partners, customers or vendors.

GE has significant financial services businesses, including owning a bank that takes deposits (in addition to the Bank), providing consumer financing outside the United States and Canada (including private label credit cards) and providing commercial financing (including inventory, floorplan and other financing to small and medium-sized businesses). Following this offering, GE will continue to engage in these businesses. To the extent that GE engages in the same or similar business activities or lines of business as us, or engages in business with any of our partners, customers or vendors, our ability to successfully operate and expand our business may be hampered.

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Conflicts of interest may arise between us and GE that could be resolved in a manner unfavorable to us.

Questions relating to conflicts of interest may arise between us and GE in a number of areas relating to our past and ongoing relationships. Six of our directors (one of whom is our Chief Executive Officer) and many of our senior executive officers are also officers of GE and/or GECC. These directors and officers own GE stock and options to purchase GE stock, and all of them participate in GE pension plans. Ownership interests of our directors or officers in GE stock, or service as both a director of our company and a director, officer and/or employee of GE and/or GECC, could give rise to potential conflicts of interest when a director or officer is faced with a decision that could have different implications for the two companies. These potential conflicts could arise, for example, over matters such as the desirability of changes in our business and operations, funding and capital matters, regulatory matters, matters arising with respect to the Master Agreement and other agreements with GE, employee retention or recruiting, or our dividend policy.

The corporate opportunity policy set forth in our certificate of incorporation addresses certain potential conflicts of interest between our company, on the one hand, and GE and its officers who are directors of our company, on the other hand. By becoming a stockholder in our company, you will be deemed to have notice of and have consented to these provisions of our certificate of incorporation. Although these provisions are designed to resolve certain conflicts between us and GE fairly, we cannot assure you that any conflicts will be so resolved. The principles for resolving these potential conflicts of interest are described under “Description of Capital Stock—Provisions of Our Certificate of Incorporation Relating to Related Party Transactions and Corporate Opportunities.”

If GE distributes our stock to its stockholders in exchange for its common stock in a transaction that is intended to be tax-free to GE, we could have a material indemnification obligation to GE under the TSSA if we cause the distribution or certain related preliminary internal transactions to fail to qualify for tax-free treatment.

GE has indicated that after this offering it currently intends to complete its exit from its investment in us by making a distribution of all of its remaining shares of our stock to its stockholders in exchange for GE’s common stock in a transaction that would be designed to qualify for tax-free treatment to GE and its stockholders under Section 355 of the Internal Revenue Code (the “Code”). Completion by GE of any such distribution is conditioned on, among other things, a private letter ruling from the IRS regarding certain issues relating to, and an opinion from tax counsel confirming, the tax-free treatment under Section 355 of the Code of the distribution and the tax-free treatment of a series of preliminary transactions that would be required prior to implementing the distribution. The IRS ruling and the opinion of tax counsel will rely on certain facts, assumptions, representations and undertakings from GE and us regarding the past and future conduct of GE’s and our businesses and other matters. If any of these facts, assumptions, representations or undertakings is incorrect or not otherwise satisfied, GE may not be able to rely on the IRS ruling or the opinion of tax counsel. Accordingly, notwithstanding the IRS ruling and the opinion of tax counsel, the IRS could determine that the distribution (or any of the preliminary transactions) is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion that are not covered by the IRS ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of GE or us after the distribution. If the distribution (or any of the preliminary transactions) is determined to be taxable, GE could incur significant tax liabilities, and under the tax sharing and separation agreement (the “TSSA”) we will enter into with GE prior to the completion of this offering, we may be required to indemnify GE for any such liabilities if the liability is caused by any action or inaction undertaken by us following the distribution or as a result of significant changes in the direct or indirect ownership of our stock.

In order to preserve the tax-free status of the distribution and the preliminary transactions to GE, the TSSA includes a provision generally prohibiting us from taking action after the distribution that would cause the distribution (or the preliminary transactions) to become taxable. As a result, and given our indemnity obligation to GE under the TSSA for tax liabilities incurred by GE as a result of a breach of these provisions by us, we may be required to forgo certain significant transactions that would otherwise have been advantageous to us for a period of time following the distribution, such as certain dispositions of our assets or issuances of our stock. For a discussion of the TSSA, see “Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Tax Sharing and Separation Agreement.”

Risks Relating to This Offering

Future sales of a substantial number of shares of our common stock may depress the price of our shares.

If GE or any of our other stockholders sells or otherwise disposes of a large number of shares of our common stock (whether through the Separation or otherwise), or if we issue a large number of shares of our common stock in connection with future acquisitions, financings, or other circumstances, the market price of shares of our common stock could decline significantly. Moreover, GE's intention to divest of its remaining shares of our common stock or the perception in the public market that other stockholders might sell shares of our common stock could depress the market price of our common stock.

All the shares of our common stock sold in this offering will be freely tradable without restriction, except for shares of our common stock owned by any of our affiliates, including GE. Immediately after this offering, the public market for our common stock will include only the _____ million shares of our common stock that are being sold in this offering, or _____ million shares of our common stock if the underwriters exercise their option to purchase additional shares of our common stock from us in full. After this offering, we intend to register _____ million shares of our common stock, which are reserved for issuance under our employee benefit plans. Once we register these shares, they can be sold in the public market upon issuance, subject to restrictions under the securities laws applicable to resales by affiliates. In addition, we have granted GECC demand and "piggyback" registration rights with respect to the shares of our common stock it will hold upon the completion of this offering. GECC may exercise its demand and piggyback registration rights, and any shares of our common stock so registered will be freely tradable in the public market, except for shares acquired by any of our affiliates. See "Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Registration Rights Agreement" and "Shares Eligible for Future Sale."

Our directors, executive officers and GECFI have entered into lock-up agreements in which they have agreed that they will not sell, directly or indirectly, any shares of our common stock for a period of _____ days from the date of this prospectus (subject to certain exceptions) without the prior written consent of _____. See "Shares Eligible for Future Sale."

Our common stock has no prior public market, and we cannot assure you that an active trading market will develop.

Prior to this offering, there has not been a market for our common stock. We will apply to list our common stock on the NYSE and our application may not be approved or an active trading market in our common stock might not develop or continue. If you purchase shares of our common stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was determined through negotiations with the representatives of the underwriters based upon an assessment of the valuation of our common stock and a book-building process. The public market may not agree with or accept this valuation, in which case you may not be able to sell your shares of our common stock at or above the initial offering price. In addition, if an active trading market does not develop, you may have difficulty selling your shares of our common stock at an attractive price, or at all. An inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to acquire other companies, products or technologies by using shares of our common stock as consideration.

The price of our common stock may be volatile and may be affected by market conditions beyond our control.

Our share price is likely to fluctuate in the future because of the volatility of the stock market in general and a variety of factors, many of which are beyond our control, including:

- general market conditions;
- domestic and international economic factors unrelated to our performance;
- quarterly variations in actual or anticipated results of our operations;

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- changes in or failure to meet our publicly disclosed expectations as to our future financial performance;
- downgrades in securities analysts' estimates of our financial performance, failures to meet analyst expectations or lack of research and reports by industry analysts;
- changes in market valuations or earnings of similar companies;
- any future sales of our common stock or other securities;
- additions or departures of key personnel;
- actions or announcements by our competitors;
- reputational issues;
- regulatory and tax actions;
- changes in our capital structure or dividend policy, including as a result of the Separation, regulatory requirements, future issuances of securities, sales of large blocks of common stock by our stockholders (including GE), or our incurrence of additional debt; and
- announcements or actions taken by GE as our principal stockholder.

The stock market has recently experienced extreme price and volume fluctuations. The market prices of securities of financial services companies have experienced fluctuations that often have been unrelated or disproportionate to the operating results of these companies. For example, we are currently operating in, and have benefited from, a protracted period of historically low interest rates that will not be sustained indefinitely, and future fluctuations in interest rates could cause an increase in volatility of the market price of our common stock. Market fluctuations could result in extreme volatility in the price of shares of our common stock, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of shares of our common stock is low. Furthermore, in the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management's attention and resources, and harm our business or results of operations.

We may change our dividend policy at any time.

Although following the offering our board of directors intends to consider our policy regarding the payment and amount of dividends, we have no obligation to pay any dividend, and our dividend policy may change at any time without notice to our stockholders. The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including the financial condition, earnings, capital and liquidity requirements of us and the Bank, regulatory restrictions, legal requirements and other factors that the board of directors deems relevant. As a result, we cannot assure you that we will pay dividends at any rate or at all.

Applicable laws and regulations, provisions of our certificate of incorporation and by-laws and certain contractual rights granted to GE may discourage takeover attempts and business combinations that stockholders might consider in their best interests.

Applicable laws, provisions of our certificate of incorporation and by-laws, and certain contractual rights granted to GE under the Master Agreement may delay, deter, prevent or render more difficult a takeover attempt that our stockholders might consider in their best interests. For example, they may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

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Takeover attempts, business combinations and certain acquisitions of our common stock may require prior approval of or notice to the Federal Reserve Board. If a company seeks to acquire, either acting alone or in concert with others, 25% or more of any class of our voting stock, acquire control of the election or appointment of a majority of the directors on our board of directors, or exercise a controlling influence over our management or policies, it would be required to obtain the prior approval of the Federal Reserve Board. In addition, if any individual seeks to acquire, either acting alone or in concert with others, 25% or more of any class of our voting stock, the individual generally is required to provide 60 days' prior notice to the Federal Reserve Board. An individual (and also a company not otherwise required to obtain Federal Reserve Board approval to control us) is presumed to control us, and therefore generally required to provide 60 days' prior notice to the Federal Reserve Board, if the individual (or such company) acquires 10% or more of any class of our voting stock, although the individual (or such company) may seek to rebut the presumption of control based on the facts.

Section 203 of the General Corporation Law of the state of Delaware ("DGCL") may affect the ability of an "interested stockholder" to engage in certain business combinations, including mergers, consolidations or acquisitions of additional shares from the corporation, for a period of three years following the time that the stockholder becomes an "interested stockholder." An "interested stockholder" is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation. However, our certificate of incorporation provides that we will not be governed by Section 203 of the DGCL until the moment in time, if ever, immediately following the time at which (i) Section 203 by its terms would, but for the terms of our certificate of incorporation, apply to us and (ii) there occurs a transaction by which GE reduces its ownership interest in us to less than 15% of the voting power of our outstanding shares of voting stock.

Our certificate of incorporation and by-laws will include provisions that may have anti-takeover effects and may delay, deter or prevent a takeover attempt that our stockholders might consider in their best interests. For example, our certificate of incorporation and by-laws will:

- until the earlier of (i) the time immediately prior to the Split-off and (ii) the GE SLHC Deregistration, preclude any stockholder or group (other than GE or its affiliates and certain other exempt persons) from voting more than 4.99% of our capital stock entitled to vote generally in the election of directors;
- permit our board of directors to issue one or more series of preferred stock with such powers, rights and preferences as the board of directors shall determine;
- provide that, subject to the rights of holders of any series of preferred stock, only the board of directors may fill newly-created directorships or vacancies on our board of directors;
- limit the ability of stockholders (other than GE or its affiliates) to call special meetings of stockholders and require that all stockholder action be taken at a meeting rather than by written consent; and
- establish advance notice requirements for stockholder proposals and nominations of candidates for election as directors (except for GE's designation of persons for nomination by the board of directors).

Until the GE SLHC Deregistration occurs, the Master Agreement will give GECC the right to designate a person or persons for nomination to our board of directors. So long as GE beneficially owns more than 50% of our outstanding common stock, GECC will have the right to designate for nomination five of the board of directors' nine nominees for election as a director. This number will decrease as GE's percentage ownership decreases.

The Master Agreement will also require that, until the GE SLHC Deregistration, we must obtain GECC's prior written approval before undertaking (or permitting or authorizing the Bank or any of our other subsidiaries to undertake) various significant corporate actions. See "—GE has significant control over us and may not always exercise its control in a way that benefits our public stockholders."

These limitations may adversely affect the prevailing market price and market for our common stock if they are viewed as limiting the liquidity of our stock or discouraging takeover attempts in the future.

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Our common stock is and will be subordinate to all of our existing and future indebtedness and any preferred stock, and effectively subordinated to all indebtedness and preferred equity claims against our subsidiaries.

Shares of our common stock are common equity interests in us and, as such, will rank junior to all of our existing and future indebtedness and other liabilities. Additionally, holders of our common stock may become subject to the prior dividend and liquidation rights of holders of any series of preferred stock that our board of directors may designate and issue without any action on the part of the holders of our common stock. Furthermore, our right to participate in a distribution of assets upon any of our subsidiaries' liquidation or reorganization is subject to the prior claims of that subsidiary's creditors and preferred stockholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “estimates,” “will” or words of similar meaning. Examples of forward-looking statements include, but are not limited to, statements regarding the outlook for our future business and financial performance, such as those contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Business Trends and Conditions.” Forward-looking statements are based on management’s current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as:

- impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated;
- retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners;
- our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings;
- our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans;
- our reliance on dividends, distributions and other payments from the Bank;
- our ability to grow our deposits in the future;
- changes in market interest rates and the impact of any margin compression;
- effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements;
- our ability to offset increases in our costs in retailer share arrangements;
- competition in the consumer finance industry;
- our concentration in the U.S. consumer credit market;
- our ability to successfully develop and commercialize new or enhanced products and services;
- our ability to realize the value of strategic investments;
- reductions in interchange fees;
- fraudulent activity;
- cyber-attacks or other security breaches;
- failure of third parties to provide various services that are important to our operations;
- disruptions in the operations of our computer systems and data centers;
- international risks and compliance and regulatory risks and costs associated with international operations;
- catastrophic events;
- alleged infringement of intellectual property rights of others and our ability to protect our intellectual property;

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- litigation and regulatory actions;
- damage to our reputation;
- our ability to attract, retain and motivate key officers and employees;
- tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations;
- significant and extensive regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Act and the impact of the CFPB's regulation of our business;
- changes to our methods of offering our CareCredit products;
- impact of capital adequacy rules;
- restrictions that limit our ability to pay dividends and repurchase our capital stock and that limit the Bank's ability to pay dividends;
- regulations relating to privacy, information security and data protection;
- use of third-party vendors and ongoing third-party business relationships;
- effect of GECC being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systematically important financial institution;
- GE not completing the Separation as planned or at all, and GE's inability to obtain the GE SLHC Deregistration;
- Federal Reserve Board approval required for us to continue to be a savings and loan holding company, including the imposition of any significant additional capital or liquidity requirements, and Federal Reserve Board agreement required for us to be treated as a financial holding company after the GE SLHC Deregistration;
- our need to significantly expand many aspects of our infrastructure;
- loss of association with GE's strong brand and reputation;
- limited right to use the GE brand name and logo and need to establish a new brand;
- GE has significant control over us;
- terms of our arrangements with GE may be more favorable than we will be able to obtain from unaffiliated third parties;
- obligations associated with being a public company;
- our incremental cost of operating as a standalone public could be substantially more than anticipated;
- GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and
- failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

See "Risk Factors" for a further description of these and other factors. For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this prospectus, including in "Risk Factors." Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

USE OF PROCEEDS

Assuming an initial public offering price of \$ _____ per share, the midpoint of the range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of our common stock in this offering will be approximately \$ _____ (or \$ _____ if the underwriters exercise in full their option to purchase additional shares of our common stock from us), after deducting estimated underwriting discounts and commissions and estimated offering expenses. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share of our common stock, the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us of this offering by \$ _____, assuming that the number of shares of our common stock offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses. An increase (decrease) of _____ shares in the number of shares of our common stock offered by us would increase (decrease) net proceeds to us of this offering by \$ _____, assuming the public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses.

Prior to the completion of this offering, we will enter into the \$ _____ billion New Bank Term Loan Facility and the \$ _____ billion New GECC Term Loan Facility.

We also currently intend to issue approximately \$ _____ billion of senior unsecured debt securities in the Planned Debt Offering shortly after the completion of this offering. We cannot assure you that the Planned Debt Offering will be completed or, if completed, on what terms it will be completed.

For a discussion of these financing transactions, see “Description of Certain Indebtedness—New Bank Term Loan Facility,” “—New GECC Term Loan Facility” and “—New Senior Notes.”

We intend to use the net proceeds from this offering, together with the net proceeds from borrowings under the New Bank Term Loan Facility and the New GECC Term Loan Facility, to repay \$ _____ billion of our related party debt owed to GECC and its affiliates that is outstanding on the date of the closing of this offering (the “Outstanding Related Party Debt”), to increase our capital, to invest in liquid assets to increase the size of our liquidity portfolio, to pay fees and expenses related to the Transactions and for such additional uses as we may determine in the future. The weighted average interest rate for the year ended December 31, 2013 on the Outstanding Related Party Debt was 1.7% per annum.

The New GECC Term Loan Facility is being entered into to formalize the lending relationship between GECC and the Company in light of the offering and expected Separation and to reflect the fact that the Company will no longer be a wholly-owned subsidiary of GECC. The New GECC Term Loan Facility will have a five-year maturity, thus providing financing for a transitional period following the offering and the expected Separation, and will bear interest at a higher rate than the Outstanding Related Party Debt being repaid.

We intend to use the net proceeds from the Planned Debt Offering to invest in liquid assets to further increase the size of our liquidity portfolio and to pay fees and expenses related to that offering and for such additional uses as we may determine in the future. For a discussion of the Outstanding Related Party Debt, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Funding Provided by GECC.”

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The following table summarizes the estimated sources of funds and uses of funds in connection with this offering. The amounts in the tables below are based on estimated amounts and may differ from the actual amounts at the time of the consummation of this offering depending on several factors, including differences from our estimates of the amount of the Planned Debt Offering, the Outstanding Related Party Debt and fees and expenses. You should read the following together with the information included under the heading “Selected Historical and Pro Forma Financial Information” included elsewhere in this prospectus.

Sources of Funds (\$ in millions)		Uses of Funds (\$ in millions)	
Common stock offered hereby	\$	Repay Outstanding Related Party Debt ⁽¹⁾	\$
Planned Debt Offering ⁽²⁾		Increase capital and liquidity portfolio	
New Bank Term Loan Facility		Fees and expenses	
New GECC Term Loan Facility			
Total sources of funds	<u>\$</u>	Total uses of funds	<u>\$</u>

(1) Amount reflects \$8,959 million of Outstanding Related Party Debt at December 31, 2013.

(2) We currently intend to issue approximately \$ billion of senior unsecured debt securities in the Planned Debt Offering shortly after the completion of this offering. We cannot assure you that the Planned Debt Offering will be completed or, if completed, on what terms it will be completed.

DIVIDEND POLICY

Following the offering, our board of directors intends to consider our policy regarding the payment and amount of dividends. The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including the financial condition, earnings, capital and liquidity requirements of us and the Bank, regulatory restrictions, corporate law and contractual restrictions and other factors that the board of directors deems relevant.

As a savings and loan holding company, our ability to pay dividends to our stockholders or to repurchase our stock is subject to regulation by the Federal Reserve Board. In addition, as a holding company, we rely significantly on dividends, distribution and other payments from the Bank to fund dividends to our stockholders. The ability of the Bank to make dividends and other distributions and payments to us is subject to regulation by the OCC and the Federal Reserve Board. See “Risk Factors—Risks Relating to Our Business—We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank,” “—Risks Relating to Regulation—We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock” and “—Risks Relating to This Offering—We may change our dividend policy at any time.”

For a discussion of the financial covenants contained in the New Bank Term Loan Facility and the New GECC Term Loan Facility that may limit our and the Bank’s ability to pay dividends, see “Description of Certain Indebtedness—New Bank Term Loan Facility” and “—New GECC Term Loan Facility.”

[Table of Contents](#)**CAPITALIZATION**

Set forth below is our capitalization at December 31, 2013, on an historical and a pro forma basis, which reflects the adjustments described in more detail in the notes to the unaudited pro forma financial information under “Selected Historical and Pro Forma Financial Information.” You should read this information in conjunction with those notes, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our combined financial statements and the related notes included elsewhere in this prospectus.

<i>(\$ in millions)</i>	<u>Actual</u>	<u>As Adjusted</u>
Cash and equivalents	<u>\$ 2,319</u>	<u>\$</u>
Deposits:		
Interest bearing deposit accounts	\$25,360	\$
Non-interest bearing deposit accounts	359	
Total deposits	<u>\$25,719</u>	<u>\$</u>
Borrowings:(1)		
Borrowings of consolidated securitization entities	\$15,362	\$
Outstanding Related Party Debt	8,959	
New Bank Term Loan Facility	—	
New GECC Term Loan	—	
Planned Debt Offering(2)	—	
Total borrowings	<u>\$24,321</u>	<u>\$</u>
Equity:		
Parent’s net investment(3)	\$ 5,973	\$ —
Common stock(3)	—	
Additional paid-in capital(3)	—	
Accumulated other comprehensive income	(13)	
Total stockholders’ equity	<u>\$ 5,960</u>	<u>\$</u>
Total capitalization	<u>\$56,000</u>	<u>\$</u>

(1) Does not reflect \$ billion of undrawn committed capacity under two of our existing securitization programs.

(2) We currently intend to issue approximately \$ billion of senior unsecured debt securities in the Planned Debt Offering shortly after the completion of this offering. We cannot assure you that the Planned Debt Offering will be completed or, if completed, on what terms it will be completed.

(3) Represents the reclassification of GE’s net investment in us, which was recorded in Parent’s net investment, into Common stock and Additional paid-in capital at a par value of \$0.01 per share.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the net tangible book value per share of our common stock after this offering. Dilution results from the fact that the initial public offering price per share of our common stock is substantially in excess of the net tangible book value per share of our common stock attributable to existing stockholders for our presently outstanding shares of common stock. At December 31, 2013, net tangible book value attributable to our stockholders was \$, or \$ per share of common stock based on shares of common stock issued and outstanding. Net tangible book value per share equals total consolidated tangible assets minus total consolidated liabilities divided by the number of outstanding shares of our common stock.

Our net tangible book value at December 31, 2013 would have been approximately \$, or \$ per share of our common stock based on shares of our common stock issued and outstanding after giving effect to the sale of shares of our common stock by us at an assumed initial public offering price of \$ per share, the midpoint of the range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

This represents an immediate increase in the net tangible book value of \$ per share to existing stockholders and an immediate dilution in the net tangible book value of \$ per share to the investors who purchase our common stock in this offering.

The following table illustrates the per share dilution after giving pro forma effect to this offering:

Initial public offering price per share		\$
Net tangible book value per share at December 31, 2013	\$	
Increase in net tangible book value per share attributable to this offering	\$	
Net tangible book value per share of common stock after the offering		\$
Dilution per share to new investors		\$

Each \$1.00 increase (decrease) in the assumed initial offering price of \$ per share of our common stock would increase (decrease) the net tangible book value at December 31, 2013 by approximately \$, or approximately \$ per share, and the dilution per share to new investors by approximately \$, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase of one million shares in the number of shares offered by us would result in net tangible book value at December 31, 2013 of approximately \$, or \$ per share, and the dilution per share to investors in this offering would be \$ per share, assuming the public offering price per share remains the same. Similarly, a decrease of one million shares in the number of shares of common stock offered by us would result in net tangible book value at December 31, 2013 of approximately \$, or \$ per share, and the dilution per share to investors in this offering would be \$ per share. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

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The following table summarizes, at December 31, 2013 (giving pro forma effect to the sale by us of _____ shares of our common stock in this offering), the difference between existing stockholders and new investors with respect to the number of shares of our common stock purchased from us, the total consideration paid to us for these shares, and the average price per share paid by our existing stockholders and to be paid by the new investors in this offering. The calculation below reflecting the effect of shares purchased by new investors is based on the initial public offering price of \$ _____ per share, the midpoint of the range set forth on the cover page of this prospectus after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Number	Percent	
Existing stockholders		%		%	\$
New investors					
Total		100.0%		100.0%	

Each \$1.00 increase (decrease) in the assumed initial offering price of \$ _____ per share of common stock would increase (decrease) the total consideration paid by new investors by approximately \$ _____, or the percent of total consideration paid by new investors by approximately _____%, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of shares in the number of _____ shares offered by us increase (decrease) the total consideration paid by new investors by approximately \$ _____, or the percent of total consideration paid by new investors by approximately _____%, assuming the public offering price per share remains the same. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

The number of shares purchased is based on shares of our common stock outstanding at December 31, 2013. The discussion and table above exclude shares of our common stock issuable upon exercise of outstanding options issued. If the underwriters were to fully exercise their option to purchase additional shares of our common stock from us, the percentage of shares of our common stock held by existing stockholders would be _____%, and the percentage of shares of our common stock held by new investors would be _____%. To the extent any outstanding options are exercised, new investors will experience further dilution. To the extent all _____ outstanding options had been exercised at December 31, 2013, the net tangible book value per share after this offering would be \$ _____ and total dilution per share to new investors would be \$ _____.

SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following table sets forth selected historical combined and unaudited pro forma financial information. The selected historical combined financial information at December 31, 2013 and 2012, and for the years ended December 31, 2013, 2012 and 2011 has been derived from our historical combined financial statements, which have been audited by KPMG LLP and are included elsewhere in this prospectus. The selected historical combined financial information at December 31, 2011, 2010 and 2009, and for the years ended December 31, 2010 and 2009 is unaudited and has been derived from our historical combined financial information not included in the prospectus. The selected unaudited pro forma financial information at and for the year ended December 31, 2013 is unaudited and has been derived from our unaudited pro forma financial statements. You should read this information in conjunction with the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our historical combined financial statements and the related notes thereto, which are included elsewhere in this prospectus.

Synchrony is a holding company for the legal entities that historically conducted GE’s North American retail finance business. Synchrony was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013, conducted no business. During the period from April 1, 2013 to September 30, 2013, as part of a regulatory restructuring, substantially all of the assets and operations of GE’s North American retail finance business, including the Bank, were transferred to Synchrony. The remaining assets and operations of that business have been or will be transferred to Synchrony prior to the completion of this offering.

We have prepared our historical combined financial statements as if Synchrony had conducted GE’s North American retail finance business throughout all relevant periods. Our historical combined financial information and statements include the assets, liabilities and operations of GE’s North American retail finance business.

The unaudited pro forma information set forth below reflects our historical combined financial information, as adjusted to give effect to the following Transactions as if each had occurred at January 1, 2013, in the case of statements of earnings information, and December 31, 2013, in the case of statements of financial position information:

- issuance of million shares of our common stock at an estimated offering price of \$ per share (the midpoint of the price range set forth on the front cover of this prospectus);
- repayment of the \$ billion of Outstanding Related Party Debt (as defined under “Use of Proceeds”);
- entering into of, and costs associated with, the New Bank Term Loan Facility and the New GECC Term Loan Facility;
- completion of, and costs associated with, the Planned Debt Offering;
- investment in liquid assets to further increase the size of our liquidity portfolio consistent with our liquidity and funding policies; and
- issuance of a founders’ grant of restricted stock units and stock options to certain employees under the Synchrony 2014 Long-Term Incentive Plan.

The unaudited pro forma financial information is for illustrative and informational purposes only and is not intended to represent what our financial condition or results of operations would have been had the Transactions occurred on the dates indicated. The unaudited pro forma information also should not be considered representative of our future financial condition or results of operations.

The unaudited pro forma information below is based upon available information and assumptions that we believe are reasonable, that reflect the expected impacts of events that are directly attributable to the Transactions, that are factually supportable and in connection with earnings information are expected to have a continuing impact on us.

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Prior to the completion of this offering, we will enter into a number of arrangements with GE governing the Separation and a variety of transition matters. Except as described in the notes above, we have not reflected any adjustments for the estimated effects of these arrangements, which are described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Separation from GE and Related Financial Arrangements.”

In addition to the pro forma adjustments to our historical combined financial statements, various other factors will have an effect on our financial condition and results of operations after the completion of this offering, including those discussed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

For information with respect to certain items that are not reflected in the pro forma financial information, see note (i) to the unaudited pro forma financial information below.

Condensed Combined Statements of Earnings Information

<i>(\$ in millions)</i>	Pro Forma	Historical(1)				
	Year Ended	Years Ended December 31,				
	December 31,	2013	2012	2011	2010(2)	2009
Interest income	\$	\$ 11,313	\$ 10,309	\$ 9,141	\$ 8,760	\$ 4,636
Interest expense		742	745	932	1,094	830
Net interest income		10,571	9,564	8,209	7,666	3,806
Retailer share arrangements		(2,362)	(1,975)	(1,430)	(989)	(799)
Net interest income, after retailer share arrangements		8,209	7,589	6,779	6,677	3,007
Provision for loan losses		3,072	2,565	2,258	3,151	2,883
Net interest income, after retailer share arrangements and provision for loan losses		5,137	5,024	4,521	3,526	124
Other income		488	473	498	481	2,550
Other expense		2,483	2,121	2,009	1,978	1,979
Earnings before provision for income taxes		3,142	3,376	3,010	2,029	695
Provision for income taxes		(1,163)	(1,257)	(1,120)	(760)	(294)
Net earnings	\$	\$ 1,979	\$ 2,119	\$ 1,890	\$ 1,269	\$ 401
Weighted average shares outstanding (in thousands)						
Basic						
Diluted						
Earnings per share						
Basic						
Diluted						

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Condensed Combined Statements of Financial Position Information

(\$ in millions)	Pro Forma At December 31, 2013	Historical				
		At December 31,				
		2013	2012	2011	2010(2)	2009
Assets:						
Cash and equivalents	\$	\$ 2,319	\$ 1,334	\$ 1,187	\$ 219	\$ 572
Investment securities		236	193	198	116	7,261
Loan receivables		57,254	52,313	47,741	45,230	22,912
Allowance for loan losses		(2,892)	(2,274)	(2,052)	(2,362)	(1,654)
Goodwill		949	936	936	938	938
Intangible assets, net		300	255	252	227	396
Other assets		919	705	1,853	4,438	7,163
Assets of discontinued operations		—	—	—	1,847	3,092
Total assets		<u>59,085</u>	<u>53,462</u>	<u>50,115</u>	<u>50,653</u>	<u>40,680</u>
Liabilities and Equity:						
Total deposits		25,719	18,804	17,832	13,798	11,609
Total borrowings		24,321	27,815	25,890	30,936	18,069
Accrued expenses and other liabilities		3,085	2,261	2,065	1,600	6,192
Liabilities of discontinued operations		—	—	—	13	6
Total liabilities		<u>53,125</u>	<u>48,880</u>	<u>45,787</u>	<u>46,347</u>	<u>35,876</u>
Total equity		<u>5,960</u>	<u>4,582</u>	<u>4,328</u>	<u>4,306</u>	<u>4,804</u>
Total liabilities and equity	\$	<u>\$ 59,085</u>	<u>\$ 53,462</u>	<u>\$ 50,115</u>	<u>\$ 50,653</u>	<u>\$ 40,680</u>

- (1) In 2011, we completed the sale of a discontinued business operation. See Note 3. *Acquisition and Dispositions* to our combined financial statements. The selected earnings information presented above is of continuing operations.
- (2) On January 1, 2010, we adopted FASB Accounting Standards Codification (“ASC”) Topic 810, *Consolidation*, and began consolidating our securitization entities. In 2009, we recognized gains on the sale of loan receivables to the securitization entities and earnings on retained interests which are included in other income within our Combined Statements of Earnings. The adoption of ASC 810, *Consolidation* on January 1, 2010 resulted in an increase to our total assets of \$13.8 billion and an increase to our total liabilities of \$15.2 billion. The increase in total assets primarily included an increase in loan receivables of \$24.0 billion, but was partially offset by an increase in the allowance for loan losses of \$1.6 billion and a decrease in investment securities of \$7.2 billion. The increase in total liabilities primarily included an increase in borrowings of \$18.8 billion.

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Other Financial and Statistical Data

	Pro Forma ⁽¹⁾	Historical			
	Year Ended December 31,	Years Ended December 31,			
	2013	2013	2012	2011	
<i>(\$ in millions, except per account data)</i>					
Financial Position Data (Average):					
Loan receivables	\$	\$52,407	\$47,549	\$44,131	
Total assets	\$	\$56,184	\$49,905	\$46,218	
Deposits	\$	\$22,911	\$17,514	\$15,442	
Borrowings	\$	\$25,209	\$25,304	\$24,687	
Total equity	\$	\$ 5,121	\$ 4,764	\$ 4,009	
Selected Performance Metrics:					
Purchase volume ⁽²⁾	\$	93,858	\$93,858	\$85,901	\$77,883
Average active accounts (in thousands) ⁽³⁾		56,253	56,253	53,021	51,313
Average purchase volume per active account	\$	1,668	\$ 1,668	\$ 1,620	\$ 1,518
Average loan receivables balance per active account	\$	932	\$ 932	\$ 897	\$ 860
Net interest margin ⁽⁴⁾		%	18.8%	19.7%	18.4%
Net charge-offs	\$	2,454	\$ 2,454	\$ 2,343	\$ 2,560
Net charge-offs as a % of average loan receivables		4.7%	4.7%	4.9%	5.8%
Allowance coverage ratio ⁽⁵⁾		5.1%	5.1%	4.3%	4.3%
Return on assets ⁽⁶⁾		%	3.5%	4.2%	4.1%
Return on equity ⁽⁷⁾		%	38.6%	44.5%	47.1%
Equity to assets ⁽⁸⁾		%	9.1%	9.5%	8.7%
Other expense as a % of average loan receivables		%	4.7%	4.5%	4.6%
Efficiency ratio ⁽⁹⁾		%	28.6%	26.3%	27.6%
Effective income tax rate		37.0%	37.0%	37.2%	37.2%
Capital Ratios for the Bank⁽¹⁰⁾:					
Tier 1 risk-based capital ratio		%	16.0%	13.8%	13.3%
Total risk-based capital ratio		%	17.3%	15.1%	14.5%
Tier 1 leverage ratio		%	14.9%	17.2%	16.0%
Capital Ratios for the Company⁽¹¹⁾:					
Tier 1 common ratio		%	—	—	—
Tier 1 risk-based capital ratio		%	—	—	—
Total risk-based capital ratio		%	—	—	—
Tier 1 leverage ratio		%	—	—	—
Selected Period End Data:					
Total loan receivables	\$	57,254	\$57,254	\$52,313	\$47,741
Allowance for loan losses	\$	2,892	\$ 2,892	\$ 2,274	\$ 2,052
30+ days past due as a % of loan receivables		4.3%	4.3%	4.6%	4.9%
90+ days past due as a % of loan receivables		2.0%	2.0%	2.0%	2.2%
Total active accounts (in thousands) ⁽³⁾		61,957	61,957	57,099	56,605
Other Information:					
Full time employees		9,333	9,333	8,447	8,203
Interest and fees on loans	\$	11,295	\$11,295	\$10,300	\$ 9,134
Other income		488	488	473	498
Retailer share arrangements		(2,362)	(2,362)	(1,975)	(1,430)
Platform revenue ⁽¹²⁾	\$	9,421	\$ 9,421	\$ 8,798	\$ 8,202

(1) The unaudited pro forma financial information for Financial Position Data (Average) and Selected Performance Metrics give effect to the Transactions as if they had occurred as of January 1, 2013 for amounts calculated using average financial position data.

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- (2) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.
- (3) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Open accounts represent credit card or installment loan accounts that are not closed, blocked or more than 60 days delinquent.
- (4) Net interest margin represents net interest income divided by average interest earning assets.
- (5) Allowance coverage ratio represents allowance for loan losses divided by total end-of-period loan receivables.
- (6) Return on assets represents net earnings as a percentage of average total assets.
- (7) Return on equity represents net earnings as a percentage of average total equity.
- (8) Equity to assets represents average equity as a percentage of average total assets.
- (9) Efficiency ratio represents (i) other expense, divided by (ii) net interest income, after retailer share arrangements, plus other income.
- (10) Represent Basel I capital ratios calculated for the Bank.
- (11) Represent Basel I capital ratios calculated for the Company on a pro forma basis. At December 31, 2013, pro forma for the Transactions, the Company had a fully phased-in Basel III Tier 1 common ratio of %. The Company's pro forma capital ratios are non-GAAP measures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital."
- (12) Platform revenue is a non-GAAP measure. The table sets forth each component of our platform revenue for the periods presented. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Platform Analysis."

Unaudited Pro Forma Financial Information

Condensed Combined Statements of Earnings Information

	Year ended December 31, 2013			
	Historical	Pro Forma Adjustments	Notes	Pro Forma
<i>(\$ in millions, except per share data)</i>				
Interest and fees on loans	\$ 11,295	\$		\$
Interest on investment securities(b)	18			
Total interest income	11,313			
Interest on deposits	374			
Interest on borrowings of consolidated securitization entities	211			
Interest on third-party debt	—		(c)	
Interest on related party debt	157		(c)/(d)	
Total interest expense	742			
Net interest income	10,571			
Retailer share arrangements	(2,362)			
Net interest income, after retailer share arrangements	8,209			
Provision for loan losses	3,072			
Net interest income, after retailer share arrangements and provision for loan losses	5,137			
Other income	488			
Other expense	2,483		(e)	
Earnings (loss) before provision for income taxes	3,142			
Provision for income taxes	(1,163)		(f)	
Net earnings	\$ 1,979	\$		\$
Weighted average shares outstanding (in thousands)				
Basic			(i)	
Diluted			(i)	
Earnings per share				
Basic			(i)	
Diluted			(i)	

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Condensed Combined Statements of Financial Position Information

(\$ in millions)	At December 31, 2013			
	Historical	Pro Forma Adjustments	Notes	Pro Forma
Assets:				
Cash and equivalents ^(a)	\$ 2,319	\$	(b)/(c)/(d)/(g)	\$
Investment securities	236			
Loan receivables				
Unsecuritized loans held for investment	31,183			
Restricted loans of consolidated securitization entities	26,071			
Total loan receivables	57,254			
Less: Allowance for loan losses	(2,892)			
Loan receivables, net	54,362			
Goodwill	949			
Intangible assets, net	300			
Other assets	919			
Total assets	\$ 59,085	\$		\$
Liabilities and Equity:				
Deposits:				
Interest bearing deposit accounts	25,360			
Non-interest bearing deposit accounts	359			
Total deposits	25,719			
Borrowings:				
Borrowings of consolidated securitization entities	15,362			
Related party debt	8,959		(c)/(d)	
Third-party debt	—		(c)	
Total borrowings	24,321			
Accrued expenses and other liabilities	3,085			
Total liabilities	\$ 53,125	\$		\$
Equity:				
Common stock, par share value \$ per share (shares outstanding)	—		(g)	
Additional paid-in capital	—		(h)	
Parent's net investment	5,973		(h)	—
Accumulated other comprehensive income	(13)			
Total equity	5,960			
Total liabilities and equity	\$ 59,085	\$		\$

Notes to unaudited pro forma financial information

- (a) Cash and equivalents includes \$216 million of cash in transit which is excluded for the purpose of calculating liquidity.
- (b) Cash and equivalents reflects an increase in assets in our liquidity portfolio from \$2.1 billion to \$ billion. It is expected that our liquidity portfolio will consist of cash and equivalents (primarily in the form of deposits with the Federal Reserve Board), debt obligations of the U.S. Treasury, certain securities issued by U.S. government sponsored enterprises and other highly rated and highly liquid assets. We have assumed that assets contained in the liquidity portfolio will consist entirely of cash and equivalents. Interest on investment securities includes interest on interest-bearing cash and equivalents. We estimate that the additional cash and equivalents in this liquidity portfolio would have

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generated incremental interest income of \$ _____ million for the year ended December 31, 2013, assuming an interest rate of _____ basis points per annum. This incremental interest income is not reflected in the unaudited pro forma combined financial information. An increase (decrease) in the interest rate of 0.125% would increase (decrease) this estimate by \$ _____ million for the year ended December 31, 2013.

- (c) Reflects an adjustment to record \$ _____ billion of new borrowings in connection with this offering, additional borrowing commitments and related interest expense at an estimated weighted average interest rate of _____ % per annum, as follows:
 - (1) Prior to the completion of this offering, we will enter into the \$ _____ billion New GECC Term Loan Facility. The New GECC Term Loan Facility matures in 2019, but we will have the option to prepay the New GECC Term Loan Facility in part or in full at any time prior to that date.
 - (2) Prior to the completion of this offering, we will enter into the \$ _____ billion New Bank Term Loan Facility with third-party lenders. The New Bank Term Loan Facility matures in 2019, but we will have the option to prepay the New Bank Term Loan Facility in part or in full at any time prior to that date.
 - (3) Shortly after the completion of this offering, we plan to issue approximately \$ _____ billion of New Senior Notes under the Planned Debt Offering.
 - (4) Prior to the completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ _____ billion of undrawn committed capacity from private lenders under two of our existing securitization programs, the commitment fees for which are included in the adjustment to interest expense.

The proceeds of the new borrowings will be used to repay \$ _____ billion of the Outstanding Related Party Debt, to increase our capital, to invest in liquid assets to increase the size of our liquidity portfolio, to pay fees and expenses related to the Transactions and for such additional uses as we may determine in the future.

An increase (decrease) in the weighted average interest rate of 0.125% per annum would increase (decrease) pro forma interest expense related to our new borrowings by \$ _____ million for the year ended December 31, 2013.

- (d) Represents the repayment of approximately \$ _____ billion of Outstanding Related Party Debt at December 31, 2013. The weighted average interest rate for the year ended December 31, 2013 on the Outstanding Related Party Debt was 1.7% per annum. The amount to be repaid will be the actual amount of Outstanding Related Party Debt on the closing date of this offering.
- (e) Represents an estimated annual incremental compensation expense of \$ _____ million related to the issuance of a founders' grant of restricted stock units and stock options to a broad group of several hundred employees in connection with this offering, with an estimated total grant date fair value of \$ _____ million. The grant will be amortized over the four-year cliff vesting period.
- (f) Reflects an adjustment to record the tax impact of other pro forma earnings adjustments at a tax rate of 37.3%.
- (g) Represents the net increase in cash and equity of \$ _____ billion from the proceeds of this offering based on an assumed initial public offering price of \$ _____ per share (the midpoint of the price range set forth on the front cover of this prospectus), assuming the underwriters' option to purchase additional shares of common stock from us is not exercised, and less assumed underwriting discounts and commissions and estimated offering expenses.
- (h) Represents the reclassification of GE's net investment in us, which was recorded in Parent's net investment, into Common stock and Additional paid-in capital at a par value of \$0.01 per share.
- (i) Basic and diluted earnings per share and the weighted average shares outstanding for the pro forma earnings per share calculation included in our unaudited pro forma Combined Statements of Earnings are calculated as follows:

<i>December 31, 2013 (\$ in millions, except per share data)</i>	Basic	Diluted
Pro forma net earnings		
Common stock		
Restricted stock units		
Stock options ⁽¹⁾		
Pro forma shares outstanding		
Pro forma earnings per share		

(1) Reflects _____ million shares of common stock available under stock options based on the treasury stock method.

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- (j) We have not reflected any adjustments in our unaudited pro forma combined financial information for the following:
- (1) GE and its subsidiaries, including GECC, historically have provided a variety of services to us, including direct costs associated with services provided directly to us and indirect costs related to GE corporate overhead allocation and assessment. Prior to the completion of this offering, we will enter into a number of arrangements with GE governing the Separation and a variety of transition matters. We expect that GE will continue to provide us with some of the services related to certain functions on a transitional basis in exchange for agreed-upon fees, and we expect to incur other costs to replace the services and resources that will not be provided by GE. We currently expect to incur significant additional expenses to operate as a fully independent public company. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Business Trends and Conditions—Increases in operating expenses following this offering” and “—Separation from GE and Related Financial Arrangements.”
 - (2) We expect increased payments to partners under our recently extended retailer share arrangements and increased other expense, primarily marketing and other expenses dedicated to promoting the extended programs. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Increases of payments under extended program agreements.”
 - (3) We will transition to our benefit plans under the employee matters agreement we will enter into with GE prior to the completion of this offering. Effective as of the date that GE ceases to own at least 50% of our outstanding common stock, our applicable U.S. employees will cease to participate in the GE plans and will participate in employee benefit plans established and maintained by us. For at least the one-year period following the date that GE ceases to own at least 50% of our outstanding common stock, we will maintain plans that will provide our employees with benefits that are comparable in the aggregate to the value of those benefits provided by the GE plans. See “Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Employee Matters Agreement” for further description of these matters.
 - (4) Certain of our employees have historically been granted GE stock options and GE restricted stock units under GE’s 2007 Long-Term Incentive Plan, and as of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees at that time will vest. We have not reflected any adjustment for the expense related to the accelerated vesting of these awards as the date of vesting has not been determined and this expense would be non-recurring.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our combined financial statements and related notes included elsewhere in this prospectus. The discussion below contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations. See "Cautionary Note Regarding Forward-Looking Statements."

Introduction

Business Overview

We are one of the premier consumer financial services companies in the United States. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our "partners." During 2013, we financed \$93.9 billion of sales, and at December 31, 2013, we had \$57.3 billion of loan receivables and 62.0 million active accounts. For the year ended December 31, 2013, we had net earnings of \$2.0 billion, representing a return on assets of 3.5%. See "Summary Historical and Pro Forma Financial Information" for return on assets, return on equity and equity to assets ratios.

We offer our credit products primarily through our wholly-owned subsidiary, the Bank. Through the Bank, we offer a range of direct and brokered deposit products insured by the FDIC. We are expanding our direct banking operations to increase our deposit base as a source of stable and diversified low cost funding for our credit activities. We had \$25.7 billion in deposits at December 31, 2013.

Our Sales Platforms

We conduct our operations through a single business segment and offer our products through three sales platforms (Retail Card, Payment Solutions and CareCredit). Those platforms are organized by the types of products we offer and the partners we work with, and are measured on platform revenues, loan receivables, new accounts and other sales metrics.

Retail Card. Retail Card is a leading provider of private label credit cards, and also provides Dual Cards and small and medium-sized business credit products. At December 31, 2013, Retail Card offered one or more of these products through programs with 24 national and regional retailers that collectively have 34,000 locations. Retail Card's platform revenue consists of interest and fees on our loan receivables, plus other income, less retailer share arrangements. Other income primarily consists of interchange fees earned on Dual Card transactions (when the card is used outside of our partners' sales channels) and fees paid to us by customers who purchase our debt cancellation products, less loyalty program payments. Substantially all of the credit extended in this platform is on standard terms. Retail Card accounted for \$6.4 billion, or 68.0%, of our total platform revenue for the year ended December 31, 2013.

Payment Solutions. Payment Solutions is a leading provider of promotional financing for major consumer purchases, offering primarily private label credit cards and installment loans. At December 31, 2013, Payment Solutions offered these products through 252 programs with national and regional retailers, manufacturers, buying groups and industry associations, and a total of 61,000 participating partners. Substantially all of the credit extended in this platform is promotional financing. Payment Solutions' platform revenue primarily consists of interest and fees on our loan receivables, including "merchant discounts," which are fees paid to us by our partners in almost all cases to compensate us for all or part of foregone interest revenue associated with promotional financing. Payment Solutions accounted for \$1.5 billion, or 16.0%, of our total platform revenue for the year ended December 31, 2013.

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CareCredit. CareCredit is a leading provider of promotional financing to consumers for elective healthcare procedures or services, such as dental, veterinary, cosmetic, vision and audiology. At December 31, 2013, we had a network of 149,000 CareCredit providers, the vast majority of which are individual or small groups of independent healthcare providers, through which we offer a CareCredit branded private label credit card. Substantially all of the credit extended in this platform is promotional financing. CareCredit's platform revenue primarily consists of interest and fees on our loan receivables, including merchant discounts. CareCredit accounted for \$1.5 billion, or 16.0%, of total platform revenue for the year ended December 31, 2013.

Our Credit Products

Through our platforms, we offer three principal types of credit products: credit cards, commercial credit products and consumer installment loans.

The following table sets forth each credit product by type (and within credit cards, by private label and Dual Cards) and indicates the percentage of our total loan receivables that are under standard terms or pursuant to a promotional financing offer at December 31, 2013.

Credit Product	Standard Terms	Promotional Offer	Total
Private label credit cards	45.7%	27.9%	73.6%
Dual Cards	22.2	0.2	22.4
Total credit cards	67.9	28.1	96.0
Commercial credit products	2.3	—	2.3
Consumer installment loans	—	1.7	1.7
Total	70.2%	29.8%	100.0%

Credit Cards. We offer two principal types of credit cards: private label credit cards and Dual Cards:

- *Private label credit cards.* Private label credit cards are partner-branded credit cards (e.g., Lowe's or Amazon) or program-branded credit cards (e.g., CarCareONE or CareCredit) that are used primarily for the purchase of goods and services from the partner or within the program network. In Retail Card, credit under our private label credit cards typically is extended on standard terms only, and in Payment Solutions and CareCredit, credit under our private label credit cards typically is extended pursuant to a promotional financing offer.
- *Dual Cards.* Our proprietary Dual Cards are credit cards that function as a private label credit card when used to purchase goods and services from our partners and as a general purpose credit card when used elsewhere. Credit extended under our Dual Cards typically is extended under standard terms only. Currently, only Retail Card offers Dual Cards. At December 31, 2013, we offered Dual Cards through 18 of our 24 Retail Card programs.

Commercial Credit Products. We offer private label cards and co-branded cards for commercial customers that are similar to our consumer offerings. We also offer a commercial pay-in-full accounts receivable product to a wide range of business customers, and are rolling out an improved customer experience for this product with enhanced functionality. We offer commercial credit products primarily through our Retail Card platform to the commercial customers of our Retail Card partners.

Installment Loans. In Payment Solutions, we originate installment loans to consumers (and a limited number of commercial customers) in the United States, primarily in the power segment. Installment loans are closed-end credit accounts where the customer pays down the outstanding balance in installments. Installment loans are assessed periodic finance charges using fixed interest rates.

Business Trends and Conditions

We believe our business and results of operations will be impacted in the future by various trends and conditions, including the following:

- **Growth in loan receivables and interest income.** We believe continuing improvement in the U.S. economy and employment rates will contribute to an increase in consumer credit spending. In addition, we expect the use of credit cards to continue to increase versus other forms of payment such as cash and checks. We anticipate that these trends, combined with our marketing and partner engagement strategies, will contribute to growth in our loan receivables. In the near-to-medium term, we expect our total interest income to continue to grow, driven by the expected growth in average loan receivables. We do not expect to make any significant changes to customer pricing or merchant discount pricing in the near term, and therefore we expect yields generated from interest and fees on interest-earning assets will remain relatively stable.
- **Changing funding mix and increased funding costs.** Our primary funding sources historically have included cash from operations, deposits (direct and brokered deposits), securitized financings and related party debt provided by GECC and its affiliates. Following this offering, we expect to add third-party credit facilities, unsecured debt financing and transitional funding from GECC as funding sources. Over time we expect to raise additional unsecured debt financing and increase our level of direct deposits to refinance the transitional funding provided by GECC and support growth in our business. We expect the following factors to impact our funding costs:
 - continued growth in our direct deposits as a source of stable and low cost funding;
 - a significant increase in the amount of debt outstanding to fund an increase in the size of our liquidity portfolio;
 - the changing mix in our funding sources, as existing related party debt is replaced by higher cost funding provided by third-party credit facilities, unsecured debt financing and transitional funding from GECC; and
 - a changing interest rate environment.

As a result of these factors, we expect our funding costs in the aggregate following this offering to increase. Pro forma for the Transactions, at December 31, 2013 our debt outstanding would have increased by approximately \$ billion, and for the year ended December 31, 2013, our interest expense would have increased by \$ million, and our cost of funds would have increased from % to % per annum. See “Selected Historical and Pro Forma Financial Information—Unaudited Pro Forma Financial Information.”

- **Extended duration of program agreements.** Since January 1, 2012, we have extended the duration of 21 of our 40 largest program agreements. As a result, we expect to continue to benefit from these programs on a long-term basis as indicated by the following expiration schedule, which indicates for each period the number of programs scheduled to expire and the platform revenue and loan receivables that these programs accounted for at and for the year ended December 31, 2013.

	Scheduled Program Expiration at the Date Hereof					
	2014	2015	2016	2017-18	2019-2020	2021 and beyond
<i>(\$ in millions)</i>						
40 largest programs	7	2	9	12	6	4
Platform revenue (for the year ended December 31, 2013)	\$ 465	\$ 128	\$ 1,270	\$ 1,072	\$ 2,574	\$ 1,547
Loan receivables (at December 31, 2013)	\$ 3,309	\$ 869	\$ 10,896	\$ 6,807	\$ 13,130	\$ 10,502

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Based on written notices received to date from partners for three of our 40 largest programs, we do not expect their program agreements to be extended beyond their contractual expiration dates in 2014. These three program agreements represented, in the aggregate, 2.5% of our total platform revenue for the year ended December 31, 2013 and 3.1% of our total loan receivables at December 31, 2013. In addition, based on discussions to date with one of our ten largest partners, PayPal, we expect to extend our program agreement with that partner for two years beyond its current contractual expiration date in 2014. Although we do not expect the program agreement to be extended beyond the two year extension, we expect that we will agree to a fixed formula for PayPal to purchase the portfolio after the extension expires. The extension is also expected to eliminate certain exclusivity provisions that exist in the current program agreement which we expect will result in lower platform revenue and loan receivables from our PayPal program during the remaining term of the agreement. The PayPal program agreement represented 3.1% of our total platform revenue for the year ended December 31, 2013 and 2.6% of our total loan receivables at December 31, 2013. The table above reflects the expected extended PayPal term.

- ***Increases in retailer share arrangement payments and other expense under extended program agreements*** We believe that as a result of both the overall growth of our programs generally as well as amendments we have made to the terms of certain program agreements that we extended during 2013 and to date in 2014, the payments we make to our partners under our retailer share arrangements, in the aggregate are likely to increase both in absolute terms and as a percentage of our net earnings. In addition, under the terms of certain program agreements we have recently extended, we have agreed to dedicate increased marketing expense and other investments to promote these programs, which will result in an increase in other expense.

We also expect to benefit from these increased payments and other expenses, as they will create additional incentives for our partners to support their programs and, in the case of increased marketing expense and other investments, directly promote these programs, all of which we expect will have a positive impact on purchase volume and result in higher loan receivables and increased interest and fees on loans. We also expect to benefit from the extended duration of our amended program agreements.

- ***Stable asset quality and enhancements to allowance for loan loss methodology*** Our credit performance continued to improve through 2013. Our net charge-off rates decreased from 4.9% for the year ended December 31, 2012 to 4.7% for the year ended December 31, 2013 and our over-30 day delinquency rate decreased from 4.6% at December 31, 2012 to 4.3% at December 31, 2013, which are both below pre-crisis levels. In the near term, we expect the U.S. employment rate to continue to stabilize, and we do not anticipate making significant changes to our underwriting standards. Accordingly, we expect our charge-off rates to remain relatively stable.

During 2012 and 2013, we enhanced our methodology for determining our allowance for loan losses, and as a result we recognized incremental provisions of \$343 million and \$642 million in 2012 and 2013, respectively. We continuously review and evaluate our methodology and models, and we will implement further enhancements or changes to them, as needed.

- ***Increases in other expense to operate as a fully independent company***. We currently estimate incremental other expense of approximately \$ million to \$ million per year in order to operate as a fully independent public company. We expect that the largest component of this increase will be a \$90 million to \$100 million increase in our annual advertising and marketing expense to establish a new brand identity and support the growth of our direct banking operations. Other components of this increase include significant increases in our information technology, compliance, regulatory and risk infrastructure that is necessary to enable us to operate as a fully standalone company. We expect this incremental increase in our annual run rate of other expense to be fully incurred over a two-year period after giving effect to anticipated savings from the reductions in corporate allocations by GE and transitional service payments to GE following the Separation.

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In addition to the increase in other expense described above, and unrelated to the Separation we also expect the variable component of our other expense to increase in absolute terms in line with the growth of our business.

- **Increased capital and liquidity levels.** We expect to maintain sufficient capital and liquidity resources to support our daily operations, our business growth, our credit ratings as well as regulatory and compliance requirements in a cost effective and prudent manner through expected and unexpected market environments. As part of our capital plan, our board of directors intends to consider a policy for paying dividends, and, as appropriate, in the future may consider stock repurchases. We are targeting capital ratios in excess of regulatory requirements. At December 31, 2013, pro forma for the Transactions, the Company had a fully phased-in Basel III Tier 1 common ratio of %.

In addition, to manage liquidity following this offering, we will significantly increase the size of our liquidity portfolio, which will consist of cash and equivalents (primarily in the form of deposits with the Federal Reserve Board), debt obligations of the U.S. Treasury, certain securities issued by U.S. government sponsored enterprises and other highly rated and highly liquid assets. At December 31, 2013, pro forma for the Transactions, we would have a liquidity portfolio with \$ billion of assets (or % of total assets), which will be funded by increased debt as described above and the proceeds of this offering. We expect that following the completion of the Transactions, our liquidity portfolio will continue to grow as a result of anticipated increases in our deposits, and will represent more than % of total assets at June 30, 2014.

- **Impact of regulatory developments.** For the year ended December 31, 2013, our other expense included a \$133 million increase in our consumer regulatory expenses (primarily an increase to our reserves for consumer regulatory matters, including \$34.1 million related to the CareCredit CFPB settlement). For a discussion of ongoing discussions with the CFPB concerning certain other regulatory matters, see “Risk Factors—The Consumer Financial Protection Bureau is a new agency, and there continues to be uncertainty as to how the agency’s actions will impact our business; the agency’s actions have had and may continue to have an adverse impact on our business” and “Risk Factors—Risks Relating to our Business—“Litigation and regulatory actions could subject us to significant fines, penalties, judgments and/or requirements resulting in increased expenses.”

Separation from GE and Related Financial Arrangements

GE and its subsidiaries, including GECC, historically have provided a variety of services and funding to us. Prior to the completion of this offering, we will enter into a transitional services agreement and various other agreements with GE that, together with a number of existing agreements relating to our securitized financings that will remain in effect following this offering, will govern the relationship between GE and us after this offering. We will also enter into the New GECC Term Loan Facility, pursuant to which GECC will provide us with transitional funding. The principal financial implications of these arrangements are discussed below, and the arrangements are described more fully under “Arrangements Among GE, GECC and Our Company” and “Description of Certain Indebtedness—New GECC Term Loan Facility.”

The historical costs and expenses related to these services and funding provided by GE include:

- direct costs associated with services provided directly to us;
- indirect costs related to GE corporate overhead allocation and assessments; and
- interest expense for related party debt.

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The following table sets forth our direct costs, indirect costs, and interest expenses related to services and funding provided by GE for the periods indicated.

Years ended December 31, (\$ in millions)	2013	2012	2011
Direct costs(1)	\$207	\$184	\$181
Indirect costs(1)	230	206	183
Interest expense(2)	157	155	333
Total expenses for services and funding provided by GE	<u>\$594</u>	<u>\$545</u>	<u>\$697</u>

(1) Direct costs and indirect costs are included in the other expense line items in our Combined Statements of Earnings.

(2) Included in the interest expense line item in our Combined Statements of Earnings.

Direct Costs. Certain functions and services, such as employee benefits and insurance, are centralized at GE. In addition, certain third-party contracts for goods and services, such as technology licenses and telecommunication contracts, from which we benefit are entered into by GE. GE allocates the costs associated with these goods and services to us using established allocation methodologies (e.g., pension costs are allocated using an actuarially determined percentage applied to the total compensation of employees who participate in such pension plans). For the years ended December 31, 2013, 2012 and 2011, we recorded \$207 million, \$184 million and \$181 million, respectively, related to these costs from GE. Below is a description of the services resulting in the most significant direct costs, and how those services will be impacted by the Separation.

- *Employee benefits and benefit administration.* Historically, we have reimbursed GE for benefits provided to our employees under various U.S. GE employee benefit plans, including costs associated with our employees' participation in GE's retirement plans (pension, retiree health and life insurance, and savings benefit plans) and active health and life insurance benefit plans. We incurred expenses (including administrative costs) associated with these plans of \$129 million, \$110 million and \$110 million for the years ended December 31, 2013, 2012 and 2011, respectively. GE will continue to provide these benefits to our employees at our cost as long as GE owns at least 50% of our outstanding common stock. See "Arrangements Among GE, GECC and Our Company" and Note 11. *Employee Benefit Plans* to our combined financial statements.
- *Information technology.* GE provides us with certain information technology infrastructure (e.g., data centers), applications and support services. We have incurred \$32 million, \$30 million and \$31 million for these services for the years ending December 31, 2013, 2012 and 2011, respectively.
- *Telecommunication costs.* GE provides us with telecommunication services. These third-party costs are allocated to our business based on the number of phone lines used by our business. We have incurred \$33 million, \$34 million and \$33 million for this service for the years ending December 31, 2013, 2012 and 2011, respectively.
- *Other including leases for vehicles, equipment and facilities.* GE and GE affiliates provide us with certain vehicle and equipment leases. In addition, we have certain facilities shared with GE and GE affiliates for which we are allocated our share of the cost based on space occupied by our business and employees. We have incurred \$13 million, \$10 million and \$7 million for the years ending December 31, 2013, 2012 and 2011, respectively.

In addition to the allocations for the direct costs of the described services, there are expenses for certain items, such as payroll for our employees, corporate credit card bills and freight expenses, which we incur directly but for which GE advances the payment through a centralized payment system on our behalf and we reimburse GE in full for amounts paid. These expenses are reflected in the relevant line items of our financial statements, but are not included in the direct costs above.

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We expect that under the Transitional Services Agreement, direct costs billed to us after the completion of this offering will be at GE's cost in accordance with historic allocation methodologies. We expect the majority of the services provided by GE will be replaced within two years from the completion of this offering.

Indirect Costs. GE and GECC allocate costs to us related to corporate overhead that directly or indirectly benefits our business. These assessments relate to information technology, insurance coverage, tax services provided, executive incentive payments, advertising and branding and other functional support. These allocations are determined primarily using our percentage of GECC's relevant expenses. We have received allocations from GE of \$230 million, \$206 million and \$183 million for these services for the years ended December 31, 2013, 2012 and 2011, respectively. Following this offering, any assessment made by GE will be made under the Transitional Services Agreement in respect of specified services.

We expect to incur incremental advertising and marketing costs, currently estimated to be approximately \$90 million to \$100 million per year, to establish a new brand identity and support the growth of our direct banking operations.

For a discussion of the aggregate impact of the expected changes relating to these costs, see “—Business Trends and Conditions—Increases in operating expenses following this offering” above.

Interest Expense. Historically, we have had access to funding provided by GECC. We used related party debt provided by GECC to meet our funding requirements after taking into account deposits held at the Bank, funding from securitized financings and cash generated from our operations. We incurred borrowing costs for related party debt of \$157 million, \$155 million and \$333 million, for the years ended December 31, 2013, 2012 and 2011, respectively. Our average cost of funds for related party debt was 1.7%, 1.5% and 2.8% for the years ended December 31, 2013, 2012 and 2011, respectively. In connection with this offering, \$_____ of the related party debt outstanding on the closing date of this offering will be repaid, and GECC will provide transitional funding pursuant to the \$_____ billion New GECC Term Loan Facility.

Single Operating Segment

We conduct our business through a single operating segment. See Note 2. *Basis of Presentation and Summary of Significant Accounting Policies—Segment Reporting* to our combined financial statements. Profitability and expenses, including funding costs, loan losses and operating expenses, are managed for the business as a whole. We offer our products through three sales platforms (Retail Card, Payment Solutions and CareCredit), which management measures based on their platform revenues and other revenue-related sales metrics, including purchase volume, loan receivables and new accounts. See “—Platform Analysis.”

Results of Operations

The discussion below provides an analysis of our combined results of operations for the years ended December 31, 2013, 2012 and 2011.

2013 Highlights

Below are highlights of our performance in 2013. These highlights generally are based on a comparison between our 2013 and 2012 results, except as otherwise noted.

- We had net earnings of \$1,979 million on total net interest income of \$10,571 million in 2013 compared to net earnings of \$2,119 million on total net interest income of \$9,564 million in 2012. The decrease in net earnings was driven primarily by an increase in our provision for loan losses as a result of enhancements to our allowance for loan loss methodology.
- Loan receivables increased by \$4,941 million, or 9.4%, to \$57,254 million at December 31, 2013 compared to December 31, 2012. The increase was driven primarily by purchase volume growth of 9.3% in 2013, which was driven by an increase in active accounts and higher purchase volume per account.

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- Net interest income increased by \$1,007 million, or 10.5%, from \$9,564 million in 2012 to \$10,571 million in 2013 due to higher average loan receivables. Net interest income, after retailer share arrangements increased from \$7,589 million in 2012 to \$8,209 million in 2013 as net interest income was offset in part by increased payments to partners under our retailer share arrangements.
- Payments to our partners under our retailer share arrangements increased by \$387 million from \$1,975 million in 2012 to \$2,362 million in 2013, primarily as a result of the growth and improved performance of the programs in which we have retailer share arrangements, as well as by changes to the terms of the retailer share arrangements for those partners with whom we extended program agreements in 2013.
- Loan delinquencies as a percentage of receivables decreased over the prior year with the over 30-day delinquency rate decreasing from 4.6% at December 31, 2012 to 4.3% at December 31, 2013. Reduced delinquency rates were driven by improvements in the quality of our loan receivables and continued improvement in the U.S. economy and employment rates. Net charge-off rates decreased from 4.9% in 2012 to 4.7% in 2013.
- We increased our provision for loan losses by \$507 million from \$2,565 million in 2012 to \$3,072 million in 2013 as a result of enhancements to our allowance for loan loss methodology, offset in part by improved portfolio performance. Reserve coverage (allowance for loan losses as a percent of end of period loan receivables) increased from 4.3% in 2012 to 5.1% in 2013.
- Other expense increased from \$2,121 million in 2012 to \$2,483 million in 2013. The increase to other expense was driven primarily by a \$133 million increase in our consumer regulatory expenses (inclusive of CareCredit's \$34.1 million CFPB settlement), \$78 million increase in employee costs, \$53 million increase in marketing expense, \$35 million related to professional fees and \$24 million increase in GE allocations and assessments. These increases (excluding the consumer regulatory expenses) were predominantly driven by the growth in purchase volume, transactions and receivables of our business.
- We acquired MetLife's direct-to-consumer retail banking platform. Primarily as a result of the MetLife acquisition, we increased our deposit funding from 40% at December 31, 2012 to 51% of our total funding at December 31, 2013 (an increase of \$6,915 million) while decreasing funding from securitized financings from 37% to 31% and related party debt from 23% to 18%.
- In 2013, we launched new programs with 14 partners (two in Retail Card (EBates and Phillips 66) and 12 in Payment Solutions) and added 17,000 new providers to our CareCredit network. We extended four program agreements in Retail Card (Belk, Brooks Brothers, JCPenney and Wal-Mart) and 52 program agreements in Payment Solutions, representing \$16.3 billion in loan receivables at December 31, 2013, and did not extend agreements with five retailers in Payment Solutions, representing \$0.1 billion in loan receivables at December 31, 2013.

2012 Highlights

Below are highlights of our performance in 2012. These highlights generally are based on a comparison between our 2012 and 2011 results, except as otherwise noted.

- We had net earnings of \$2,119 million on total net interest income of \$9,564 million in 2012 compared to net earnings of \$1,890 million on total net interest income of \$8,209 million in 2011.
- Loan receivables increased by \$4,572 million, or 9.6%, from \$47,741 million to \$52,313 million at December 31, 2012 compared to December 31, 2011. The net increase was driven primarily by purchase volume growth of 10.3% in 2012, which was driven by more active accounts and higher purchase volume per account.

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- Net interest income increased by \$1,355 million, or 16.5%, from \$8,209 million in 2011 to \$9,564 million in 2012 due to higher average loan receivables and increased yield. Net interest income, after retailer share arrangements increased from \$6,779 million in 2011 to \$7,589 million in 2012 as net interest income was offset in part by increased payments to partners under our retailer share arrangements.
- Payments to our partners under our retailer share arrangements increased by \$545 million from \$1,430 million in 2011 to \$1,975 million in 2012, primarily as a result of growth and improved performance of the programs in which we have retailer share arrangements, as well as by changes to the terms of the retailer share arrangements for those partners with whom we extended programs agreements in 2012.
- Loan delinquencies as a percentage of receivables decreased over the prior year with the over-30 day delinquency rate decreasing from 4.9% at December 31, 2011 to 4.6% at December 31, 2012. Reduced delinquency rates were driven by improvements in the quality of our loan receivables and continued improvement in the U.S. economy and employment rates. Net charge-off rates decreased from 5.8% in 2011 to 4.9% in 2012.
- Despite improvement in our loan delinquencies and charge-off rates, we increased our provision for loan losses by \$307 million from \$2,258 million in 2011 to \$2,565 million in 2012 primarily as a result of enhancements to our allowance for loan loss methodology. Reserve coverage was stable at 4.3% in 2012.
- Other expense increased from \$2,009 million in 2011 to \$2,121 million in 2012. The increase to other expense was driven primarily by a \$60 million increase in fraud expense, a \$24 million increase in employee costs and a \$19 million increase in professional fees.
- Our funding mix continued to shift in 2012 from earlier periods. Our total securitized financings increased from \$14.2 billion in 2011 to \$17.2 billion in 2012; our deposits increased from \$17.8 billion in 2011 to \$18.8 billion in 2012, and related party debt was reduced from \$11.7 billion in 2011 to \$10.6 billion in 2012.
- In 2012, we launched new programs with 12 partners (one in Retail Card (Toys “R” Us) and 11 in Payment Solutions) and added 19,000 new providers to our CareCredit network. We extended three program agreements in Retail Card (Amazon, Gap and Sam’s Club) and 58 program agreements in Payment Solutions, representing \$12.8 billion in loan receivables at December 31, 2012, and did not extend agreements with five retailers in Payment Solutions, representing \$0.3 billion in loan receivables at December 31, 2012.

Summary Earnings

The following table sets forth our results of operations for the periods indicated.

Years ended December 31 (\$ in millions)	Years Ended December 31,		
	2013	2012	2011
Interest income	\$ 11,313	\$ 10,309	\$ 9,141
Interest expense	742	745	932
Net interest income	10,571	9,564	8,209
Retailer share arrangements	(2,362)	(1,975)	(1,430)
Net interest income, after retailer share arrangements	8,209	7,589	6,779
Provision for loan losses	3,072	2,565	2,258
Net interest income, after retailer share arrangements and provision for loan losses	5,137	5,024	4,521
Other income	488	473	498
Other expense	2,483	2,121	2,009
Earnings before provision for income taxes	3,142	3,376	3,010
Provision for income taxes	(1,163)	(1,257)	(1,120)
Net earnings	<u>\$ 1,979</u>	<u>\$ 2,119</u>	<u>\$ 1,890</u>

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Average Balance Sheet and Volume/Rate Analyses

The following table sets forth information for the periods indicated regarding average balance sheet data and volume/rate variance data, which are used in the discussion of interest income, interest expense and net interest income that follows.

Years ended December 31, (\$ in millions)	2013			2012			2011		
	Average Balance(1)	Interest Income / Expense	Average Yield / Rate(2)	Average Balance(1)	Interest Income/ Expense	Average Yield / Rate(2)	Average Balance(1)	Interest Income / Expense	Average Yield / Rate(2)
Assets									
Interest-earning assets:									
Interest-earning cash and equivalents(3)	\$ 3,651	\$ 10	0.3%	\$ 787	\$ 2	0.3%	\$ 130	\$ —	0.0%
Securities available for sale	217	8	3.7%	189	7	3.7%	155	7	4.5%
Other short-term investment securities	—	—	0.0%	50	—	0.0%	188	—	0.0%
Loan receivables(4):									
Credit cards(5)	49,704	11,015	22.2%	44,460	9,967	22.4%	40,219	8,720	21.7%
Consumer installment loans	1,336	129	9.7%	1,705	176	10.3%	2,468	245	9.9%
Commercial credit products	1,355	150	11.1%	1,366	156	11.4%	1,420	168	11.8%
Other	12	1	8.3%	18	1	5.6%	24	1	4.2%
Total loan receivables	52,407	11,295	21.6%	47,549	10,300	21.7%	44,131	9,134	20.7%
Total interest-earning assets	56,275	11,313	20.1%	48,575	10,309	21.2%	44,604	9,141	20.5%
Non-interest-earning assets:									
Cash and due from banks	552			475			457		
Allowance for loans losses	(2,693)			(1,908)			(2,034)		
Other assets	2,050			2,763			3,191		
Total non-interest-earning assets	(91)			1,330			1,614		
Total assets	\$ 56,184			\$ 49,905			\$ 46,218		
Liabilities									
Interest-bearing liabilities:									
Interest-bearing deposit accounts	\$ 22,405	\$ 374	1.7%	\$ 17,039	\$ 362	2.1%	\$ 15,025	\$ 351	2.3%
Borrowings of consolidated securitization entities	16,209	211	1.3%	15,172	228	1.5%	12,958	248	1.9%
Related party debt	9,000	157	1.7%	10,132	155	1.5%	11,729	333	2.8%
Total interest-bearing liabilities	47,614	742	1.6%	42,343	745	1.8%	39,712	932	2.3%
Non-interest-bearing liabilities									
Non-interest-bearing deposit accounts	506			475			417		
Other liabilities	2,943			2,323			2,080		
Total non-interest-bearing liabilities	3,449			2,798			2,497		
Total liabilities	51,063			45,141			42,209		
Equity									
Total equity	5,121			4,764			4,009		
Total liabilities and equity	\$ 56,184			\$ 49,905			\$ 46,218		
Interest rate spread(6)			18.5%			19.4%			18.2%
Net interest income		\$10,571			\$ 9,564			\$ 8,209	
Net yield on total interest-earning assets(7)			18.8%			19.7%			18.4%

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- (1) Average balances are based on monthly balances, except that where monthly balances are unavailable, quarter end balances are used. Collection of daily averages involves undue burden and expense. We believe our average balance sheet data is representative of our operations.
- (2) Average yields/rates are based on total interest income/expense over average monthly balances.
- (3) Includes average restricted cash balances of \$58 million, \$55 million and \$33 million for the years ended December 31, 2013, 2012 and 2011, respectively.
- (4) Non-accrual loans are included in the average loan receivables balances.
- (5) Interest income on credit cards includes fees on loans of \$2,029 million, \$1,928 million and \$1,649 million for the years ended December 31, 2013, 2012 and 2011 respectively.
- (6) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.
- (7) Net yield on interest-earning assets represents net interest income, divided by total average interest-earning assets.

The following table sets forth the amount of changes in interest income and interest expense due to changes in average volume and average yield/rate. Variances due to changes in both average volume and yield/rate have been allocated between the average volume and average yield/rate variances on a consistent basis based upon the respective percentage changes in average balances and average yield/rate.

(\$ in millions)	2013 vs. 2012			2012 vs. 2011		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
	Average Volume	Average Yield / Rate	Net Change	Average Volume	Average Yield / Rate	Net Change
Interest-earning assets:						
Interest-earning cash and equivalents	\$ 7	\$ 1	\$ 8	\$ 2	\$ —	\$ 2
Securities available for sale	1	—	1	1	(1)	—
Loan receivables:						
Credit cards	1,176	(128)	1,048	919	328	1,247
Consumer installment loans	(38)	(9)	(47)	(76)	7	(69)
Commercial credit products	(1)	(5)	(6)	(6)	(6)	(12)
Other	—	—	—	—	—	—
Total loan receivables	1,137	(142)	995	837	329	1,166
Change in interest income from total interest-earning assets	\$ 1,145	\$ (141)	\$ 1,004	\$ 840	\$ 328	\$ 1,168
Interest-bearing liabilities:						
Interest-bearing deposit accounts	\$ 114	\$ (102)	\$ 12	\$ 47	\$ (36)	\$ 11
Borrowings of consolidated securitization entities	15	(32)	(17)	43	(63)	(20)
Related party debt	(17)	19	2	(45)	(133)	(178)
Change in interest expense from total interest-bearing liabilities	112	(115)	(3)	45	(232)	(187)
Change in net interest income from total interest-earning assets	\$ 1,033	\$ (26)	\$ 1,007	\$ 795	\$ 560	\$ 1,355

Interest Income

Interest income is comprised of interest and fees on loans, which includes merchant discounts provided by partners in almost all cases to compensate us for all or part of the promotional financing provided to their customers, and interest on cash equivalents and investment securities. We include in interest and fees on loans any past due interest and fees deemed to be collectible. Direct loan origination costs on credit card loans are

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deferred and amortized on a straight-line basis over a one-year period and recorded in interest and fees on loans. For non-credit card receivables, direct loan origination costs are deferred and amortized over the life of the loan and recorded in interest and fees on loans.

We analyze interest income as a function of two principal components: average interest-earning assets and yield on average interest-earning assets. Key drivers of average interest-earning assets include:

- purchase volumes, which are influenced by a number of factors including macroeconomic conditions and consumer confidence generally, our partners' sales and our ability to increase our share of those sales;
- payment rates, reflecting the extent to which customers maintain a credit balance;
- charge-offs, reflecting the receivables that are deemed not to be collectible;
- the size of our liquidity portfolio; and
- portfolio acquisitions when we enter into new partner relationships.

Over the past three years, our significant portfolio acquisitions, which in the aggregate accounted for \$1.8 billion of loan receivables at the time of acquisition and \$3.1 billion of loan receivables at December 31, 2013, were as follows:

- Phillips 66—acquired on June 28, 2013;
- Toys “R” Us—acquired on June 21, 2012;
- TJX (including T.J.Maxx, Marshalls and HomeGoods)—acquired on June 15, 2011; and
- Ashley HomeStores—acquired on January 11, 2011.

Key drivers of yield on average interest-earning assets include:

- pricing (contractual rates of interest, late fees and merchant discount rates);
- changes to our mix of loans (e.g., the number of loans bearing promotional rates as compared to standard rates);
- frequency of late fees incurred when account holders fail to make their minimum payment by the required due date;
- credit performance and accrual status of our loans; and
- yield earned on our liquidity portfolio.

Interest income increased from \$10,309 million for the year ended December 31, 2012 to \$11,313 million for the year ended December 31, 2013, or by 9.7%. This increase was driven primarily by the increase in average interest-earning assets, which contributed \$1,145 million to interest income for the year ended December 31, 2013, partially offset by the decrease in the yield on interest-earning assets from 21.2% to 20.1%, which reduced interest income by \$141 million. While yield on interest-earning loan receivables was relatively flat, the significant increase in the amount of cash and equivalents in our liquidity portfolio negatively impacted overall yield on interest-earning assets.

- *Average interest-earning assets.* Interest-earning assets are comprised primarily of loan receivables. Average loan receivables increased from \$47,549 million for the year ended December 31, 2012 to \$52,407 million for the year ended December 31, 2013. This increase in average loan receivables was driven primarily by increased purchase volumes, as average annual purchase volume per account increased from \$1,620 for the year ended December 31, 2012 to \$1,668 for the year ended December 31, 2013, and the average active credit card accounts increased from 53.0 million for the year ended December 31, 2012 to 56.3 million for the year ended December 31, 2013. Our average

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account balance increased from \$897 for the year ended December 31, 2012 to \$932 for the year ended December 31, 2013, reflecting the increase in purchase volumes and lower payment rates. The increase in average loan receivables also reflects the addition of the assets related to the acquisition of the Phillips 66 portfolio, which was completed in the second quarter of 2013.

- *Yield on average interest-earning assets.* The yield on interest-earning assets is driven primarily by yield on average interest-earning loan receivables (which decreased from 21.7% for the year ended December 31, 2012 to 21.6% for the year ended December 31, 2013) and the size of our liquidity portfolio (which increased from \$1,037 million for the year ended December 31, 2012 to \$2,103 million for the year ended December 31, 2013). The lower interest yield on interest-earning loan receivables for the year ended December 31, 2013 was largely attributable to a decrease in late fees as a percentage of average interest-earning loan receivables.

Interest income increased from \$9,141 million for the year ended December 31, 2011 to \$10,309 million for the year ended December 31, 2012, or by 12.8%. This increase was driven by the increase in average balances of interest-earning assets, which contributed \$840 million, and the increase in the yield on interest-earning assets from 20.5% for the year ended December 31, 2011 to 21.2% for the year ended December 31, 2012, which contributed \$328 million to the increase in interest income for the year ended December 31, 2012.

- *Average interest-earning assets.* Average loan receivables increased from \$44,131 million for the year ended December 31, 2011 to \$47,549 million for the year ended December 31, 2012. This increase in average loan receivables reflects a \$8,018 million increase in purchase volume and the addition of assets related to the acquisition of the Toys “R” Us portfolio, which was completed in the second quarter of 2012. The growth in purchase volume reflected an increase in average annual purchase volume per account from \$1,518 for the year ended December 31, 2011 to \$1,620 for the year ended December 31, 2012 and an increase in average active credit card accounts from 51.3 million for the year ended December 31, 2011 to 53.0 million for the year ended December 31, 2012.
- *Yield on average interest-earning assets.* Yield on interest-earning assets is driven primarily by yield on average interest-earning loan receivables, which increased from approximately 20.7% for the year ended December 31, 2011 to approximately 21.7% for the year ended December 31, 2012. The higher interest yield in 2012 was largely attributable to higher average annual percentage rate mix and higher late fees as a percentage of average interest-earning loan receivables.

Interest Expense

Interest expense is incurred on our interest-bearing liabilities, which consisted of interest-bearing deposit accounts, borrowings of consolidated securitization entities and related party debt provided by GECC.

Key drivers of interest expense include:

- the amounts outstanding of our borrowings, deposits and other funding sources;
- the interest rate environment and its effect on interest rates paid on our funding sources; and
- the changing mix in our funding sources among deposits, GECC financing and third-party securitization and unsecured borrowings.

Interest expense decreased from \$745 million for the year ended December 31, 2012 to \$742 million for the year ended December 31, 2013. The effect of an increase in average interest-bearing liabilities, from \$42,343 million for the year ended December 31, 2012 to \$47,614 million for the year ended December 31, 2013, was more than offset by a lower average cost of funds (1.8% for the year ended December 31, 2012 versus 1.6% for the year ended December 31, 2013).

Interest expense decreased from \$932 million for the year ended December 31, 2011 to \$745 million for the year ended December 31, 2012. The effect of an increase in average interest-bearing liabilities, from \$39,712

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million for the year ended December 31, 2011 to \$42,343 million for the year ended December 31, 2012, was more than offset by a lower average cost of funds (2.3% for the year ended December 31, 2011 versus 1.8% for the year ended December 31, 2012) due to a lower interest rate environment and a reduction of the interest rate assessed by GECC on related party debt.

Net Interest Income

Net interest income represents the difference between interest income and interest expense. We expect net interest income as a percentage of interest-earning assets to be influenced by changes in the interest rate environment, changes in our mix of products, the level of loans bearing promotional rates as compared to our standard rates, credit performance of our loans and changes in the amount and composition of our interest-bearing liabilities.

Net interest income increased from \$9,564 million for the year ended December 31, 2012 to \$10,571 million for the year ended December 31, 2013, or by 10.5%. This increase was driven primarily by an increase in average interest-earning receivables, which contributed \$1,137 million.

Net interest income increased from \$8,209 million for the year ended December 31, 2011 to \$9,564 million for the year ended December 31, 2012, or by 16.5%. This increase was driven primarily by three components: an increase in average interest-earning assets which contributed \$840 million, an increase in the yield on interest-earning assets from 20.5% for the year ended December 31, 2011 to 21.2% for the year ended December 31, 2012, which contributed \$328 million, and a decrease in the yield on interest-bearing liabilities from 2.3% for the year ended December 31, 2011 to 1.8% for the year ended December 31, 2012, which contributed \$232 million.

Retailer Share Arrangements

Most of our Retail Card program agreements and certain other program agreements contain retailer share arrangements that provide for payments to our partner if the economic performance of the program exceeds a contractually defined threshold. These arrangements are designed to align our interests and provide an additional incentive to our partners to promote our credit products. Although the share arrangements vary by partner, these arrangements are generally structured to measure the economic performance of the program, based typically on agreed upon program revenues (including interest income and certain other income) less agreed upon program expenses (including interest expense, provision for loan losses, retailer payments and operating expenses), and share portions of this amount above a negotiated threshold. The threshold and economic performance of a program that are used to calculate payments to our partners may be based on, among other things, agreed upon measures of program expenses rather than our actual expenses, and therefore increases in our actual expenses (such as funding costs or operating expenses) may not necessarily result in reduced payments under our retailer share arrangements. These arrangements are typically designed to permit us to achieve an economic return before we are required to make payments to our partners based on the agreed contractually defined threshold. Our payments to partners pursuant to these retailer share arrangements have increased in recent years (both in absolute terms and as a proportion of interest income), partially as a result of the growth of our receivables related to programs with retailer share arrangements and improvements in the credit performance of these receivables. In addition, we have made changes to the terms of certain program agreements that have been re-negotiated in the past few years that have contributed to the increase in payments to partners pursuant to retailer share arrangements.

We believe that our retailer share arrangements have been effective in helping us to grow our business by aligning our partners' interests with ours. We also believe that changes to the terms of certain program agreements that have contributed to the increase in our retailer share arrangement payments will help us to grow our business by providing an additional incentive to the relevant partners to promote our credit products going forward. Payments to partners pursuant to these retailer share arrangements would generally decrease, and mitigate the impact on our profitability, in the event of declines in the performance of the programs or the

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occurrence of other unfavorable developments that impact the calculation of payments to our partners pursuant to our retailer share arrangements.

Payments under retailer share arrangements increased from \$1,975 million for the year ended December 31, 2012 to \$2,362 million for the year ended December 31, 2013. This increase was driven by the growth and improved performance of the programs in which we have retailer share arrangements, as well as by changes to the terms of the retailer share arrangements for those partners with whom we extended program agreements in 2013.

Retailer share arrangements increased from \$1,430 million for the year ended December 31, 2011 to \$1,975 million for the year ended December 31, 2012. This increase was driven by the growth and improved performance of the programs in which we have retailer share arrangements, as well as by changes to the terms of the retailer share arrangements for those partners with whom we extended program agreements in 2012.

Provision for Loan Losses

Provision for loan losses is the expense related to maintaining the allowance for loan losses at an appropriate level to absorb the estimated probable losses inherent in the loan portfolio at each period end date. Provision for loan losses in each period is a function of net charge-offs (gross charge-offs net of recoveries) and the required level of the allowance for loan losses. We incurred a provision for loan losses of \$3,072 million, \$2,565 million and \$2,258 million for the years ended December 31, 2013, 2012 and 2011, respectively. During 2012 we began a process to enhance our allowance for loan losses methodology by revising our estimates to determine the incurred loss period for each type of loss (i.e., aged, fraud, deceased, settlement, other non-aged and bankruptcy) by partner. This enhancement resulted in a more granular portfolio segmentation analysis, by loss type, included a qualitative assessment of the adequacy of the portfolio's allowance for loan losses, which compared the allowance for losses to projected net charge-offs over the next 12 months, in a manner consistent with regulatory guidance, and was designed to provide a better estimate of the date of a probable loss event and length of time required for a probable loss event to result in a charge-off. We recognized incremental provisions of \$343 million for the year ended December 31, 2012 and \$642 million for the year ended December 31, 2013, in each case, as a result of these enhancements. We continuously review and evaluate our methodology and models, and we will implement further enhancements or changes to them, as needed.

Provision for loan losses increased from \$2,565 million for the year ended December 31, 2012 to \$3,072 million for the year ended December 31, 2013. This increase was driven primarily by the enhancements to our allowance for loan loss methodology referred to above and loan receivables growth, which was offset in part by lower provisions as a result of improvements to our delinquency and charge-off rates.

Provision for loan losses increased from \$2,258 million for the year ended December 31, 2011 to \$2,565 million for the year ended December 31, 2012. This increase was driven primarily by the enhancements to our allowance for loan loss methodology and loan receivables growth, which was offset in part by lower provisions as a result of improvements to our delinquency and charge-off rates.

Other Income

The following table sets forth our other income for the periods indicated.

<i>Years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interchange revenue	\$ 325	\$ 288	\$ 237
Debt cancellation fees	324	309	319
Loyalty programs	(213)	(199)	(198)
Other	52	75	140
Total other income	<u>\$ 488</u>	<u>\$ 473</u>	<u>\$ 498</u>

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Interchange revenue. We earn interchange fees on Dual Card transactions outside of our partners' locations, based on a flat fee plus a percent of the purchase amount. We also process general purpose card transactions for some Payment Solutions and CareCredit partners as their acquiring bank, for which we obtain an interchange fee. Interchange revenue increased from \$288 million for the year ended December 31, 2012 to \$325 million for the year ended December 31, 2013, or by 12.8%. Interchange revenue increased from \$237 million for the year ended December 31, 2011 to \$288 million for the year ended December 31, 2012, or by 21.5%. These increases were due to increases in Dual Card purchase volume outside of our partners' locations.

Debt cancellation fees. Debt cancellation fees relate to payment protection products purchased by our credit card customers. Customers who choose to purchase these products are charged a monthly fee based on their account balance. In return, we will cancel all or a portion of a customer's credit card balance in the event of certain qualifying life events. In October 2012, we ceased debt cancellation product sales via phone calls to our customer service department and began to only offer the product online and, on a limited basis, by direct mail, which has led to a decrease in new enrollments for this product and is expected to result in a lower level of income generated by this product in the future as the balances of existing accounts enrolled in this program decrease over time. Debt cancellation fees increased from \$309 million for the year ended December 31, 2012 to \$324 million for the year ended December 31, 2013, driven primarily by higher average account balances of customers that have purchased our debt cancellation product. Debt cancellation fees decreased from \$319 million for the year ended December 31, 2011 to \$309 million for the year ended December 31, 2012, primarily due to reduced pricing.

Loyalty programs. We operate a number of loyalty programs in our Retail Card platform that are designed to generate incremental purchase volume per customer, while reinforcing the value of the card and strengthening cardholder loyalty. These programs typically provide cardholders with rewards in the form of merchandise discounts that are earned by achieving a pre-set spending level on their private label or Dual Card. Other programs provide cashback or reward points, which are redeemable for a variety of products or awards. Loyalty programs cost increased from \$199 million for the year ended December 31, 2012 to \$213 million for the year ended December 31, 2013, or by 7.0%, primarily due to increased purchase volume. Loyalty program cost did not change materially from 2011 to 2012.

Other. Other includes a variety of items including ancillary fees and investment gains/losses. Other decreased from \$75 million for the year ended December 31, 2012 to \$52 million for the year ended December 31, 2013, primarily due to lower ancillary fees. Other decreased from \$140 million for the year ended December 31, 2011 to \$75 million for the year ended December 31, 2012, primarily due to a 2011 gain related to the sale of a portfolio and lower ancillary fees.

Other Expense

The following table sets forth our other expense for the periods indicated.

<i>Years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Employee costs	\$ 698	\$ 620	\$ 596
Professional fees	485	450	431
Marketing and business development	208	155	164
Information processing	193	165	157
Corporate overhead allocations and assessments ⁽¹⁾	230	206	183
Other ⁽¹⁾	669	525	478
Total other expense	<u>\$2,483</u>	<u>\$2,121</u>	<u>\$2,009</u>

(1) In our Combined Statements of Earnings, these two items are both combined and included under a single line item in other expense under the heading "other."

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Employee costs. Employee costs primarily consist of employee compensation and benefit costs. Employee costs increased from \$620 million for the year ended December 31, 2012 to \$698 million for the year ended December 31, 2013, primarily related to additional compensation expenses for new employees and salary increases for existing employees. Employee costs increased from \$596 million for the year ended December 31, 2011 to \$620 million for the year ended December 31, 2012, primarily related to additional compensation expenses for new employees and salary increases for existing employees.

Professional fees. Professional fees consist primarily of outsourced provider fees (e.g., collection agencies and call centers), legal, accounting and consulting fees, and recruiting expenses. Professional fees increased from \$450 million for the year ended December 31, 2012 to \$485 million in 2013. Professional fees increased from \$431 million for the year ended December 31, 2011 to \$450 million for the year ended December 31, 2012. These expense increases were driven primarily by our business growth (e.g., increased active accounts and increased purchase volumes).

Marketing and business development. Marketing and business development costs consist of both our contractual and discretionary marketing spend. Marketing and business development costs increased from \$155 million for the year ended December 31, 2012 to \$208 million for the year ended December 31, 2013, due to increased contractual marketing expenses under our program agreements resulting from growth in the business. Marketing and business development costs remained relatively flat between 2011 and 2012.

Information processing. Information processing costs primarily consist of fees related to outsourced information processing providers, credit card associations and software licensing agreements. Information processing costs increased from \$165 million for the year ended December 31, 2012 to \$193 million for the year ended December 31, 2013, due to higher transaction volume and associated outsourcing fees. Information processing costs increased from \$157 million for the year ended December 31, 2011 to \$165 million for the year ended December 31, 2012.

Corporate overhead allocations. As discussed above under “—Separation from GE and Related Financial Arrangements,” corporate overhead allocations were \$230 million, \$206 million and \$183 million for the years ended December 31, 2013, 2012 and 2011, respectively. These amounts do not include services provided by GE where the costs associated with such services are directly billed and included in the appropriate cost categories (e.g., employee benefit costs are included in employee costs above).

Other. Other primarily consists of postage (\$223 million, \$214 million and \$213 million for the years ended December 31, 2013, 2012 and 2011, respectively), fraud expense (\$134 million, \$132 million and \$72 million for the years ended December 31, 2013, 2012, and 2011, respectively), litigation and consumer regulatory matters expense described above (\$133 million, \$0 million and \$0 million for the years ended December 31, 2013, 2012 and 2011, respectively) and various other smaller cost items such as facilities leases and maintenance, leased equipment and telephone charges. Postage is driven primarily by the number of our active accounts and the percentage of customers that utilize our electronic billing option. Fraud is driven primarily by the number of our Dual Card active accounts. Our litigation and consumer regulatory matters expense increased in 2013 as we settled a CareCredit investigation pursuant to which we will pay up to \$34.1 million, as well as increased reserves for ongoing regulatory matters.

Provision for Income Taxes

We are included in the consolidated federal and state income tax returns of GE, where applicable, but also file certain separate state and foreign income tax returns. The tax provision is presented on a separate company basis as if we were a separate filer. The effects of tax adjustments and settlements from taxing authorities are presented in our combined financial statements in the period to which they relate as if we were a separate filer. Our current obligations for taxes are settled with our parent on an estimated basis and adjusted in later periods as appropriate and are reflected in our combined financial statements in the periods in which those

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settlements occur. The effective tax rate was 37.0%, 37.2% and 37.2% for the years ended December 31, 2013, 2012 and 2011, respectively. In 2013, 2012 and 2011, the effective tax rate differs from the U.S. federal statutory tax rate of 35.0% primarily due to state income taxes. We are subject to income tax in the United States (federal, state and local) as well as other jurisdictions in which we operate. Our provision for income tax expense is based on our income, the statutory tax rates and other provisions of the tax laws applicable to us in each of these various jurisdictions. These laws are complex, and their application to our facts is at times open to interpretation. The process of determining our consolidated income tax expense includes significant judgments and estimates, including judgments regarding the interpretation of those laws. Our provision for income taxes and our deferred tax assets and liabilities incorporate those judgments and estimates, and reflect management's best estimate of current and future income taxes to be paid. Deferred tax assets and liabilities relate to temporary differences between the financial reporting and income tax bases of our assets and liabilities, as well as the impact of tax loss carryforwards or carrybacks. Deferred income tax expense or benefit represents the expected increase or decrease to future tax payments as these temporary differences reverse over time. Deferred tax assets are specific to the jurisdiction in which they arise, and are recognized subject to management's judgment that realization of those assets is "more likely than not." In making decisions regarding our ability to realize tax assets, we evaluate all positive and negative evidence, including projected future taxable income, taxable income in carryback periods, expected reversal of deferred tax liabilities, and the implementation of available tax planning strategies.

We recognize the financial statement impact of uncertain income tax positions when we conclude that it is more likely than not, based on the technical merits of a position, that the position will be sustained upon audit by the taxing authority. In certain situations, we establish a liability that represents the difference between a tax position taken (or expected to be taken) on an income tax return and the amount of taxes recognized in our financial statements. We recognize accrued interest and penalties related to uncertain income tax positions as interest expense and provision for income taxes, respectively.

Platform Analysis

As discussed above under "—Introduction—Our Sales Platforms," we offer our products through three sales platforms (Retail Card, Payment Solutions and CareCredit), which management measures based on their revenue-generating activities. The following is a discussion of the platform revenue for each of our platforms.

Non-GAAP Measures

In order to assess and internally report the revenue performance of our three sales platforms, we use a measure we refer to as "platform revenue." Platform revenue is the sum of three line items in our Combined Statements of Earnings prepared in accordance with GAAP: "interest and fees on loans," plus "other income," less "retailer share arrangements." Platform revenue itself is not a measure presented in accordance with GAAP. We deduct retailer share arrangements but do not deduct other line item expenses, such as interest expense, provision for loan losses and other expense, because those items are managed for the business as a whole. We believe that platform revenue is a useful measure to investors because it represents management's view of the net revenue contribution of each of our platforms. This measure should not be considered a substitute for interest and fees on loans or other measures of performance we have reported in accordance with GAAP. The reconciliation of platform revenue to interest and fees on loans for each platform is set forth in the table included in the discussion of each of our three platforms below. The following table sets forth the reconciliation of total platform revenue to total interest and fees on loans for the periods indicated.

(\$ in millions)	Years Ended December 31,		
	2013	2012	2011
Interest and fees on loans	\$11,295	\$10,300	\$ 9,134
Other income	488	473	498
Retailer share arrangements	(2,362)	(1,975)	(1,430)
Platform revenue	<u>\$ 9,421</u>	<u>\$ 8,798</u>	<u>\$ 8,202</u>

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Retail Card

The following table sets forth supplemental information related to our Retail Card platform for the periods indicated.

<i>Years ended December 31 (\$ in millions, except per account data)</i>	2013	2012	2011
Purchase volume	\$ 75,739	\$ 69,240	\$ 62,663
Period-end loan receivables	\$ 39,834	\$ 35,952	\$ 32,087
Average loan receivables	\$ 35,716	\$ 31,907	\$ 28,743
Average active accounts (in thousands)	45,690	43,223	42,079
Average purchase volume per account	\$ 1,658	\$ 1,602	\$ 1,489
Average loan receivable balance per account	\$ 782	\$ 738	\$ 683
Interest and fees on loans	\$ 8,317	\$ 7,531	\$ 6,536
Other income	407	392	382
Retailer share arrangements	(2,320)	(1,937)	(1,384)
Platform revenue	<u>\$ 6,404</u>	<u>\$ 5,986</u>	<u>\$ 5,534</u>

Retail Card platform revenue increased from \$5,986 million for the year ended December 31, 2012 to \$6,404 million for the year ended December 31, 2013. This increase was primarily the result of an increase in interest and fees on loans driven by an increase in average loan receivables, offset in part by an increase in retailer share arrangement payments as a result of program growth and improved performance of the programs in which we have retailer share arrangements, as well as changes to the terms of the retailer share arrangements for those partners with whom we extended program agreements in 2013.

Retail Card platform revenue increased from \$5,534 million for the year ended December 31, 2011 to \$5,986 million for the year ended December 31, 2012. This increase was primarily the result of an increase in interest and fees on loans driven by an increase in average loan receivables, offset in part by an increase in retailer share arrangement payments as a result of program growth and improved performance of the programs in which we have retailer share arrangements, as well as changes to the terms of the retailer share arrangements for those partners with whom we extended program agreements in 2012.

Payment Solutions

The following table sets forth supplemental information relating to our Payment Solutions platform for the periods indicated.

<i>Years ended December 31 (\$ in millions, except per account data)</i>	2013	2012	2011
Purchase volume	\$ 11,360	\$ 10,531	\$ 9,798
Period-end loan receivables	\$ 10,893	\$ 10,430	\$ 10,245
Average loan receivables	\$ 10,469	\$ 10,000	\$ 10,208
Average active accounts (in thousands)	6,330	5,969	5,809
Average purchase volume per account	\$ 1,795	\$ 1,764	\$ 1,686
Average loan receivable balance per account	\$ 1,654	\$ 1,675	\$ 1,757
Interest and fees on loans	\$ 1,506	\$ 1,441	\$ 1,389
Other income	36	37	56
Retailer share arrangements	(36)	(32)	(39)
Platform revenue	<u>\$ 1,506</u>	<u>\$ 1,446</u>	<u>\$ 1,406</u>

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Payment Solutions platform revenue increased from \$1,446 million for the year ended December 31, 2012 to \$1,506 million for the year ended December 31, 2013. This increase was primarily the result of an increase in interest and fees on loans driven by an increase in average loan receivables.

Payment Solutions platform revenue increased from \$1,406 million for the year ended December 31, 2011 to \$1,446 million for the year ended December 31, 2012. This increase was driven primarily by an increased yield on interest-earning loan receivables offset in part by lower average loan receivables.

CareCredit

The following table sets forth supplemental information relating to our CareCredit platform for the periods indicated.

<i>Years ended December 31 (\$ in millions, except per account data)</i>	2013	2012	2011
Purchase volume	\$ 6,759	\$ 6,130	\$ 5,422
Period-end loan receivables	\$ 6,527	\$ 5,931	\$ 5,409
Average loan receivables	\$ 6,222	\$ 5,642	\$ 5,180
Average active accounts (in thousands)	4,233	3,829	3,425
Average purchase volume per account	\$ 1,597	\$ 1,601	\$ 1,583
Average loan receivable balance per account	\$ 1,470	\$ 1,474	\$ 1,512
Interest and fees on loans	\$ 1,472	\$ 1,328	\$ 1,209
Other income	45	44	60
Retailer share arrangements	(6)	(6)	(7)
Platform revenue	<u>\$ 1,511</u>	<u>\$ 1,366</u>	<u>\$ 1,262</u>

CareCredit platform revenue increased from \$1,366 million for the year ended December 31, 2012 to \$1,511 million for the year ended December 31, 2013. This increase was primarily the result of an increase in interest and fees on loans driven by an increase in average loan receivables.

CareCredit platform revenue increased from \$1,262 million for the year ended December 31, 2011 to \$1,366 million for the year ended December 31, 2012. This increase was primarily the result of an increase in interest and fees on loans driven by an increase in average loan receivables.

Financial Information by Geography

Substantially all of our operations are within the United States. For the years ended December 31, 2013, 2012 and 2011, our U.S. operations accounted for \$11,276 million, \$10,278 million and \$9,101 million of our total interest and fees on loans, respectively, and our non-U.S. operations accounted for \$19 million, \$22 million and \$33 million of our total interest and fees on loans, respectively. At December 31, 2013, 2012 and 2011, our long-lived assets in the United States were \$42 million, \$47 million and \$39 million, respectively, and our long-lived assets outside the United States were \$4 million, \$5 million and \$1 million, respectively.

Seasonality

In our Retail Card and Payment Solutions platforms, we experience fluctuations in transaction volumes and the level of loan receivables as a result of higher seasonal consumer spending and payment patterns that typically result in an increase of loan receivables from October through a peak in late December, with reductions in loan receivables occurring over the first quarter of the following year as customers pay their balances down. The seasonal impact to transaction volumes and the levels of loan receivables results in fluctuations in our results of operations and credit quality metrics between quarterly periods.

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Investment Securities

The following discussion provides supplemental information regarding our investment securities portfolio. All of our investment securities are classified as available-for-sale at December 31, 2013, 2012, and 2011, and are held primarily to comply with the Community Reinvestment Act ("CRA"). Investment securities classified as available-for-sale are reported in our Combined Statements of Financial Position at fair value. Our portfolio of investment securities consisted primarily of state and municipal bonds and residential mortgage backed securities.

The following table sets forth the amortized cost and fair value of our investment securities as of the dates indicated.

At December 31 (\$ in millions)	2013		2012		2011	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt:						
State and municipal	\$ 53	\$ 46	\$ 42	\$ 39	\$ 39	\$ 32
Residential mortgage-backed	183	175	144	149	157	162
Equity	15	15	5	5	4	4
Total	<u>\$ 251</u>	<u>\$236</u>	<u>\$ 191</u>	<u>\$193</u>	<u>\$ 200</u>	<u>\$198</u>

Unrealized gains and losses, net of the related tax effect, on available-for-sale securities that are not other-than-temporarily impaired are excluded from earnings and are reported as a separate component of comprehensive income (loss) until realized. At December 31, 2013, 2012 and 2011, our investment securities had gross unrealized gains of \$1 million, \$6 million and \$6 million, respectively, and gross unrealized losses of \$16 million, \$4 million and \$8 million, respectively.

Our investment securities portfolio had the following maturity distribution at December 31, 2013. Equity securities have been excluded from the table because they do not have a maturity.

(\$ in millions)	Due in 1 Year or Less	Due After 1 through 5 Years	Due After 5 through 10 Years	Due after 10 years	Total
Debt:					
State and municipal	\$ —	\$ 1	\$ 1	\$ 44	\$ 46
Residential mortgage-backed	—	—	—	175	175
Total	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 219</u>	<u>\$221</u>
Weighted average yield(1)	— %	3.7%	4.0%	3.5%	3.5%

(1) Weighted average yield is calculated based on the amortized cost of each security. In calculating yield, no adjustment has been made with respect to any tax exempt obligations.

At December 31, 2013, we did not hold investments in any single issuer with an aggregate book value that exceeded 10% of equity.

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Loan Receivables

The following discussion provides supplemental information regarding our loan receivables portfolio.

Loan receivables are our largest category of assets and represent our primary source of revenues. The following table sets forth the composition of our loan receivables portfolio by product type as of the dates indicated.

At December 31 (\$ in millions)	2013	(%)	2012	(%)	2011	(%)	2010(1)	(%)	2009	(%)
Loans										
Credit cards	\$54,958	96.0%	\$49,572	94.8%	\$44,287	92.7%	\$40,960	90.6%	\$17,574	76.7%
Consumer installment loans	965	1.7	1,424	2.7	2,078	4.4	2,737	6.1	3,544	15.5
Commercial credit products	1,317	2.3	1,307	2.5	1,350	2.8	1,414	3.1	1,533	6.7
Other	14	—	10	—	26	0.1	119	0.2	261	1.1
Total loans	<u>\$57,254</u>	<u>100.0%</u>	<u>\$52,313</u>	<u>100.0%</u>	<u>\$47,741</u>	<u>100.0%</u>	<u>\$45,230</u>	<u>100.0%</u>	<u>\$22,912</u>	<u>100.0%</u>

(1) On January 1, 2010, we adopted ASC 810, *Consolidation*, pursuant to which we consolidated the assets and liabilities of certain previously unconsolidated securitization entities.

Our loan receivables portfolio had the following maturity distribution at December 31, 2013.

(\$ in millions)	Within 1 Year(1)	1-5 Years	After 5 Years	Total
Loans				
Credit cards	\$54,958	\$ —	\$ —	\$ 54,958
Consumer installment loans	29	557	379	965
Commercial credit products	1,317	—	—	1,317
Other	3	4	7	14
Total loans	<u>\$56,307</u>	<u>\$ 561</u>	<u>\$ 386</u>	<u>\$ 57,254</u>
Loans due after one year at fixed interest rates	N/A	\$ 560	\$ 386	\$ 946
Loans due after one year at variable interest rates	N/A	1	—	1
Total loans due after one year	<u>N/A</u>	<u>\$ 561</u>	<u>\$ 386</u>	<u>\$ 947</u>

(1) Credit card loans have minimum payment requirements but no stated maturity and therefore are included in the due within 1 year category. However, many of our credit card holders will revolve their balances, which may extend their repayment period beyond one year for balances at December 31, 2013.

Our loan receivables portfolio had the following geographic concentration at December 31, 2013 (based on customer December statement-end balances (our statement cut-off dates vary within the month) extrapolated to our December 31 total customer balances because actual December 31 individual customer balances are not available without undue burden and expense).

(\$ in millions) State	Loan Receivables Outstanding	% of Total Loan Receivables Outstanding
Texas	\$ 5,783	10.1%
California	5,496	9.6%
Florida	4,294	7.5%
New York	3,321	5.8%
Pennsylvania	2,519	4.4%

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Impaired Loans and Troubled Debt Restructurings

Our loss mitigation strategy is intended to minimize economic loss and at times can result in rate reductions, principal forgiveness, extensions or other actions, which may cause the related loan to be classified as a Troubled Debt Restructuring (“TDR”) and also be impaired. We use short term (3 to 12 months) or long term (12 to 60 months) modification programs for borrowers experiencing financial difficulty as a loss mitigation strategy to improve long-term collectability of the loans that are classified as TDRs. For our credit card customers, the short term program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no longer than 12 months. The long term program involves changing the structure of the loan to a fixed payment loan with a maturity no longer than 60 months and reducing the interest rate on the loan. The long term program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for some customers who request financial assistance through external sources, such as a consumer credit counseling agency program. The loans that are modified typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The determination of whether these changes to the terms and conditions meet the TDR criteria includes our consideration of all relevant facts and circumstances.

Loans classified as TDRs are recorded at their present value with impairment measured as the difference between the loan balance and the discounted present value of cash flows expected to be collected. Consistent with our measurement of impairment of modified loans on a collective basis, the discount rate used for credit card loans is the original effective interest rate.

Interest income from loans accounted for as TDRs is accounted for in the same manner as other accruing loans. The following table presents the amount of loan receivables that are not accruing interest, loans that are 90 days or more past-due and still accruing interest, and earning TDRs.

<i>At December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Non-accrual loan receivables ⁽¹⁾	\$ 2	\$1,042	\$1,003	\$1,216	\$900
Loans contractually 90 days past-due and still accruing interest	1,119	15	36	53	—
Earning TDRs ⁽²⁾	741	866	1,082	—	—
Non-accrual past due and restructured loan receivables	<u>\$1,862</u>	<u>\$1,923</u>	<u>\$2,121</u>	<u>\$1,269</u>	<u>\$900</u>

(1) Beginning in the fourth quarter of 2013, we revised our methods of classifying loan receivables as non-accrual to more closely align with regulatory guidance. As a result we continue to accrue interest on credit card balances until they reach 180 days past due.

(2) At December 31, 2013 balance excludes \$70 million of TDRs which are included in loans contractually 90 days past-due and still accruing interest balance.

<i>Year ended December 31 (\$ in millions)</i>	<u>2013</u>
Gross amount of interest income that would have been recorded in accordance with the original contractual terms	\$180
Interest income actually recognized	81
Total interest income foregone	<u>\$ 99</u>

Non-accrual loan receivables totaled \$2 million (less than 0.1% of outstanding loan receivables) at December 31, 2013, compared with \$1,042 million (2% of outstanding loan receivables) at December 31, 2012. Non-accrual loan receivables decreased from December 31, 2012, primarily due to the revision of our method of classifying loan receivables as non-accrual. We now continue to accrue interest on credit cards until the accounts are charged-off in the period the account becomes 180 days past due. Previously, we stopped accruing interest on credit cards when the accounts became 90 days past due. See Note 2. *Basis of Presentation and Summary of Significant Accounting Policies* to our combined financial statements for further information, including a description of our accrual policies.

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Net charge-offs consist of the unpaid principal balance of loans held for investment that we determine are uncollectible, net of recovered amounts. We exclude accrued and unpaid finance charges and fees and third-party fraud losses from charge-offs. Charged-off and recovered accrued and unpaid finance charges and fees are included in interest and fees on loans while third party fraud losses are included in other expense. Charge-offs are recorded as a reduction to the allowance for loan losses and subsequent recoveries of previously charged off amounts are credited to the allowance for loan losses. Costs incurred to recover charged-off loans are recorded as collection expense and included in other expense in our Combined Statements of Earnings.

The allowance for losses totaled \$2,892 million at December 31, 2013 compared with \$2,274 million at December 31, 2012, representing our best estimate of probable losses inherent in the portfolio. The increase of \$618 million was primarily attributable to the methodology enhancement discussed in the section “—Results of Operations—Provision for Loan Losses” above.

The following tables provide changes in our allowance for loan losses for the periods presented:

	Balance at January 1, 2013	Provision Charged to Operations	Other(1)	Gross Charge- Offs(2)	Recoveries(2)	Balance at December 31, 2013
<i>(\$ in millions)</i>						
Credit cards	\$ 2,185	\$ 2,970	\$ —	\$ (2,847)	\$ 530	\$ 2,838
Consumer installment loans	61	49	—	(111)	19	18
Commercial credit products	28	53	—	(53)	8	36
Other	—	—	—	—	—	—
Total	<u>\$ 2,274</u>	<u>\$ 3,072</u>	<u>\$ —</u>	<u>\$ (3,011)</u>	<u>\$ 557</u>	<u>\$ 2,892</u>
	Balance at January 1, 2012	Provision Charged to Operations	Other(1)	Gross Charge- Offs(2)	Recoveries(2)	Balance at December 31, 2012
<i>(\$ in millions)</i>						
Credit cards	\$ 1,913	\$ 2,438	\$ —	\$ (2,680)	\$ 514	\$ 2,185
Consumer installment loans	112	54	—	(130)	25	61
Commercial credit products	27	69	—	(76)	8	28
Other	—	4	—	(4)	—	—
Total	<u>\$ 2,052</u>	<u>\$ 2,565</u>	<u>\$ —</u>	<u>\$ (2,890)</u>	<u>\$ 547</u>	<u>\$ 2,274</u>
	Balance at January 1, 2011	Provision Charged to Operations	Other(1)	Gross Charge- Offs(2)	Recoveries(2)	Balance at December 31, 2011
<i>(\$ in millions)</i>						
Credit cards	\$ 2,148	\$ 2,130	\$ (8)	\$ (2,850)	\$ 493	\$ 1,913
Consumer installment loans	175	54	—	(151)	34	112
Commercial credit products	39	74	—	(99)	13	27
Other	—	—	—	—	—	—
Total	<u>\$ 2,362</u>	<u>\$ 2,258</u>	<u>\$ (8)</u>	<u>\$ (3,100)</u>	<u>\$ 540</u>	<u>\$ 2,052</u>
	Balance at January 1, 2010(3)	Provision Charged to Operations	Other(1)	Gross Charge- Offs(2)	Recoveries(2)	Balance at December 31, 2010
<i>(\$ in millions)</i>						
Credit cards	\$ 3,068	\$ 2,899	\$ 3	\$ (4,263)	\$ 441	\$ 2,148
Consumer installment loans	135	135	—	(131)	36	175
Commercial credit products	54	116	—	(142)	11	39
Other	—	1	—	(1)	—	—
Total	<u>\$ 3,257</u>	<u>\$ 3,151</u>	<u>\$ 3</u>	<u>\$ (4,537)</u>	<u>\$ 488</u>	<u>\$ 2,362</u>

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	Balance at January 1, 2009	Provision Charged to Operations	Other ⁽⁴⁾	Gross Charge- Offs ⁽²⁾	Recoveries ⁽²⁾	Balance at December 31, 2009 ⁽³⁾
<i>(\$ in millions)</i>						
Credit cards	\$ 1,259	\$ 2,321	\$ (211)	\$ (2,166)	\$ 143	\$ 1,346
Consumer installment loans	314	387	—	(479)	34	256
Commercial credit products	51	168	—	(180)	10	49
Other	2	7	—	(6)	—	3
Total	\$ 1,626	\$ 2,883	\$ (211)	\$ (2,831)	\$ 187	\$ 1,654

- (1) Other primarily included the effects of foreign currency exchange.
- (2) Net charge-offs (gross charge-offs less recoveries) in certain portfolios may exceed the beginning allowance for loan losses as our revolving credit portfolios turn over more than once per year or, in all portfolios, can reflect losses that are incurred subsequent to the beginning of the year due to information becoming available during the year, which may identify further deterioration of existing loan receivables.
- (3) Differences between December 31, 2009 and January 1, 2010 reflect the effects of our adoption of ASC 810, *Consolidation*, on January 1, 2010 and the consolidation of assets and liabilities of certain previously unconsolidated securitization entities.
- (4) Other primarily included \$217 million of transfers of allowance for loan losses relating to the sales of loan receivables to unconsolidated securitization entities and \$6 million of effects of foreign currency exchange.

The table below sets forth the ratio of net charge-offs to average loan receivables outstanding for the periods indicated.

Years Ended December 31,	Net Ratio of Charge-Offs to Average Loan Receivables Outstanding ⁽¹⁾
2013	4.7%
2012	4.9%
2011	5.8%
2010	9.3%
2009	11.3%

- (1) Calculated based on monthly average loan receivables outstanding, except that where monthly balances are unavailable, quarter-end balances are used.

Liquidity and Capital Resources

We maintain a strong focus on liquidity and capital. Our funding, liquidity and capital policies are designed to ensure our business has the liquidity and capital resources to support our daily operations, our business growth, our credit ratings and our regulatory and compliance requirements, in a cost effective and prudent manner through expected and unexpected market environments.

Funding Sources

Our primary funding sources historically have included cash from operations, deposits (direct and brokered deposits), securitized financings and related party debt provided by GECC and its affiliates. In connection with this offering, we expect to add third-party credit facilities, unsecured debt financing and transitional funding from GECC as funding sources. In addition to these components of our funding plan, at the closing of this offering, we expect to have approximately \$ billion of undrawn committed capacity under two of our existing securitization programs.

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The following table summarizes information concerning our funding sources during the periods indicated:

Years ended December 31, (\$ in millions)

	2013			2012			2011		
	Average Balance	%	Average Rate	Average Balance	%	Average Rate	Average Balance	%	Average Rate
Deposits ⁽¹⁾	\$22,405	47%	1.7%	\$17,039	40%	2.1%	\$15,025	38%	2.3%
Securitized financings	16,209	34	1.3	15,172	36	1.5	12,958	33	1.9
Related party debt	9,000	19	1.7	10,132	24	1.5	11,729	29	2.8
Total	\$47,614	100%	1.6%	\$42,343	100%	1.8%	\$39,712	100%	2.3%

(1) Excludes \$506 million, \$475 million, and \$417 million average balance of non-interest bearing deposits for the years ended December 31, 2013, 2012, and 2011, respectively. Non-interest bearing deposits comprise less than 10% of total deposits for the years ended December 31, 2013, 2012 and 2011.

Each of our historical funding sources and our funding sources following this offering are discussed below.

Deposits

We obtain deposits directly from retail and commercial customers (“direct deposits”) or through third-party brokerage firms that offer our deposits to their customers (“brokered deposits”). At December 31, 2013, we had \$10.9 billion in direct deposits (which includes deposits from banks and financial institutions and deposits related to prepaid cards) and \$14.8 billion in deposits originated through brokerage firms (including network deposit sweeps procured through a program arranger who channels brokerage account deposits to us). A key part of our liquidity plan and funding strategy is to expand our direct deposits base as a source of stable and diversified low cost funding.

Our direct deposits include a range of FDIC-insured deposit products, including certificates of deposit, IRAs, money market accounts and savings accounts, which we offer under our Optimizer⁺Plus brand. In January 2013, we acquired the deposit business of MetLife, which is a direct banking platform that had \$6.4 billion in deposits at the time of the acquisition.

Brokered deposits are primarily from retail customers of large brokerage firms. We have relationships with eight brokers that offer our deposits through their networks. Our brokered deposits consist primarily of certificates of deposit that bear interest at a fixed rate and at December 31, 2013 had a weighted average remaining life of 2.8 years. These deposits generally are not subject to early withdrawal.

Our ability to attract deposits is sensitive to, among other things, the interest rates we pay, and therefore we bear funding and interest rate risk if we fail, or are required to pay higher rates, to attract new deposits or retain existing deposits. To mitigate these risks, we pursue a funding strategy that seeks to match our assets and liabilities by interest rate and expected maturity characteristics, and we seek to maintain access to multiple other funding sources, including direct deposits, securitization financing (including credit lines) and unsecured debt.

Following this offering, over the next several years we are seeking to increase our direct deposits. The growth of direct deposits will be supported by a significant investment in marketing and brand awareness. See “—Separation from GE and Related Financial Arrangements—Indirect Costs” above.

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The following table summarizes certain information regarding our interest bearing deposits by type (all of which constitute U.S. deposits) for the periods indicated.

Years ended December 31, (\$ in millions)

	2013			2012			2011		
	Average Balance(1)	% of Total	Average Yield	Average Balance(1)	% of Total	Average Yield	Average Balance(1)	% of Total	Average Yield
Direct deposits:									
Certificates of deposit (including IRA certificates of deposit)	\$ 5,889	26%	0.9%	\$ 284	2%	0.7%	\$ —	— %	— %
Savings accounts (including money market accounts)	2,193	10	0.7	—	—	—	—	—	—
Brokered deposits	14,323	64	2.1	16,755	98	2.1	\$ 15,025	100	2.3
Total interest-bearing deposits	\$ 22,405	100%	1.7%	\$ 17,039	100%	2.1%	\$ 15,025	100%	2.3%

(1) Average balances are based on monthly balances. Calculation of daily averages at this time involves undue burden and expense. We believe our average balance data is representative of our operations.

Our deposit liabilities provide funding with maturities ranging from one day to ten years. At December 31, 2013, the weighted average maturity of our certificates of deposit was 19.7 months. See Note 8. *Deposits and Borrowings* to our combined financial statements.

The following table summarizes deposits by contractual maturity at December 31, 2013.

(\$ in millions)	3 Months or Less	Over 3 Months but within 6 Months	Over 6 Months but within 12 Months	Over 12 Months	Total
	U.S. deposits (\$100,000 or more)				
Direct deposits:					
Certificates of deposit (including IRA certificates of deposit)	\$ 510	\$ 1,077	\$ 1,968	\$ 2,140	\$ 5,695
Savings accounts (including money market accounts)	1,665	—	—	—	1,665
Brokered deposits:					
Certificates of deposit	652	1,299	1,759	8,424	12,134
Sweep accounts	1,130	—	—	—	1,130
Total	\$ 3,957	\$ 2,376	\$ 3,727	\$ 10,564	\$ 20,624

Securitized Financings

We have been engaged in the securitization of our credit card receivables since 2001. We access the asset-backed securitization market using the GE Capital Credit Card Master Note Trust (“MNT”), through which we issue asset-backed securities through both public transactions and private transactions funded by financial institutions and commercial paper conduits. In addition, we issue asset-backed securities in private transactions through the GE Sales Finance Master Trust (“SFT”) and the GE Money Master Trust (“GMT”).

At December 31, 2013, we had \$8.3 billion of outstanding public asset-backed securities and \$7.1 billion of outstanding private asset-backed securities, in each case held by unrelated third parties.

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The following table summarizes expected contractual maturities of the investors' interests in securitized financings at December 31, 2013.

<i>(\$ in millions)</i>	Less Than One Year	One Year Through Three Years	Four Years Through Five Years	After Five Years	Total
Scheduled maturities of long-term borrowings—owed to securitization investors:					
MNT ⁽¹⁾	\$ 4,121	\$ 5,095	\$ 2,634	\$ 1,162	\$13,012
SFT	800	1,200	—	—	2,000
GMT	222	128	—	—	350
Total long-term borrowings—owed to securitization investors	\$ 5,143	\$ 6,423	\$ 2,634	\$ 1,162	\$15,362

(1) Excludes subordinated classes of MNT notes that we will own at the time of this offering.

We retain exposure to the performance of trust assets through: (i) in the case of MNT, SFT and GMT, subordinated retained interests in the receivables transferred to the trust in excess of the principal amount of the notes for a given series to provide credit enhancement for a particular series, as well as pari passu seller's interest in each trust and (ii) subordinated classes of MNT notes that we will hold at the time of this offering.

All of our securitized financings include early repayment triggers, referred to as early amortization events. No early amortization event has occurred with respect to any of the securitized financings in MNT, SFT or GMT. See "Description of Certain Indebtedness—Securitized Financings."

The following table summarizes for each of our trusts the three-month rolling average excess spread at December 31, 2013.

	Investor Interest (\$ in millions)	# of Series Outstanding	3-Month Rolling Average Excess Spread⁽²⁾
MNT ⁽¹⁾	\$ 13,012	20	17.6%
SFT	2,000	4	10.9%
GMT	350	1	29.3%

(1) Excludes subordinated classes of MNT notes that we will hold at the time of this offering.

(2) Calculated as interest income collected less net charge-offs, interest expense and servicing costs, divided by the aggregate principal amount of loan receivables for each of the three securitization monthly periods ending prior to December 31, 2013.

Funding Provided by GECC

Prior to this offering, GECC provided significant funding to us. The average balance of our funding from GECC was \$9.0 billion, \$10.1 billion and \$11.7 billion for the years ended December 31, 2013, 2012 and 2011, respectively, and the balance outstanding at December 31, 2013, 2012 and 2011 was \$9.0 billion, \$10.6 billion and \$11.7 billion, respectively. The average amount of funding provided by GECC as a percentage of our total average funding sources has declined in each of the last three years (19%, 24% and 29% in 2013, 2012 and 2011, respectively). The aggregate interest and fees paid to GECC with respect of funding provided was \$157 million, \$155 million and \$333 million for the years ended December 31, 2013, 2012 and 2011, respectively.

In connection with this offering, \$ billion of our related party debt owed to GECC outstanding at the time of the closing of this offering will be repaid, and we will enter into the New GECC Term Loan Facility pursuant to which GECC will provide \$ billion principal amount of unsecured term loans maturing in 2019. See "Description of Certain Indebtedness—New GECC Term Loan Facility."

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New Bank Term Loan Facility

Prior to the completion of this offering, we will enter into the New Bank Term Loan Facility with third-party lenders that will provide \$ billion principal amount of unsecured term loans maturing in 2019. See “Description of Certain Indebtedness—New Bank Term Loan Facility.”

Planned Debt Offering

We currently intend to issue approximately \$ billion of senior unsecured debt securities in the Planned Debt Offering shortly after the completion of this offering. We cannot assure you that the Planned Debt Offering will be completed or, if completed, on what terms it will be completed. See “Description of Certain Indebtedness—New Senior Notes.”

Short-Term Borrowings

Except as described above, there were no material short-term borrowings for the periods presented.

Additional Available Funding Capacity

Existing unsecured revolving credit lines. The Bank is a party to two separate revolving credit agreements, each with a different lender, and each providing us with an unsecured revolving line of credit of up to \$500 million. GECC has guaranteed our payment obligations under these agreements. There were no borrowings for the periods presented. We currently anticipate that these agreements will be terminated in connection with or shortly after the completion of the Transactions. See “Description of Certain Indebtedness—Existing Unsecured Credit Lines.”

Undrawn securitized financings. Prior to completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ billion of undrawn committed capacity from private lenders under two of our existing securitization programs.

Other. At December 31, 2013, we had more than \$25.0 billion of unencumbered assets in the Bank available to be used to generate additional liquidity through secured borrowings or asset sales or to be pledged to the Federal Reserve Board for credit at the discount window.

Contractual Obligations

In the normal course of business, we enter into various contractual obligations that require future cash payments. Our future cash payments associated with our contractual obligations at December 31, 2013 are summarized below.

(\$ in millions)	Payments Due by Period				2019 and Thereafter
	Total	2014	2015 – 2016	2017 – 2018	
Deposits ⁽¹⁾⁽²⁾	\$25,719	\$14,279	\$ 6,665	\$ 3,110	\$ 1,665
Securitized financings ⁽³⁾	15,362	5,143	6,423	2,634	1,162
Capital lease obligations	3	3	—	—	—
Operating leases	79	24	35	14	6
Total contractual obligations⁽⁴⁾	\$41,163	\$19,449	\$ 13,123	\$ 5,758	\$ 2,833

(1) Savings accounts (including money market accounts), brokered network deposits sweeps, and non-interest bearing deposits are assumed for purposes of this table to be due in 2014 because they may be withdrawn at any time without payment of any penalty.

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- (2) Deposits do not include interest payments because the amount and timing of these payments cannot be reasonably estimated as certain deposits have early withdrawal rights and also the option to roll interest payments into the balance. The average interest rate on our interest bearing deposits for the year ended December 31, 2013 was 1.7%. See Note 8. *Deposits and Borrowings* to our combined financial statements.
- (3) The amounts shown exclude interest as the majority of our securitized financing require payments of interest based on floating rates. The average interest rate for the year ended December 31, 2013 was 1.3%. See Note 8. *Deposits and Borrowings* to our combined financial statements.
- (4) Related party debt is excluded from the table above because it is being repaid in connection with the closing of this offering. See “—Funding Provided by GECC.” This table does not include debt to be incurred in connection with this offering. See “Description of Certain Indebtedness.”

Off-Balance Sheet Items—Guarantees

We do not have any significant off-balance sheet items, including guarantees. Guarantees are contracts or indemnification agreements that contingently require us to make a guaranteed payment or perform an obligation to a third-party based on certain trigger events. At December 31, 2013, we had not recorded any contingent liabilities in our Combined Statements of Financial Position related to any guarantees.

Covenants

The terms of certain credit facilities and real estate leases include financial covenants that require performance measures and ratios to be met. If we do not satisfy the covenants in our credit facilities, the credit facilities may be terminated, the maturity of amounts outstanding thereunder may be accelerated and other amounts may become payable. If we do not satisfy the covenants in the real estate leases, the leases may be terminated and we may be liable for damage claims. At December 31, 2013, we were not in default under any of these credit facilities and had not received any notices of default under any of our real estate leases.

Credit Ratings

Our borrowing costs and capacity in certain funding markets, including securitizations and senior and subordinated debt, may be affected by the credit ratings of the Company, the Bank and the ratings of our asset-backed securities.

We expect our senior unsecured debt to be rated by one or more rating agencies prior to the closing of this offering. In addition, certain of the asset-backed securities issued by our publicly registered securitization trust are also rated by Fitch, S&P and/or Moody’s. A credit rating is not a recommendation to buy, sell or hold securities, may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. Downgrades in these credit ratings could materially increase the cost of our funding from, and restrict our access to, the capital markets.

See “Risk Factors—Risks Relating to Our Business—A reduction in our credit ratings could materially increase the cost of our funding from, and restrict our access to, the capital markets.”

Liquidity

We seek to ensure that we have adequate liquidity to sustain business operations, fund asset growth and satisfy debt obligations under normal and stress conditions.

We maintain policies outlining the overall framework and general principles for managing liquidity risk across our business, which is the responsibility of our Asset and Liability Management Committee (the “ALCO”), a subcommittee of our Enterprise Risk Management Committee. We employ a variety of metrics to monitor and manage liquidity. We perform regular liquidity stress testing and contingency planning as part of our liquidity management process. We evaluate a range of stress scenarios including Company specific and systemic events that could impact funding sources and our ability to meet liquidity needs.

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Historically, we have relied on GECC as our primary source of liquidity under related party funding arrangements. In addition, we maintain a liquidity portfolio, which at December 31, 2013 had \$2.1 billion of liquid assets (\$2.3 billion of cash and equivalents less \$0.2 billion of cash in transit, which is not considered to be liquid).

In connection with this offering, we expect to increase the size of our liquidity portfolio significantly. At December 31, 2013, pro forma for the Transactions, we would have had a liquidity portfolio with \$ billion of liquid assets (or % of total assets). We expect our liquidity portfolio will consist of cash and equivalents (primarily in the form of deposits with the Federal Reserve Board), debt obligations of the U.S. Treasury, certain securities issued by U.S. government sponsored enterprises and other highly rated and highly liquid assets. As a general matter, investments included in our liquidity portfolio are expected to be highly liquid, giving us the ability to raise cash by pledging certain of these investments to access the secured funding markets or selling them. The level and composition of our liquidity portfolio may fluctuate based upon the level of expected maturities of our funding sources as well as operational requirements and market conditions.

As additional sources of liquidity, prior to the completion of this offering, we expect to enter into agreements providing us with an aggregate of approximately \$ billion of undrawn committed capacity from private lenders under two of our existing securitization programs, and at December 31, 2013, we had more than \$25.0 billion of unencumbered assets in the Bank available to be used to generate additional liquidity through secured borrowings or asset sales or to be pledged to the Federal Reserve Board for credit at the discount window.

The following table sets forth our liquidity portfolio and undrawn capacity information at December 31, 2013, pro forma for the Transactions.

	<u>Pro Forma</u> <u>December 31,</u> <u>2013</u>
Liquidity portfolio	
Cash and equivalents	\$
Total liquidity portfolio	\$
Undrawn credit facilities	
Undrawn committed securitization financings	-
Total liquidity portfolio and undrawn credit facilities	<u>\$</u>

We will rely significantly on dividends and other distributions and payments from the Bank for liquidity; however, bank regulations, contractual restrictions and other factors limit the amount of dividends and other distributions and payments that the Bank may pay to us. For a discussion of regulatory restrictions on the Bank's ability to pay dividends, see "Risk Factors—Risks Relating to Regulation—We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock" and "Regulation—Savings Association Regulation—Dividends." For a discussion of the financial covenants contained in the New Bank Term Loan Facility and the New GECC Term Loan Facility that limit our and the Bank's ability to pay dividends, see "Description of Certain Indebtedness—New Bank Term Loan Facility" and "—New GECC Term Loan Facility."

Capital

Our primary sources of capital have been earnings generated by our businesses and existing equity capital. The proceeds of this offering will increase our equity capital significantly. We seek to manage capital to a level and composition sufficient to support the risks of our businesses, meet regulatory requirements, adhere to rating agency targets and support future business growth. The level, composition and utilization of capital are influenced by changes in the economic environment, strategic initiatives and legislative and regulatory

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developments. Within these constraints, we are focused on deploying capital in a manner that will provide attractive returns to our stockholders. At December 31, 2013, pro forma for the Transactions, we had \$ billion of capital.

As part of our capital plan, following the offering, our board of directors intends to consider our policy for paying dividends, and, as appropriate, in the future may consider stock repurchases. We are targeting Tier 1 common ratios in excess of regulatory “well capitalized” levels. We measure capital ratios under the Basel I framework and believe we are well positioned to manage our capital ratios as we transition to Basel III requirements in 2015.

The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including the financial condition, earnings, capital and liquidity requirements of us and the Bank, regulatory restrictions, corporate law and contractual restrictions and other factors that our board of directors deems relevant. In addition, banking laws and regulations and our banking regulators may limit our ability to pay dividends and make repurchases of our stock. For a discussion of regulatory restrictions on our and the Bank’s ability to pay dividends and repurchase stock, see “Risk Factors—Risks Relating to Regulation—We and the Bank are subject to restrictions that limit our ability to pay dividends and repurchase our capital stock.” There can be no assurance that we will declare and pay any dividends or repurchase any stock in the future.

Under the Bank’s Operating Agreement with the OCC, which it entered into on January 11, 2013 in connection with its acquisition of the deposit business of MetLife, and regulatory capital requirements adopted by the OCC, the Bank must maintain minimum levels of capital.

The following table sets forth the composition of the Bank’s capital ratios at the dates indicated.

	Bank		Operating Agreement Requirement	
	Amount	Ratio	Amount	Ratio
<i>At December 31, 2013 (\$ in millions)</i>				
Total risk-based capital	\$ 6,010	17.3%	\$ 3,828	11.0%
Tier 1 risk-based capital	\$ 5,559	16.0%	\$ 2,436	7.0%
Tier 1 leverage	\$ 5,559	14.9%	\$ 2,243	6.0%
<i>At December 31, 2012 (\$ in millions)</i>				
Total risk-based capital	\$ 5,608	15.1%	N/A	N/A
Tier 1 risk-based capital	\$ 5,134	13.8%	N/A	N/A
Tier 1 leverage	\$ 5,134	17.2%	N/A	N/A

As a savings and loan holding company, we historically have not been required to maintain any specific amount of minimum capital. Beginning as early as 2015, however, we expect that we will be subject to capital requirements similar to those applicable to the Bank. For more information, see “Regulation—Savings and Loan Holding Company Regulation.”

The following table sets forth at December 31, 2013, on a pro forma basis for the Transactions, the composition of our capital ratios under Basel I.

	Pro Forma		Minimum to be Well-Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio
<i>At December 31, 2013 (\$ in millions)</i>				
Total risk-based capital	\$	%	\$	10.0%
Tier 1 risk-based capital		%		6.0%
Tier 1 leverage		%		5.0%
Tier 1 common equity		%		—

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At December 31, 2013, pro forma for the Transactions, we would have had a fully phased-in Basel III Tier 1 common ratio of %.

As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these capital ratios are non-GAAP measures. We believe these capital ratios are useful measures to investors because they are widely used by analysts and regulators to assess the capital position of financial services companies, although our pro forma Basel I Tier 1 common ratio is not a Basel I defined regulatory capital ratio, and our pro forma Basel I and Basel III Tier 1 common ratios may not be comparable to similarly titled measures reported by other companies. Our pro forma Basel I Tier 1 common ratio is the ratio of Tier 1 common equity (as calculated below) to total risk-weighted assets as calculated in accordance with the U.S. Basel I capital rules. Our pro forma Basel III Tier 1 common ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated in accordance with the U.S. Basel III capital rules (on a fully phased-in basis). Our pro forma Basel III Tier 1 common ratio is a preliminary estimate reflecting management's interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. The following table sets forth a reconciliation of each component of our pro forma capital ratios set forth above to the comparable pro forma GAAP component at December 31, 2013.

	Basel I Pro Forma December 31, 2013	Basel III Pro Forma December 31, 2013
Equity to Tier 1 capital, Tier 1 common equity and Risk-based capital		
Total equity		
Unrealized gains / losses on investment securities ⁽¹⁾		
Disallowed goodwill and other disallowed intangible assets ⁽²⁾		
Disallowed servicing assets and purchased credit card relationships		
Tier 1 capital		
Non qualifying preferred stock	—	—
Noncontrolling interests	—	—
Tier 1 common equity (Basel I)/common equity Tier 1 capital (Basel III)		
Allowance for loan losses includible in risk-based capital		
Risk-based capital		
Total assets to leveraged assets		
Total assets		
Disallowed goodwill and other disallowed intangible assets ⁽²⁾		
Disallowed servicing assets		
Other additions to assets for leverage capital purposes		
Total assets for leverage capital purposes		
Risk-weighted assets⁽³⁾		

(1) Amounts are presented net of tax.

(2) Amounts are net of related deferred tax liabilities. Adjustments to the Basel I Tier 1 common equity calculation to estimate the Basel III common equity Tier 1 capital calculation include corresponding adjustments to purchased credit card receivable intangibles.

(3) Adjustments to Basel I risk-weighted assets to estimate Basel III risk-weighted assets include corresponding adjustments to purchased credit card receivable intangibles, deferred tax assets and certain other assets.

Failure to meet minimum capital requirements can result in the initiation of certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could limit our business activities and have a material adverse effect on our business, results of operations and financial condition. See "Risk Factors—Risks Relating to Regulation—Failure by Synchrony, the Bank and, until the GE SLHC Deregistration, GECC to meet applicable capital adequacy rules could have a material adverse effect on us."

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Critical Accounting Estimates

Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Many of these estimates include determining fair value. All of these estimates reflect our best judgment about current, and for some estimates future, economic and market conditions and their effects based on information available as of the date of these financial statements. If these conditions change from those expected, it is reasonably possible that the judgments and estimates described below could change, which may result in incremental losses on loan receivables, future impairments of investment securities, goodwill, intangible assets establishment of valuation allowances on deferred tax assets and increased tax liabilities, among other effects. See Note 2. *Basis of Presentation and Summary Significant Accounting Policies* to our combined financial statements, which discusses the significant accounting policies that we have selected from acceptable alternatives.

Allowance for Loan Losses

Losses on loan receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. The method for calculating the best estimate of probable losses takes into account our historical experience adjusted for current conditions with each product and customer type and our judgment concerning the probable effects of relevant observable data, trends and market factors.

We evaluate each portfolio quarterly. For credit card receivables, our estimation process includes analysis of historical data and there is a significant amount of judgment applied in selecting inputs and analyzing the results produced by the models to determine the allowance. Our risk process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or on a portfolio basis, as appropriate. More specifically, we use a migration analysis to estimate the likelihood that a loan will progress through the various stages of delinquency. The migration analysis considers uncollectible principal, interest and fees reflected in the loan receivables. We use other analyses to estimate losses incurred on non-delinquent accounts. The considerations in these analyses include past performance, risk management techniques applied to various accounts, historical behavior of different account vintages, current economic conditions, recent trends in delinquencies, bankruptcy filings, account collection management, policy changes, account seasoning, loan volume and amounts, payment rates, forecasting uncertainties and a qualitative assessment of the adequacy of the allowance for losses, which compares this allowance for losses to projected net charge-offs over the next 12 months, in a manner consistent with regulatory guidance. We do not evaluate credit card loans for impairment on an individual basis, but instead estimate its allowance for credit card loan losses on a portfolio basis. Further, experience is not available for new portfolios; therefore, while we are developing that experience, we set loss allowances based on our experience with the most closely analogous products in our portfolio. Changes in such estimates can significantly affect the allowance and provision for losses. It is possible that we will experience credit losses that are different from our current estimates.

Asset Impairment

Investments. We regularly review investment securities for impairment using both quantitative and qualitative criteria. For debt securities, if we do not intend to sell the security, and it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate other qualitative criteria to determine whether a credit loss exists, such as the financial health of and specific prospects for the issuer, including whether the issuer is in compliance with the terms and covenants of the security. Quantitative criteria include determining whether there has been an adverse change in expected future cash flows. For equity securities, our criteria include the length of time and magnitude of the amount that each security is in an unrealized loss position.

Goodwill and Intangible Assets. We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is defined under GAAP as the operating segment, or one level below

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that operating segment (the component level) if discrete financial information is prepared and regularly reviewed by segment management. Our operating segment consists of a single reporting unit, based on the level at which management regularly reviews and measures the business operating results.

Goodwill impairment risk is first assessed under FASB Accounting Standards Update (“ASU”) 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment* by performing a qualitative review of entity-specific, industry, market and general economic factors for our reporting unit. If potential goodwill impairment risk exists that indicates that it is more likely than not that the carrying value of our reporting unit exceeds its fair value, we apply a two-step quantitative test. The first step compares the reporting unit’s estimated fair value with its carrying value. If the carrying value of our reporting unit’s net assets exceeds its fair value, the second step is applied to measure the difference between the carrying value and implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, the goodwill is considered impaired and reduced to its implied fair value. The qualitative assessment for each period presented in the combined financial statements was performed without hindsight, assuming only factors and market conditions existing as of those dates, and resulted in no potential goodwill impairment risk for our reporting unit. Consequently, goodwill was not deemed to be impaired for any of the periods presented.

Definite-lived intangible assets principally consist of customer-related assets, including contract acquisitions and purchased credit card relationships. These assets are amortized over their estimated useful lives and evaluated for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The evaluation compares the cash inflows expected to be generated from each intangible asset to its carrying value. If cash flows attributable to the intangible asset are less than the carrying value, the asset is considered impaired and written down to its estimated fair value. No impairments of definite-lived intangible assets have been recognized in the periods presented in the combined financial statements.

Income Taxes

We are subject to income tax in the United States (federal, state and local) as well as other jurisdictions in which we operate. Our provision for income tax expense is based on our income, the statutory tax rates and other provisions of the tax laws applicable to us in each of these various jurisdictions. These laws are complex, and their application to our facts is at times open to interpretation. The process of determining our combined income tax expense includes significant judgments and estimates, including judgments regarding the interpretation of those laws. Our provision for income taxes and our deferred tax assets and liabilities incorporate those judgments and estimates, and reflect management’s best estimate of current and future income taxes to be paid. We review our tax positions quarterly and adjust the balances as new information becomes available.

Deferred tax assets and liabilities relate to temporary differences between the financial reporting and income tax bases of our assets and liabilities, as well as the impact of tax loss carryforwards or carrybacks. Deferred income tax expense or benefit represents the expected increase or decrease to future tax payments as these temporary differences reverse over time, based upon currently enacted income tax laws and rates that will be in effect when such differences are expected to reverse. Deferred tax assets are specific to the jurisdiction in which they arise, and are recognized subject to management’s judgment that realization of those assets is “more likely than not.” In making decisions regarding our ability to realize tax assets, we evaluate all positive and negative evidence, including projected future taxable income, taxable income in carryback periods, expected reversal of deferred tax liabilities, and the implementation of available tax planning strategies. These decisions rely heavily on estimates. We use our historical experience and our short- and long-range business forecasts to provide insight.

FASB interpretation No. 48, “*Accounting for Uncertainty in Income Taxes*” (“FIN 48”) (now part of ASC 740, *Income Taxes*), establishes the framework by which we determine the appropriate level of tax reserves to be maintained for uncertain income tax positions. Applying this framework, we recognize the financial statement impact of uncertain income tax positions when we conclude that it is more likely than not, based on the technical merits of a position, that the position will be sustained upon audit by the taxing authority. In certain situations, we

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establish a liability that represents the difference between a tax position taken (or expected to be taken) on an income tax return and the amount of taxes recognized in our financial statements. We recognize accrued interest and penalties related to uncertain income tax positions as interest expense and provision for income taxes, respectively.

Fair Value Measurements

Assets and liabilities measured at fair value every reporting period include investments in debt and equity securities. Assets that are not measured at fair value every reporting period, but that are subject to fair value measurements in certain circumstances primarily include loans that have been reduced to fair value when they are held for sale, impaired loans that have been reduced based on the fair value of the underlying collateral, and cost method investments that are written down to fair value when they are impaired.

Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs. A fair value measurement is determined as the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. The determination of fair value often involves significant judgments about assumptions such as determining an appropriate discount rate that factors in both risk and liquidity premiums, identifying the similarities and differences in market transactions, weighting those differences accordingly and then making the appropriate adjustments to those market transactions to reflect the risks specific to our asset being valued.

Quantitative and Qualitative Disclosures About Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, correlations or other market factors will result in losses for a position or portfolio. We are exposed to market risk primarily from changes in interest rates. See “Risk Factors—Risks Relating to Our Business— Changes in market interest rates could have a material adverse effect on our net earnings, funding and liquidity” and “—A reduction in our credit ratings could materially increase the cost of our funding from, and restrict our access to, the capital markets.”

Interest Rate Risk. We borrow money from a variety of depositors and institutions in order to provide loans to our customers.

Changes in market interest rates cause our net interest income and our interest expense to increase or decrease, as certain of our assets and liabilities carry interest rates that fluctuate with market benchmarks. The interest rate benchmark for our floating rate assets is the prime rate and the interest rate benchmark for our floating rate liabilities is generally either LIBOR or the federal funds rate. The prime rate and the LIBOR or federal funds rate could reset at different times or could diverge, leading to mismatches in the interest rates on our floating rate assets and floating rate liabilities.

Competitive factors may limit, and future regulatory reform may limit or restrict, our ability to raise interest rates, fixed or floating, on our loans. In addition, some of our program agreements limit the rate of interest we can charge to customers under those agreements. If interest rates were to rise materially over a sustained period of time, and we are unable to sufficiently raise our interest rates in a timely manner, our net interest margin could be adversely impacted, which could have a material adverse effect on our net earnings.

Interest rates may also adversely impact our customers’ spending levels and ability and willingness to pay outstanding amounts owed to us. Our floating rate products bear interest rates that fluctuate with the prime rate. Higher interest rates often lead to higher payment obligations by customers to us and other lenders under mortgage, credit card and other consumer loans, which may reduce our customers’ ability to remain current on their obligations to us and therefore lead to increased delinquencies, charge-offs and allowances for loan losses which could have a material adverse effect on our net earnings.

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Changes in interest rates and competitor responses to these changes may also impact customer decisions to maintain deposits with us, and reductions in deposits could materially adversely affect our funding costs and liquidity.

To manage interest rate risk we generally pursue a match funding strategy pursuant to which we seek to match the interest rate repricing characteristics of our assets and liabilities. At December 31, 2013, 56.8% of our loans bore a fixed interest rate to the customer, and we have historically funded these assets with fixed rate certificates of deposit, securitized financing and unsecured debt. At December 31, 2013, 43.2% of our loans bore a floating interest rate to the customer, and we generally fund these assets with floating rate deposits, securitized financing and unsecured debt. Historically, we have not used interest rate derivative contracts to manage interest rate risk. To the extent we are unable to effectively match the interest rates on our assets and liabilities (including, in the future, potentially through the use of derivatives), our net earnings could be materially adversely affected.

We assess our interest rate risk by estimating the effect on our net earnings of various scenarios that differ based on assumptions about the direction and the magnitude of interest rate changes.

For purposes of presenting the possible earnings effect of a hypothetical, adverse change in interest rates over the 12-month period from our reporting date, we assume that all interest rate sensitive assets and liabilities will be impacted by a hypothetical, immediate 100 basis point increase in interest rates as of the beginning of the period. The sensitivity is based upon the hypothetical assumption that all relevant types of interest rates that affect our results would increase instantaneously, simultaneously and to the same degree.

Our interest rate sensitive assets include our variable rate loan receivables and the assets that make up our liquidity portfolio. At December 31, 2013, 43.2% of our receivables bore a floating interest rate. Assets with rates that are fixed at period end but which will mature, or otherwise contractually reset to a market-based indexed rate or other fixed rate prior to the end of the 12-month period, are considered to be rate sensitive. The latter category includes certain loans that may be offered at below-market rates for an introductory period, such as balance transfers and special promotional programs, after which the loans will contractually reprice under standard terms in accordance with our normal market-based pricing structure. For purposes of measuring rate sensitivity for such loans, only the effect of the hypothetical 100 basis point change in the underlying market-based indexed rate or other fixed rate has been considered rather than the full change in the rate to which the loan would contractually reprice. For assets that have a fixed interest rate at the period end but which contractually will, or are assumed to, reset to a market-based indexed rate or other fixed rate during the next 12 months, earnings sensitivity is measured from the expected repricing date.

Interest rate sensitive liabilities are assumed to be those for which the stated interest rate is not contractually fixed for the next 12-month period. Thus, liabilities that vary with changes in a market-based index, such as the federal funds rate or LIBOR, which will reset before the end of the 12-month period, or liabilities whose rates are fixed at the period end but which will mature and are assumed to be replaced with a market-based indexed rate prior to the end of the 12-month period, also are considered to be rate sensitive. For these fixed rate liabilities, earnings sensitivity is measured from the expected repricing date.

Assuming an immediate 100 basis point increase in the interest rates affecting all interest rate sensitive assets and liabilities at December 31, 2013, we estimate that net interest income over the following 12-month period would increase by approximately \$26 million, or 0.28%.

Limitations of Market Risk Measures. The interest rate risk models that we use in deriving these measures incorporate contractual information, internally-developed assumptions and proprietary modeling methodologies, which project borrower and deposit behavior patterns in certain interest rate environments. Other market inputs, such as interest rates, market prices and interest rate volatility, are also critical components of our interest rate risk measures. We regularly evaluate, update and enhance these assumptions, models and analytical tools as we believe appropriate to reflect our best assessment of the market environment and the expected behavior patterns of our existing assets and liabilities.

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There are inherent limitations in any methodology used to estimate the exposure to changes in market interest rates. The sensitivity analysis provided above contemplates only certain movements in interest rates at a particular point in time based on the existing balance sheet. It does not attempt to estimate the effect of a more significant interest rate increase over a sustained period of time, which as described in “—Interest Rate Risk” above, could adversely affect our net interest margin. In addition, the strategic actions that management may take to manage our balance sheet may differ from our projections, which could cause our actual earnings to differ from the above sensitivity analysis. Furthermore, the sensitivity analysis provided above is based on our historical financial position and does not give pro forma effect to the additional financings contemplated as part of the Transactions.

CORPORATE REORGANIZATION

History, Formation and Regulation of Synchrony

Our roots in consumer finance trace back to 1932, when GE began providing financing for consumers to help meet demand for GE appliances. The predecessor of the Bank, GE Capital Consumer Card Co., was established in 1988 under a previous name, Monogram Bank, USA, a limited purpose credit card bank, and was converted to a federally chartered savings association in 2003. On February 7, 2005, Monogram Credit Card Bank of Georgia (a subsidiary of GE Capital Consumer Card Co.) merged into GE Capital Consumer Card Co. and the surviving entity changed its name to GE Money Bank. GE Money Bank changed its name to GE Capital Retail Bank on October 1, 2011.

Synchrony is a holding company for the legal entities that historically conducted GE's North American retail finance business. Synchrony was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013 conducted no business. During the period from April 1, 2013 to September 30, 2013, as part of a regulatory restructuring, substantially all of the assets and operations of GE's North American retail finance business, including the Bank, were transferred to Synchrony. The remaining assets and operations of that business have been or will be transferred to Synchrony prior to the completion of this offering.

As a savings and loan holding company, Synchrony is subject to extensive regulation, supervision and examination by the Federal Reserve Board. Prior to the GE SLHC Deregistration, we will be required to file an application with, and receive approval from, the Federal Reserve Board to continue to be a savings and loan holding company and to retain ownership of the Bank following the GE SLHC Deregistration. We will also need to submit to the Federal Reserve Board a request to become a financial holding company in order to engage in activities that are permissible only for savings and loan holding companies that are treated as financial holding companies (including to continue to obtain financing through our securitization programs). In addition, as a large provider of consumer financial services, we are subject to extensive regulation, supervision and examination by the CFPB.

The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation, supervision and examination by the OCC, which is its primary regulator, and by the CFPB. In addition, the Bank, as an insured depository institution, is supervised by the FDIC.

For a discussion of regulation of our company and the Bank, see "Regulation."

BUSINESS

Our Company

We are one of the premier consumer financial services companies in the United States. Our roots in consumer finance trace back to 1932 and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our “partners.” Through our partners’ 329,000 locations across the United States and Canada, and their websites and mobile applications, we offer their customers a variety of credit products to finance the purchase of goods and services. During 2013, we financed \$93.9 billion of sales, and at December 31, 2013, we had \$57.3 billion of loan receivables and 62.0 million active accounts. Our active accounts represent a geographically diverse group of both consumers and businesses, with an average FICO score of 714 for consumer active accounts. Our business has been profitable and resilient, including through the recent U.S. financial crisis and ensuing years. For the year ended December 31, 2013, we had net earnings of \$2.0 billion, representing a return on assets of 3.5%.

Our business benefits from longstanding and collaborative relationships with our partners, including some of the nation’s leading retailers and manufacturers with well-known consumer brands, such as Lowe’s, Wal-Mart, Amazon and Ethan Allen. We believe our partner-centric business model has been successful because it aligns our interests with those of our partners and provides substantial value to both our partners and our customers. Our partners promote our credit products because they generate increased sales and strengthen customer loyalty. Our customers benefit from instant access to credit, discounts and promotional offers. We seek to differentiate ourselves through deep partner integration and our extensive marketing expertise. We have omni-channel (in-store, online and mobile) technology and marketing capabilities, which allow us to offer and deliver our credit products instantly to customers across multiple channels. For example, the purchase volume from our Retail Card online and mobile channels increased by \$3.0 billion, or 39.6%, from \$7.6 billion in 2011 to \$10.6 billion in 2013.

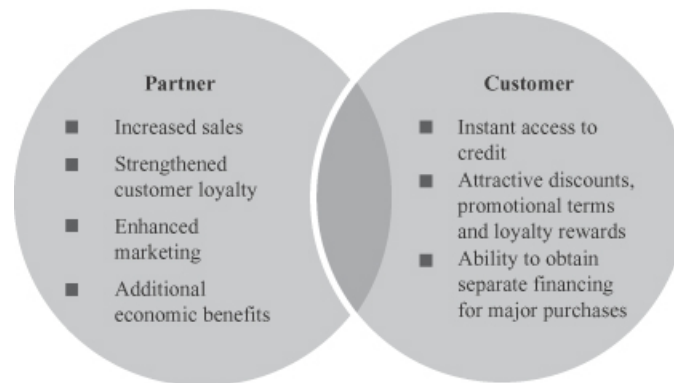
We offer our credit products primarily through our wholly-owned subsidiary, the Bank. Through the Bank, we offer a range of deposit products insured by the FDIC, including certificates of deposit, IRAs, money market accounts and savings accounts, under our Optimizer+Plus brand, directly to retail and commercial customers. We also take deposits at the Bank through third-party securities brokerage firms that offer our FDIC-insured deposit products to their customers. We are expanding our online direct banking operations to increase our deposit base as a source of stable and diversified low cost funding for our credit activities. We had \$25.7 billion in deposits at December 31, 2013.

Retail Card is a leading provider of private label credit cards, and also provides Dual Cards and small and medium-sized business credit products. Payment Solutions is a leading provider of promotional financing for major consumer purchases, offering primarily private label credit cards and installment loans. CareCredit is a leading provider of promotional financing to consumers for elective healthcare procedures or services, such as dental, veterinary, cosmetic, vision and audiology.

Our Value Proposition

We offer strong value propositions to both our partners and our customers.

Our Value Proposition



Value to Our Partners

Our consumer finance programs deliver the following benefits to our partners:

- **Increased sales.** Our programs drive increased sales for our partners by providing instant credit with an attractive value proposition (which may include discounts, promotional financing and customized loyalty rewards). Based on our research and experience in our Retail Card and Payment Solutions platforms, we believe average sales per customer in these platforms are generally higher for customers who use our cards compared to consumers who do not. In Payment Solutions the availability of promotional financing is important to the consumer's decision to make purchases of "big-ticket" items and a driver of retailer selection. In CareCredit, the availability of credit can also have a substantial influence over consumer spending with a significant number of consumers indicating in our research that they would postpone or forego all or a portion of their desired healthcare procedures or services if credit was not available through their healthcare providers.
- **Strengthened customer loyalty.** Our programs benefit our partners through strengthened customer loyalty. Our Retail Card customers have had their cards an average of 7.7 years at December 31, 2013. We believe customer loyalty drives repeat business and additional sales. In the year ended December 31, 2013, our 50.8 million active Retail Card accounts made an average of more than 12 purchases per account. Our CareCredit customers can use their card at any provider within our provider network, which we believe is an important source of new business to our providers, and 69% of CareCredit transactions in 2013 were from existing customers reusing their card at one or more providers.
- **Enhanced marketing.** We have developed significant marketing expertise that we share with our partners, including through dedicated on-site teams, a national field sales force and experts who reside in our marketing centers of excellence. We believe this expertise is of substantial value to our partners in increasing sales and profitability. Our omni-channel capabilities allow us to market our credit products wherever our partners offer their products. Our CRM and data analytics capabilities allow us to track customer responsiveness to different marketing strategies, which helps us target marketing messages and promotional offers to our partners' customers. In Payment Solutions, our dedicated

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industry-focused sales and marketing teams bring substantial retailer marketing expertise to our smaller retailer and merchant partners. These partners benefit from our research on how to increase store traffic with various promotional offerings. We also provide them with website and e-commerce capabilities that many could not afford to develop on their own.

- **Additional economic benefits.** Our programs provide economic benefits to our partners in addition to increasing sales. Our Retail Card partners typically benefit from retailer share arrangements that provide for payments to them once the economic performance of the program exceeds a contractually-defined threshold. These shared economics enhance our partners' engagement with us and provide an incentive for partners to support our programs. In addition, for most of our partners, our credit programs reduce costs by eliminating the interchange fees for in-store purchases that would otherwise be paid when general purpose credit cards or debit cards are used. Our programs also allow our partners to avoid the risks and administrative costs associated with carrying an accounts receivable balance for their customers, and this is particularly attractive to many of our CareCredit partners.

Value to Our Customers

Our consumer finance programs deliver the following benefits to our customers:

- **Instant access to credit.** We offer qualified customers instant access to credit at the point of sale and across multiple channels. Annual applications for our credit products increased by 24.7%, from 37.7 million applications in 2011 to 47.0 million in 2013. In addition, our applications from online and mobile channels increased by 43.1%, from 9.4 million in 2011 to 13.4 million in 2013. Our Retail Card programs provide financing for frequent purchases with attractive program benefits, including, in the case of our Dual Card, the convenience of a general purpose credit card. Payment Solutions and CareCredit offer promotional financing that enables qualified customers to make major purchases, including, in the case of CareCredit, elective healthcare procedures or services that typically are not covered by insurance.
- **Attractive discounts, promotional terms and loyalty rewards.** We believe our programs provide substantial value to our customers through attractive discounts, promotional terms and loyalty rewards. Retail Card customers typically benefit from first purchase discounts (e.g., 10% or more off the purchase price when a new account is opened) and discounts or loyalty rewards when their card is used to make subsequent purchases from our partners. Our Retail Card customers typically earn rewards based on the amount of their purchases from our partners at a rate which is generally higher than the reward rate on general purpose credit cards. Our Payment Solutions and CareCredit customers typically benefit from promotional financing such as interest-free periods on purchases. These types of promotions typically are not available to consumers when they use a general purpose credit card outside of introductory offer periods.
- **Ability to obtain separate financing for major purchases.** We believe many consumers prefer to obtain separate financing for major purchases or category expenditures rather than accessing available borrowing capacity under their general purpose credit cards or using cash. We believe our customers also value the ability to compartmentalize, budget and track their spending and borrowing through separate financing for a major purchase.

Our Industry

We believe our business is well positioned to benefit from the following favorable industry trends:

- **Improvements in consumer spending and credit utilization.** Consumer spending has increased as U.S. economic conditions and consumer confidence continue to recover from the recent financial crisis. The U.S. consumer payments industry, which consists of credit, debit, cash, check and electronic payments, is projected to grow by 25% from 2011 to 2016 (from \$8.3 trillion in 2011 to \$10.4 trillion in 2016) according to The Nilson Report (December 2012). According to that report, credit card payments are

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expected to account for the majority of the growth of the U.S. consumer payments industry. Credit card payments accounted for \$2.1 trillion or 25.6% of U.S. consumer payments volume in 2011 and are expected to grow to \$3.5 trillion or 34.1% of U.S. consumer payments volume in 2016. Credit card spending is growing as a percentage of total consumer spending, driven in part by the growth of online and mobile purchases.

- **Improvements in U.S. household finances.** U.S. household finances have recovered substantially since the financial crisis. According to the Federal Reserve Board, the average U.S. household's debt service ratio is better than pre-crisis levels, having improved to 9.9% for the three months ended September 30, 2013 from 13.1% for the three months ended September 30, 2007. According to the Federal Reserve Board, aggregate U.S. household net worth also has increased, from \$68.0 trillion at December 31, 2007 to \$77.3 trillion at September 30, 2013.
- **Growth of direct banking and deposit balances.** According to a 2012 American Bankers Association survey, the percentage of customers who prefer to do their banking via direct channels (internet, mail, phone and mobile) increased from 53% to 62% between 2010 and 2012, while those who prefer branch banking declined from 25% to 18% over the same period. This preference for direct banking has been evidenced by robust growth in direct deposits.

Competitive Strengths

Our business has a number of competitive strengths, including the following:

- **Large, diversified and well established consumer finance franchise.** Our business is large and diversified with 62.0 million active accounts and a partner network with 329,000 locations across the United States and in Canada. At December 31, 2013, we had \$57.3 billion in total loan receivables, and we are the largest provider of private label credit cards in the United States based on purchase volume and receivables according to The Nilson Report (June 2013). We have built large scale operations that support each of our sales platforms, and we believe our extensive partner network, with its broad geographic reach and diversity by industry, provides us with a distribution capability that is difficult to replicate. We believe the scale of our business and resulting operating efficiencies also contribute significantly to our success and profitability. In addition, we believe our partner-centric model, including our distribution capability, could lend itself to geographic expansion.
- **Partner-centric model with long-standing and stable relationships.** Our business is based on a partner-centric, business-to-business model. Our ability to establish and maintain deep, collaborative relationships with our partners is a core skill that we have developed through decades of experience. At December 31, 2013, the average length of our relationship for our 40 largest programs across all platforms (measured by platform revenue for the year ended December 31, 2013), which accounted in aggregate for 74.9% of our 2013 platform revenue, is 14 years. From these same 40 programs, 55.1% of our 2013 platform revenue is generated under programs with current contractual terms that continue through at least January 1, 2017. A diverse and growing group of more than 200,000 partners accounted for the remaining 25.1% of our 2013 platform revenue.
- **Deeply integrated technology across multiple channels.** Our proprietary technology is deeply integrated with our partners' systems and processes, which enables us to provide customized credit products to their customers at the point of sale across multiple channels. Our technologies enable customers to apply for credit at the point of sale, in store, online or on a mobile device and, if approved, purchase instantly. Our online and mobile technologies are capable of being seamlessly integrated into our partners' systems to enable our customers to check their available credit line, manage their account, access our eChat online customer service and participate in many of our partners' loyalty rewards programs online and using mobile devices. In addition, in CareCredit, we have developed what we believe is one of the largest healthcare provider locators of its kind, helping to connect customers to our 177,000 healthcare provider locations. This online locator received an

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average of 560,000 hits per month in 2013, helping to drive incremental business for our provider partners. We believe that our continued investment in technology and mobile offerings will help us deepen our relationships with our existing partners, as well as provide a competitive advantage when seeking to win new business.

- **Strong operating performance.** Over the three years ended December 31, 2013, we have grown our purchase volume and loan receivables at 9.8% and 8.2% compound annual growth rates, respectively. For the years ended December 31, 2011, 2012 and 2013, our net earnings were \$1.9 billion, \$2.1 billion and \$2.0 billion, respectively, and our return on assets was 4.1%, 4.2% and 3.5%, respectively. We were profitable throughout the recent U.S. financial crisis. We believe our ability to maintain profitability through various economic cycles is attributable to our rigorous underwriting process, strong pricing discipline, low cost to acquire new accounts, operational expertise and retailer share arrangements with our largest partners.
- **Strong balance sheet and capital base.** We have a strong capital base and a diversified and stable funding profile with access to multiple sources of funding, including a growing deposit platform at the Bank, securitized financings under well-established programs, the New GECC Term Loan Facility and the New Bank Term Loan Facility. In addition, following this offering, we intend to access the public unsecured debt markets as a source of funding. At December 31, 2013, pro forma for the Transactions (as defined under “—Summary Historical and Pro Forma Financial Information”), we would have had a fully phased-in Basel III Tier 1 common ratio of % and our business would have been funded with \$25.7 billion of deposits at the Bank, \$15.4 billion of securitized financings, \$ billion of transitional funding from the New GECC Term Loan Facility, \$ billion from the New Bank Term Loan Facility, and \$ billion of additional unsecured debt from a planned debt offering. At December 31, 2013, on a pro forma basis, we would have had \$ billion of cash and short-term liquid investments (or % of total assets) and approximately \$ billion of undrawn committed capacity under securitization facilities. We also had, at the same date and on the same basis, more than \$25.0 billion of unencumbered assets in the Bank available to be used to generate additional liquidity through secured borrowings or asset sales.
- **Experienced and effective risk management.** We have an experienced risk management team and an enterprise risk management infrastructure that we believe enable us to effectively manage our risk. Our enterprise risk management function is designed to identify, measure, monitor and control risk, including credit, market, liquidity, strategic and operational risks. Our focus on the credit process is evidenced by the success of our business through multiple economic cycles. We control the credit criteria for all of our programs and issue credit only to consumers who qualify under those credit criteria. Our systems are integrated with our partners’ systems and therefore we can use our proprietary credit approval processes to make credit decisions instantly at the point of sale and across all application channels in accordance with our underwriting guidelines and risk appetite. Our risk management strategies are customized by industry and partner, and we believe our proprietary decisioning systems and customized credit scores provide significant incremental predictive capabilities over standard credit bureau-based scores alone. In addition, we have an extensive compliance program and we have invested, and will continue to invest, in enhancing our regulatory compliance capabilities.
- **High quality and diverse asset base.** The quality of our loan receivables portfolio is high. Our consumer active accounts had an average FICO score of 714, and our total loan receivables had a weighted average consumer FICO score of 696, in each case at December 31, 2013. In addition, 71.3% of our portfolio’s loan receivables are from consumers with a FICO score of greater than 660 at December 31, 2013. Our over-30 day delinquency rate at December 31, 2013 is below 2007 pre-financial crisis levels. We have a seasoned customer base with 32.7% of our loan receivables at December 31, 2013 associated with accounts that have been open for more than six years. Our portfolio is also diversified by geography, with receivables balances broadly reflecting the U.S. population distribution.

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- **Experienced management team and business built on GE culture.** Our senior management team, including key members who helped us successfully navigate the financial crisis, will continue to lead our company following this offering. We have operated as a largely standalone business within GECC, with our own sales, marketing, risk management, operations, collections, customer service and compliance functions. Our business has been built on GE's culture and heritage, with a strong emphasis on our partners and customers, a rigorous use of metrics and analytics, a disciplined approach to risk management and compliance and a focus on continuous improvement and strong execution.

Our Business and Growth Strategy

We intend to grow our business and increase our profitability by building on our financial and operating strengths and capitalizing on projected favorable industry trends, as well as by pursuing a number of important growth strategies for our business, including the following:

Increase customer penetration at our existing partners. We believe there is a significant opportunity to grow our business by increasing the usage of our cards in each of our sales platforms. In Retail Card, based on sales data provided by our partners, we have increased penetration of our partners' aggregate sales in each of the last three years. For the year ended December 31, 2013, penetration of our Retail Card partners' sales ranged from 1% to 49%, and the aggregate sales of all Retail Card partners were \$555.6 billion, which we believe represents a significant opportunity for potential growth. We believe there is also a significant market opportunity for us to increase our penetration in Payment Solutions and CareCredit.

Attract new partners. We seek to attract new partners by both launching new programs and acquiring existing programs from our competitors. In Retail Card, which is typically characterized by longer-term, exclusive relationships, we added four new Retail Card partners from January 1, 2011 through December 31, 2013, which accounted for \$2.3 billion of receivables at December 31, 2013. In Payment Solutions, where a significant portion of our programs include independent dealers and merchants that enter into separate arrangements with us, we established 37 new Payment Solutions programs from January 1, 2011 through December 31, 2013, which accounted for \$1.2 billion of loan receivables at December 31, 2013, and we increased our total partners from 57,000 at December 31, 2010 to 61,000 at December 31, 2013. In CareCredit, where we attract new healthcare provider partners largely by leveraging our endorsements from professional associations and healthcare consultants, we increased the number of partners with which we had agreements from 122,000 at December 31, 2010 to 149,000 at December 31, 2013. We believe there is a significant opportunity to attract new partners in each of our platforms, including by adding additional merchants, dealers and healthcare providers under existing programs.

Our strategies to both increase penetration among our current partners and attract new partners include the following elements:

- **Leverage technology to support our partners.** Our business model is focused on supporting our partners by offering credit wherever they offer their products and services (i.e., in-store, online and on mobile devices). We intend to continue to make significant investments in online and mobile technologies, which we believe will lead to new accounts, increased sales and deeper relationships with our existing partners and will give us an advantage when competing for new partners. We intend to continue to roll out the capability for consumers to apply for our products via their mobile devices, receive an instant credit decision and obtain immediate access to credit, and to deliver targeted rewards and promotions to our customers via their mobile devices for immediate use.
- **Capitalize on our strong data, analytics and customer relationship management capabilities.** We believe that our ongoing efforts to expand our data and analytics capabilities help differentiate us from our competitors. We have access to a vast amount of data (such as our customers' purchase patterns and payment histories) from our 108.9 million open accounts at December 31, 2013 and the hundreds of millions of transactions our customers make each year. Consistent with applicable privacy rules and regulations, we are developing new tools to assess this data to develop and deliver valuable insights

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and actionable analysis that can be used to improve the effectiveness of marketing strategies leading to incremental growth for both our partners and our business. Our recently enhanced CRM platform will utilize these insights and analysis to drive more relevant and timely offers to our customers via their preferred channels of communication. We believe the combination of our analytics expertise and extensive data access will drive greater partner engagement and increased sales, strengthen customer loyalty, and provide us a competitive advantage.

- **Launch our integrated multi-tender loyalty programs.** We are leveraging our extensive data analytics, loyalty experience and broad retail presence to launch multi-tender loyalty programs that enable customers to earn rewards from a partner, regardless of how they pay for their purchases (e.g., cash, private label or general purpose credit cards). By expanding our loyalty program capabilities beyond private label credit cards we can provide deeper insights to our partners about their customers, including spending patterns and shopping behaviors. Multi-tender loyalty programs will also provide us with access to non-cardholders, giving us the opportunity to grow our customer base by marketing our credit products to them and delivering a more compelling value proposition.
- **Increase focus on small and mid-sized businesses.** We currently offer private label credit cards and Dual Cards for small to mid-sized commercial customers that are similar to our consumer offerings. We are increasing our focus on marketing our commercial pay-in-full accounts receivable product to a wide range of business customers, and are rolling out an improved customer experience for this product with enhanced functionality. Our loan receivables from business customers were \$1.3 billion at December 31, 2013, and we believe our strategic focus on business customers will enable us to continue to attract new business customers and increase the diversity of our loan receivables.
- **Expand our direct banking activities.** In January 2013, we acquired the deposit business of MetLife, which is a direct banking platform that at the time of the acquisition had \$6.0 billion in U.S. direct deposits and \$0.4 billion in brokered deposits. Our U.S. direct deposits grew from \$0.9 billion at December 31, 2012 to \$10.9 billion at December 31, 2013 (including the MetLife acquisition). The acquisition of this banking platform is a key part of our strategy to increase our deposit base as a source of stable and diversified low cost funding. The platform is highly scalable, allowing us to expand without the overhead expenses of a traditional “brick and mortar” branch network. We believe we are well-positioned to benefit from the consumer-driven shift from branch banking to direct banking. According to a 2012 American Bankers Association survey, the percentage of customers who prefer to do their banking via direct channels (i.e., internet, mail, phone and mobile) increased from 53% to 62% between 2010 and 2012, while those who prefer branch banking declined from 25% to 18% over the same period. To attract new deposits and retain existing ones, we are enhancing our loyalty program and expanding mobile banking offerings. We also intend to introduce new deposit products and enhancements to our existing products. These new and enhanced products include the introduction of checking accounts, overdraft protection lines of credit, a bill payment account feature and debit cards, as well as enhanced small business deposit accounts and expanded affinity offers.

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Our Sales Platforms

We offer our credit products through three sales platforms: Retail Card, Payment Solutions and CareCredit. Set forth below is a summary of certain information relating to our Retail Card, Payment Solutions and CareCredit platforms at or for the year ended December 31, 2013:

<i>(\$ in millions, except for average loan receivable balance)</i>	<u>Retail Card</u>	<u>Payment Solutions</u>	<u>CareCredit</u>
Partners	24	61,000	149,000
Partner locations	34,000	118,000	177,000
Purchase volume	\$ 75,739	\$ 11,360	\$ 6,759
Active accounts (in millions)	50.8	6.8	4.4
Average loan receivable balance	\$ 782	\$ 1,654	\$ 1,470
Average FICO for consumer active accounts	718	709	684
Period end loan receivables	\$ 39,834	\$ 10,893	\$ 6,527
Interest and fees on loans	\$ 8,317	\$ 1,506	\$ 1,472
Other income	407	36	45
Retailer share arrangements ⁽¹⁾	(2,320)	(36)	(6)
Platform revenue ⁽²⁾	<u>\$ 6,404</u>	<u>\$ 1,506</u>	<u>\$ 1,511</u>

(1) Most of our Retail Card program agreements contain retailer share arrangements that provide for payments to our partner if the economic performance of the program exceeds a contractually defined threshold.

(2) Platform revenue is a non-GAAP measure. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Platform Analysis.”

Retail Card

Retail Card is a leading provider of private label credit cards, and also provides Dual Cards and small and medium-sized business credit products. Retail Card accounted for \$6.4 billion, or 68.0% of our total platform revenue for the year ended December 31, 2013. Substantially all of the credit extended in this platform is on standard (i.e., non-promotional) terms.

Retail Card’s platform revenue consists of interest and fees on our loan receivables, plus other income, less retailer share arrangements. Other income primarily consists of interchange fees earned on Dual Card transactions (when the card is used outside of our partners’ sales channels) and fees paid to us by customers who purchase our debt cancellation products, less loyalty program payments.

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Retail Card Partners

At December 31, 2013, we had Retail Card programs with 24 national and regional retailers, including department stores, specialty retailers, mass merchandisers, multi-channel electronic retailers, online retailers and oil and gas retailers that collectively have 34,000 retail locations. Set forth below is certain information regarding our Retail Card partners:

	<u>Category</u>	<u>Length of relationship⁽¹⁾</u>
Amazon	Online retailer	6
American Eagle	Specialty retailer—apparel	17
Belk	Department store	8
Brooks Brothers	Specialty retailer—apparel	16
Chevron (Chevron USA and Chevron Canada)	Oil and gas retailer	6
Dick's Sporting Goods	Specialty retailer—sporting goods	10
Dillard's	Department store	9
Ebates	Online retailer	1
Gap (including Old Navy and Banana Republic)	Specialty retailer—apparel	15
JCPenney	Department store	14
Lord & Taylor	Department store	6
Lowe's	Mass merchandiser—home improvement	34
Meijer	Mass merchandiser	11
Men's Wearhouse	Specialty retailer—apparel	15
Modell's	Specialty retailer—sporting goods	6
PayPal (including eBay)	Online retailer	9
Phillips 66	Oil and gas retailer	1
QVC	Multi-channel electronic retailer	8
Sam's Club	Mass merchandiser	20
ShopHQ	Multi-channel electronic retailer	7
Stein Mart	Department store	7
TJX (including T.J.Maxx, Marshalls and HomeGoods)	Specialty retailer—apparel and home goods	2
Toys "R" Us (including Babies "R" Us)	Specialty retailer—toys	1
Wal-Mart	Mass merchandiser	14

(1) In years, at December 31, 2013. See text following the table below under "—Term" for information with respect to the future status of our relationship with three of these partners.

Our ten largest Retail Card programs accounted in aggregate for 58.9% of our total platform revenue for the year ended December 31, 2013. Our programs with JCPenney and Wal-Mart each accounted for more than 10% of our total platform revenue and JCPenney, Lowe's and Wal-Mart each accounted for more than 10% of our total platform interest and fees and other income, in each case for the year ended December 31, 2013. We also have programs with Sam's Club, a subsidiary of Wal-Mart, pursuant to separate program agreements. For purposes of the information provided in this paragraph with respect to Wal-Mart, the platform revenue and interest and fees and other income from the Sam's Club program has not been included.

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Our Retail Card programs are governed by program agreements that are each negotiated separately with our partners. Although the terms of the agreements are partner-specific, and may be amended from time to time, under a typical program agreement our partner agrees to support and promote the program to its customers, but we control credit criteria and issue credit cards to customers who qualify under those criteria. We generally own the underlying accounts and all loan receivables generated under the program from the time of origination. Other key provisions in the Retail Card program agreements include:

Term. Retail Card program agreements typically have contract terms ranging from approximately five to ten years. Some program agreements have renewal clauses that provide for automatic renewal for one or more years until terminated by us or our partner. We typically seek to renew the program agreements well in advance of their termination dates. Set forth below is certain information regarding the scheduled expiration dates of our partner programs, including the number of programs scheduled to expire during each indicated period and the platform revenue and loan receivables attributable to those programs at the date and for the period indicated:

(\$ in millions)	Scheduled Program Expiration at the Date Hereof					
	2014	2015	2016	2017-18	2019-20	2021 and beyond
Partner programs	4	2	2	8	4	4
Platform revenue (for the year ended December 31, 2013)	\$ 349	\$ 128	\$1,045	\$ 828	\$ 2,507	\$ 1,547
Loan receivables (at December 31, 2013)	\$2,040	\$ 869	\$9,041	\$ 4,817	\$ 12,566	\$ 10,502

Based on written notices received to date from three of our 24 current Retail Card partners, we do not expect their program agreements to be extended beyond their contractual expiration dates in 2014. These three program agreements represented, in the aggregate, 2.3% of our total platform revenue for the year ended December 31, 2013 and 2.8% of our total loan receivables at December 31, 2013. In addition, based on discussions to date with another of our 24 current Retail Card partners, PayPal, we expect to extend our program agreement with that partner for two years beyond its current contractual expiration date in 2014. Although we do not expect the program agreement to be extended beyond the two year extension, we expect that we will agree to a fixed formula for PayPal to purchase the portfolio after the extension expires. The extension is also expected to eliminate certain exclusivity provisions that exist in the current program agreement which we expect will result in lower platform revenue and loan receivables from our PayPal program during the remaining term of the agreement. The PayPal program agreement represented 3.1% of our total platform revenue for the year ended December 31, 2013 and 2.6% of our total loan receivables at December 31, 2013. The table above reflects the expected extended PayPal term.

Exclusivity. The program agreements typically are exclusive for the products we offer and limit our partners' ability to originate or promote other private label or co-branded credit cards during the term of the agreement.

Retailer share arrangements. Most of our Retail Card program agreements contain retailer share arrangements that provide for payments to our partner if the economic performance of the program exceeds a contractually-defined threshold. Economic performance for the purposes of these arrangements is typically measured based on agreed upon program revenues (including interest income and certain other income) less agreed upon program expenses (including interest expense, provision for credit losses, retailer payments and operating expenses). We may also provide additional economic benefits to our partners such as a signing bonus, royalties on purchase volume or payments for new accounts. All of these arrangements align our interests and provide an additional incentive to our partners to promote our credit products.

Other economic terms. In addition to the retailer share arrangements, the program agreements typically provide that the parties will develop a marketing plan to support the program, it sets the terms by which a joint marketing budget is funded, the basic terms of the rewards program linked to the use of our product (such as opportunities to receive double rewards point for purchases made on a Retail Card product), and the allocation of costs related to the rewards program.

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Termination. The program agreements set forth the circumstances in which a party may terminate the agreement prior to expiration. Our program agreements generally permit us and our partner to terminate the agreement prior to its scheduled termination date for various reasons, including if the other party materially breaches its obligations. Some program agreements also permit our partner to terminate the program if we fail to meet certain service levels, if we change certain key cardholder terms, if we fail to achieve certain approval rate targets with respect to approvals of new customers or if we elect not to increase the program size when the outstanding loan receivables under the program reach certain thresholds. Historically, these rights have not typically been triggered or exercised. Some of our program agreements provide that, upon termination or expiration, our partner may purchase or designate a third party to purchase the accounts and loan receivables generated with respect to its program at fair market value or a stated price, including all related customer data.

Acquiring New Retail Card Partners

We seek to partner with medium to large, financially strong retailers who have a national or regional footprint and a desire to grow their business through effective consumer financing programs. Our business development team proactively targets and engages with potential partners that either do not have a card program or may be receptive to an opportunity for us to acquire their existing program. The team responds to competitive requests for proposals (“RFPs”) and informal inquiries initiated by retailers. From January 1, 2011 through December 31, 2013, we added four new Retail Card partners, which accounted for \$2.3 billion of loan receivables at December 31, 2013.

Acquiring and Marketing to Retail Card Customers

We work directly with our partners—using their distribution network, communication channels and customer interactions—to market our products to their customers and potential customers. We believe our presence at our partners’ points of sale and our ability to make credit decisions instantly for a customer that is already predisposed to make a purchase enables us to acquire new customer accounts at significantly lower costs than general purpose card issuers, who typically market directly to consumers through mass mailings.

To acquire new customers, we collaborate with our partners and leverage our marketing expertise to create marketing programs that promote our products for creditworthy customers. Frequently, our partners market the availability of credit as part of (and with little incremental cost to) the advertising for their goods and services. Our marketing programs include marketing offers (e.g., 10% off the customer’s first purchase) and consumer communications that are delivered through a variety of channels, including in-store signage, online advertising, retailer website placement, associate communication, emails and text messages, direct mail campaigns, advertising circulars, and outside marketing via television, radio and print. We also employ our proprietary Quickscreen and eQuickscreen acquisition methods to make targeted pre-approved credit offers at the point-of-sale both in-store and online. Our Quickscreen and eQuickscreen technology allows us to run customer information we have obtained from our partners through our risk models in advance so that when these customers seek to make payment for goods and services at our partners in-store or online point of sale we can make a credit offer instantly, if appropriate. Based on our experience, due to the personalized and immediate nature of the offer, Quickscreen and eQuickscreen significantly outperform traditional direct-to-consumer pre-approved channels such as direct mail or email in response rate and dollar spending.

After a customer obtains one of our Retail Card products, our marketing programs encourage card utilization by continuing to communicate our products’ value propositions (such as, depending on the program, promotional financing offers, cardholder events, product discounts, dollar-off certificates, account holder sales, reward points and offers, new product announcements and previews, and free or reduced cost gift wrapping, alteration or delivery services) through our partners’ distribution channels.

Through our CRM and data analytics teams, we track cardholder responsiveness to our marketing programs and use this research to target marketing messages and promotional offers to cardholders based on their

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individual characteristics, such as length of relationship and spending pattern. For example, if a cardholder responds positively to a coupon sent by text message, we will tailor future marketing messages so that they are delivered by text message. Our ability to target marketing messages and promotions is enhanced for Dual Card programs because we receive, collect and analyze data on in-store and all other spending.

We also manage retail loyalty programs. These programs typically provide cardholders with rewards in the form of merchandise discounts that are earned by achieving a pre-set spending level on their private label or Dual Card. The merchandise discounts can be mailed to the cardholder, accessed online, or may be immediately redeemable at the partner's store. Other programs provide cashback or reward points, which are redeemable for a variety of products or awards. These loyalty programs are designed to generate incremental purchase volume per customer, while reinforcing the value of the card to the customer and strengthening customer loyalty. In the future, we intend to offer loyalty programs to customers that utilize non-credit payment types such as cash, debit or check. These multi-tender loyalty programs will allow our partners to market to an expanded customer base, and allow us access to additional prospective cardholders.

In addition to our efforts to acquire and promote consumer cardholders, we are increasing our focus on small to mid-sized commercial customers. We offer these customers private label credit cards and Dual Cards that can be used at our Retail Card partners and are similar to our consumer offerings. We are also increasing our focus on marketing our commercial pay-in-full accounts receivable product that supports a wide range of business customers.

Payment Solutions

Payment Solutions is a leading provider of promotional financing for major consumer purchases, offering private label credit cards and installment loans. Payment Solutions accounted for \$1.5 billion, or 16.0%, of our total platform revenue for the year ended December 31, 2013. Substantially all of the credit extended in Payment Solutions is promotional financing.

Payment Solutions' platform revenue primarily consists of interest and fees on our loan receivables, including "merchant discounts," which are fees paid to us by our partners in almost all cases to compensate us for all or part of the foregone interest revenue associated with promotional financing. We offer three types of promotional financing: deferred interest (interest accrues during a promotional period and becomes payable if the full purchase amount is not paid off during the promotional period), no interest (no interest on a promotional purchase) and reduced interest (interest is assessed monthly at a promotional interest rate during the promotional period). As a result, during the promotional period we do not generate interest revenue or generate it at a lower rate, although we continue to generate fee income relating to late fees on required minimum payments.

Payment Solutions Partners

In Payment Solutions, we create customized credit programs for national and regional retailers, manufacturers, buying groups, industry associations and our own individually-branded industry programs, which are available to participating merchants, dealers and retail outlets to provide financing offers to their customers. Our programs include:

- programs with national and regional retailers and their related retail outlets;
- programs with manufacturers and the merchants and dealers (including franchisees) that sell the manufacturers' products;
- programs with buying groups or industry associations and their participating member merchants and dealers; and
- individually-branded industry programs that we create and the networks of individual, unrelated merchants and dealers who participate in these programs.

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At December 31, 2013, we had 252 Payment Solutions programs and a total of 61,000 participating partners that collectively have 118,000 retail locations. During 2013, 67,000 of these retail locations either processed a credit application or made a Payment Solutions credit sale.

Set forth below is certain information regarding our ten largest Payment Solutions programs by platform revenue at December 31, 2013:

	<u>Category</u>	<u>Length of Relationship⁽¹⁾</u>
Ashley HomeStores	Furniture retailer and manufacturer	2
Discount Tire	Tire retailer	15
Haverty's Furniture	Furniture retailer	3
h.h.gregg	Electronics and appliances retailer	15
North American Home Furnishings Association	Furniture industry association	4
P.C. Richard & Son	Electronics and appliances retailer	15
Rooms To Go	Furniture retailer	11
Select Comfort	Bedding retailer	10
Sleepy's	Bedding retailer	13
Yamaha Motor Corp. USA	Powersports manufacturer	9

(1) In years, at December 31, 2013.

The average length of our relationship for our 10 largest Payment Solutions programs is 9 years.

Payment Solutions' platform revenue for the year ended December 31, 2013 is diversified across seven retail markets: home furnishings/flooring (39.3%), electronics/appliances (19.9%), home specialty (13.9%), other retail (7.9%), power (motorcycles, ATVs and lawn and garden) (8.0%), automotive (7.5%), and jewelry and other luxury items (3.5%). Payment Solutions is also diversified by program, with no one Payment Solutions program accounting for more than 1.0% of our total platform revenue for the year ended December 31, 2013.

National and Regional Retailer Partners and Manufacturers. For the Payment Solutions programs we have established with national and regional retailers and manufacturers, the terms of our program agreements typically are similar to the terms of our Retail Card program agreements, in that we are the exclusive program provider of financing for the national or regional retailer or manufacturer with respect to the financing products we offer. The term of the program agreements generally run from three to five years. We control credit criteria and issue credit cards or provide installment loans to customers who qualify under those credit criteria. We own the underlying accounts and all loan receivables generated under the program from the time of origination. Our Payment Solutions program agreements set forth the program's economic terms, including the merchant discount applicable to each promotional finance offering. We typically do not pay fees to our Payment Solutions partners pursuant to any retailer share arrangements, but in some cases we pay a sign-up fee to a partner or provide volume based rebates on the merchant discount paid by the partner. Many of the program agreements have renewal clauses which allow the program agreement to be renewed for successive one or more year terms until terminated by us or our partner. We typically negotiate with program participants to renew the program agreements well in advance of their termination dates. In addition to the credit programs, we also process general purpose card transactions for some merchants and dealers under programs with manufacturers as their acquiring bank within most of the credit card network associations, for which we receive an interchange fee.

Buying Groups and Industry Associations. For the Payment Solutions programs we have established with buying groups and industry associations, such as the North American Home Furnishings Association, Jewelers of America and MEGA Group USA, the programs are governed by program agreements under which we make our credit products available to their respective members or dealers, but these agreements generally do not require the members or dealers to offer our products to their customers. Under the terms of the program agreements, buying groups and industry associations generally agree to support and promote the respective programs. These arrangements may include sign-up fees and volume based incentives paid by us to the groups and their members. In

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addition to these credit programs, we also process general purpose card transactions for some merchants and dealers as their acquiring bank within most of the credit card network associations, for which we receive an interchange fee.

Individually-branded Programs. Our individually-branded Payment Solutions programs are focused on specific industries, where we create either company branded or company and partner branded private label credit cards that are usable across all participating locations within the industry-specific network. For example, our CarCareONE program, comprised of merchants selling automotive parts, repair services and tires, covers 17,000 locations across the United States, and cards issued may be dual branded with CarCareONE and partners such as Midas, Michelin Tires or Pep Boys. Under the terms of these programs, we establish merchant discounts applicable to each financing offer, and, in some cases, the fees we charge partners for their membership in the network.

Dealer Agreements. For the Payment Solutions programs we have established with manufacturers, buying groups, industry associations and individually-branded programs described above, we enter into individual agreements with the merchants and dealers that offer our credit products under these programs. These agreements generally are not exclusive and some parties who offer our financing products also offer financing from our competitors. Our agreements generally continue until terminated by either party, with termination typically available to either party at will on 15 days' written notice. Our dealer agreements set forth the economic terms associated with the program, including the fees charged to dealers to offer promotional financing, and in some cases allow us to periodically change the fees we charge.

Acquiring New Payment Solutions Partners

Attracting new partners is a key element to the continued growth of our Payment Solutions platform. In Payment Solutions, we seek to partner with, and proactively target, sellers of "big-ticket" products or services (generally priced from \$500 to \$25,000) to consumers where our financing products provide strong incremental value to sellers and their customers. Our business development team also responds to RFPs initiated by retailers, manufacturers, industry groups and other organizations, and works within our existing programs to increase the number of partners participating in these programs. We also promote all of our programs through direct marketing activities such as industry trade publications, trade shows and sales efforts by dedicated internal and external sales teams, leveraging our existing partner network or through endorsements from manufacturers, buying groups and industry associations. Our broad array of point of sale technologies and quick enrollment process allow us to quickly and cost-effectively integrate new partners. From January 1, 2011 through December 31, 2013, we established 37 new Payment Solutions programs, which accounted for \$1.2 billion of loan receivables at December 31, 2013 and we increased our total partners from 57,000 at December 31, 2010 to 61,000 at December 31, 2013.

Acquiring and Marketing to Payment Solutions Customers

Our Payment Solutions products are generally deeply embedded in our partners' product offerings and our financing offers are therefore a key component of our partners' marketing and growth strategies. Our breadth and scale enable us to bring substantial retailer marketing expertise to our smaller retailer and merchant partners. Similar to Retail Card, we help our partners acquire new customers by leveraging our significant marketing expertise to help them develop marketing programs that promote our products for customers through a variety of channels, including in-store signage, online advertising, retailer website placement, emails and text messages, direct mail campaigns, advertising circulars and print media/outside marketing via television, radio and print. In Payment Solutions, we also use our CRM and data analytics capabilities as described above for Retail Card.

CareCredit

CareCredit is a leading provider of promotional financing to consumers for elective healthcare procedures or services, such as dental, veterinary, cosmetic, vision and audiology. CareCredit accounted for \$1.5 billion, or 16.0%, of our total platform revenue for the year ended December 31, 2013. Substantially all of the credit extended in CareCredit is promotional financing.

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We offer customers a CareCredit-branded private label credit card that may be used across our network of CareCredit providers. We generate revenue in CareCredit primarily from interest and fees on our credit products and from merchant discounts provided by partners to compensate us for all or part of the cost of this promotional financing. We also process general purpose card transactions for some providers as their acquiring bank within most of the credit card network associations, for which we obtain an interchange fee.

CareCredit Partners

The vast majority of our partners are individual and small groups of independent healthcare providers. The remainder are national and regional healthcare providers and manufacturers such as LCA-Vision, Heartland Dental, Starkey Laboratories and the Veterinary Centers of America (VCA Antech). At December 31, 2013, we had CareCredit agreements with 149,000 healthcare providers that collectively have 177,000 locations. During 2013, 132,000 of these locations either processed a CareCredit application or made a sale on a CareCredit credit card. No one CareCredit partner accounted for more than 0.4% of our total platform revenue for the year ended December 31, 2013. CareCredit's platform revenue for the year ended December 31, 2013 is diversified across five major specialties: dental (63.9%), veterinary (14.2%), cosmetic and dermatology (9.8%), vision (5.7%), audiology (2.8%) and other markets (3.6%).

We enter into provider agreements with individual healthcare providers who become part of our CareCredit network. These provider agreements are similar to the dealer agreements that govern our relationships with the merchants and dealers offering our Payment Solutions products in that the agreements are not exclusive and typically may be terminated at will on 15 days' notice. There typically are no retailer share arrangements with partners in CareCredit.

Acquiring New CareCredit Partners

CareCredit includes a network of healthcare practitioners that provide elective procedures that generally are not covered by insurance. We screen potential partners using a variety of criteria, including whether the potential provider specializes in one of our approved specialties, carries the appropriate licensing and certifications, and has a strong credit history. We also screen potential partners for reputational issues. We work with professional and other associations, manufacturers, buying groups, industry associations and healthcare consultants to educate their constituents about the products and services we offer. At December 31, 2013, we had relationships with 107 professional and other associations (including the American Dental Association and the American Animal Hospital Association), manufacturers and buying groups, which endorse and promote our credit products to their members. Of these relationships, 63 were paid endorsements linked to member enrollment in, and volume under, the relevant program. We believe our ability to attract new partners is aided by our customer satisfaction rate, which our research in 2013 shows is 89%. We also approach individual healthcare service providers through direct mail and advertising, and at trade shows. From January 1, 2011 through December 31, 2013, we added 44,000 new CareCredit partners.

Acquiring and Marketing to CareCredit Customers

We market our products through our provider network by training our network providers on the advantages of CareCredit products and by making marketing materials available for providers to use to promote the program and educate customers. Our training helps our providers learn to discuss payment options during the pre-treatment consultation phase, including the option to apply for a CareCredit credit card and the offer of promotional credit. According to a 2014 survey of our CareCredit customers, 62% indicated that they would have postponed or deferred treatment if financing was not offered by their provider. Consumers can apply for our CareCredit products in the provider's office, or on-line via the web or mobile device.

We also market our products to potential and existing customers directly through our web-based partner locator, which allows customers to search for healthcare service providers that accept the CareCredit credit card by

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desired geography and provider type. According to our records, our CareCredit partner locator averaged 560,000 hits per month during the year ended December 31, 2013. We believe our partners recognize the locator as an important source of new customer acquisition. Our extensive marketing activities targeted to existing customers have yielded high levels of CareCredit card re-use across the network, with 69% of the transactions across our CareCredit network during the year ended December 31, 2013 resulting from repeat use at one or more providers.

Our Credit Products

We offer three principal types of credit products: credit cards, commercial credit products and consumer installment loans. We also offer a debt cancellation product.

The following table sets forth each credit product by type (and within credit cards, by private label credit cards and Dual Cards) and indicates the percentage of our total loan receivables that are under standard terms or pursuant to a promotional financing offer at December 31, 2013.

<u>Credit Product</u>	<u>Standard Terms</u>	<u>Promotional Offer</u>	<u>Total</u>
Private label credit cards	45.7%	27.9%	73.6%
Dual Cards	22.2	0.2	22.4
Total credit cards	67.9	28.1	96.0
Commercial credit products	2.3	—	2.3
Consumer installment loans	—	1.7	1.7
Total	70.2%	29.8%	100.0%

Credit Cards

Our credit card products are loans we extend through open-ended revolving credit card accounts. We offer two principal types of credit cards: private label credit cards and Dual Cards.

Private Label Credit Cards

Private label credit cards are partner-branded credit cards (e.g., Lowe's or Amazon) or program-branded credit cards (e.g., CarCareONE or CareCredit) that are used primarily for the purchase of goods and services from the partner or within the program network. In addition, in some cases, cardholders may be permitted to access their credit card accounts for cash advances.

Credit under a private label credit card typically is extended on either standard terms only, which means accounts are assessed periodic interest charges using an agreed non-promotional fixed and/or variable interest rate, or pursuant to a promotional financing offer, involving deferred interest, no interest or reduced interest during a set promotional period. Promotional periods typically range between six and 48 months, but we may agree to longer terms with the partner. In almost all cases we receive a merchant discount from our partners to compensate us for all or part of the cost of providing the promotional financing feature. The terms of these promotions vary by partner, but generally the longer the deferred interest, reduced interest or interest-free period, the greater the partner's merchant discount. Some offers permit customers to pay for a purchase in equal monthly payments with no interest or at a reduced interest rate, rather than deferring or delaying interest charges.

In Retail Card, credit under our private label credit cards typically is extended on standard terms only, and in Payment Solutions and CareCredit, credit under our private label credit cards typically is extended pursuant to a promotional financing offer. In CareCredit, standard rate financing generally applies to charges under \$200.

We typically do not charge interchange or other fees to our partners when a customer uses a private label credit card to purchase our partners' goods and services through our payment system.

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Most of our private label credit card business is in the United States. For some of our partners who have locations in Canada, we also support the issuance and acceptance of private label credit cards at their locations in Canada and from customers in Canada.

Dual Cards

Our proprietary Dual Cards are Visa, MasterCard, American Express or Discover general purpose credit cards that are co-branded with our partner's own brand and may be used to make purchases of goods or services from our partner (functioning as a private label credit card) or purchases from others wherever cards from those card networks are accepted (functioning as a general purpose credit card) or cash advance transactions.

We have been granted two U.S. patents relating to the process by which our Dual Cards function as a private label credit card when used to make purchases from our partners and function as a general purpose credit card when used on the systems of other credit card associations.

Credit extended under our Dual Cards typically is extended on standard terms only. Currently, only Retail Card offers Dual Cards. At December 31, 2013, we offered Dual Cards through 18 of our 24 Retail Card programs. We expect to increase the number of partner programs that offer Dual Cards and seek to increase the portion of our loan receivables attributable to Dual Cards.

Charges using a Dual Card generate interchange income for us in connection with purchases made by cardholders other than in store or online from the partner.

We currently do not issue Dual Cards in Canada.

Loyalty Programs

We operate a number of loyalty programs in our Retail Card platform that are designed to generate incremental purchase volume per customer, while reinforcing the value of the card and strengthening cardholder loyalty. These programs typically provide cardholders with rewards in the form of merchandise discounts that are earned by achieving a pre-set spending level on their private label credit card or Dual Card. Other programs provide cashback or reward points, which are redeemable for a variety of products or awards.

Terms and Conditions

As a general matter, the financial terms and conditions governing our credit card products vary by program and product type and change over time, although we seek to standardize the non-financial provisions consistently across all products. The terms and conditions of our credit card products are governed by a cardholder agreement and applicable laws and regulations.

We assign each card account a credit limit when the account is initially opened. Thereafter, we may increase or decrease individual credit limits from time to time, at our discretion, based primarily on our evaluation of the customer's creditworthiness and ability to pay. To the extent required by law or regulation, we send a monthly billing statement to each customer who has an outstanding debit or credit balance.

For the vast majority of accounts, periodic interest charges are calculated using the daily balance method, which results in daily compounding of periodic interest charges, subject to, at times, a grace period on new purchases. Cash advances are not subject to a grace period, and some credit card programs do not provide a grace period for promotional purchases. In addition to periodic interest charges, we may impose other charges and fees on credit card accounts, including, as applicable and provided in the cardholder agreement, cash advance transaction fees and late fees where a customer has not paid at least the minimum payment due by the required due date.

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Typically, each customer with an outstanding debit balance on his or her credit card account must make a minimum payment each month. A customer may pay the total amount due at any time without penalty. We also may enter into arrangements with delinquent customers to extend or otherwise change payment schedules, and to waive interest charges and/or fees.

Commercial Credit Products

We offer private label cards and co-branded cards for commercial customers that are similar to our consumer offerings. We also offer a commercial pay-in-full accounts receivable product to a wide range of business customers, and are rolling out an improved customer experience for this product with enhanced functionality. We offer commercial credit products primarily through our Retail Card platform to the commercial customers of our Retail Card partners.

Installment Loans

In Payment Solutions, we originate installment loans to consumers (and a limited number of commercial customers) in the United States, primarily in the power segment. Installment loans are closed-end credit accounts where the customer pays down the outstanding balance in installments. The terms of our installment loans are governed by customer agreements and applicable laws and regulations.

Installment loans are assessed periodic interest charges using fixed interest rates. In addition to periodic interest charges, we may impose other charges and fees on loan accounts, including late fees where a customer has not made the required payment by the required due date and returned payment fees.

Debt Cancellation Products

We offer a debt cancellation product to our credit card customers. Customers who choose to purchase this product are charged a monthly fee based on their ending balance on each billing statement. In return, the Bank will cancel all or a portion of a customer's credit card balance in the event of certain qualifying life events. In October 2012, we ceased telesales of debt cancellation protection products and only offer a debt cancellation product online and, on a limited basis, by direct mail.

Direct Banking

Through the Bank, we offer our customers a range of FDIC-insured deposit products directly through our Optimizer^{plus} platform. The Bank also takes deposits through third-party securities brokerage firms that offer our FDIC-insured deposit products to their customers. At December 31, 2013, we had \$25.7 billion in deposits, \$10.9 billion of which were direct deposits (which includes deposits from banks and financial institutions and deposits related to prepaid cards) and \$14.8 billion of which were brokered deposits. Direct deposits were received from 95,000 customers that had a total of 142,000 accounts. 5% of our direct deposits (by volume) and 2% of these accounts (by number) were from commercial customers and all the others were from retail customers. The Bank had an 83% retention rate on certificates of deposit balances up for renewal for the year ended December 31, 2013. FDIC insurance is provided for our deposit products up to applicable limits.

In January 2013, we acquired the deposit business of MetLife, which is a direct banking platform that at the time had \$6.4 billion in deposits (\$6.0 billion in direct deposits). The acquisition of this direct-to-consumer retail banking platform is a key part of our strategy to increase our deposit base as a source of stable and diversified low cost funding going forward. Our online platform is highly scalable allowing us to expand without having to rely on a traditional "brick and mortar" branch network. We expect growth in our direct banking platform to come primarily from retail deposits.

We are growing our direct banking operations and believe we are well-positioned to benefit from the consumer driven-shift from branch banking to direct banking. According to a 2012 American Bankers

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Association survey, the percentage of customers who prefer to do their banking via direct channels (internet, mail, phone and mobile) increased from 53% to 62% between 2010 and 2012, while those who prefer branch banking declined from 25% to 18% over the same period.

Our deposit products include certificates of deposit, IRAs, money market accounts and savings accounts. We market our deposit products through multiple channels including our online, print and radio advertising. Customers can apply for, fund, and service their deposit accounts online or via phone. We have a dedicated staff within our call centers to service deposit accounts. Historically, we also offered a partner-branded prepaid re-loadable card product to the customers of a few of our Retail Card partners. We had an aggregate of \$172.1 million of deposits in the Bank at December 31, 2013 attributable to this product. In the first quarter of 2014, we sold substantially all of these deposits and no longer offer this product, because the program through which we offered the product did not provide satisfactory returns.

To attract new deposits and retain existing ones, we intend to introduce new deposit products and enhancements to our existing products. These new and enhanced products include the introduction of checking accounts, overdraft protection lines of credit, a bill payment account feature and debit cards, as well as enhanced small business deposit accounts and expanded affinity offers. Our focus on deposit-taking and related branding efforts will also enable us to offer other branded direct-banking products more efficiently in the future.

FIS provides our platform for online retail deposits including a customer-facing servicing platform that customers can access via our marketing site. FIS also provides supplemental back office, IT production and IT development support for our direct banking operations.

We seek to differentiate our deposit product offerings from our competitors on the basis of brand, reputation, convenience, customer service and value. We have launched a subbrand for our deposit products called Optimizer+plus, which emphasizes reliability, trust, security, convenience and attractive rates. Optimizer+plus Perks offers rewards to customers based on their tenure or balance amounts, including reduced fees, travel offers and concierge telephone support.

Credit Risk Management

Credit risk management is a critical component of our management and growth strategy. Credit risk refers to the risk of loss arising from customer default when customers are unable or unwilling to meet their financial obligations to us. Our credit risk arising from consumer credit products is generally highly diversified across 108.9 million open accounts at December 31, 2013, without significant individual exposures. We manage credit risk primarily according to customer segments and product types.

Customer Account Acquisition

We have developed programs to promote credit with each of our partners and have developed varying credit decision guidelines for the different partners. We originate credit accounts through several different channels, including in-store, mail, internet, mobile, telephone and pre-approved solicitations. In addition, we have and may in the future acquire accounts that were originated by third parties in connection with establishing programs with new partners.

Regardless of the channel, in making the initial credit approval decision to open a credit card or other account or otherwise grant credit, we follow a series of credit risk and underwriting procedures. In most cases, when applications are made in-store or by internet or mobile, the process is fully automated and applicants are notified of our credit decision immediately. We generally obtain certain information provided by the applicant and obtain a credit bureau report from one of the major credit bureaus. The credit report information we obtain is electronically transmitted into industry scoring models and our proprietary scoring models developed to calculate a credit score. The risk management team determines in advance the qualifying credit scores and initial credit line assignments for

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each portfolio and product type. We periodically analyze performance trends of accounts originated at different score levels as compared to projected performance, and adjust the minimum score or the opening credit limit to manage risk. Different scoring models may be used depending upon bureau type and account source.

We also apply additional application screens based on various inputs, including credit bureau information, to help identify potential fraud and prior bankruptcies before qualifying the application for approval. We compare applicants' names against the Specially Designated Nationals list maintained by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, as well as screens that account for adherence to USA PATRIOT Act of 2001 (the "Patriot Act") and CARD Act requirements, including ability to pay requirements.

We occasionally use pre-approved account solicitations for certain programs. Potential applicants are pre-screened using information provided by our partner or obtained from outside lists, and qualified individuals receive a pre-approved credit offer by mail or email.

Acquired Portfolio Evaluation

Our risk management team evaluates each portfolio we acquire in connection with establishing programs with new partners to ensure the portfolio satisfies our credit risk guidelines. As part of this review, we receive data on the third-party accounts and loans, which allows us to assess the portfolio on the basis of certain core characteristics, such as historical performance of the assets and distributions of credit and loss information. In addition, we benchmark potential portfolio acquisitions against our existing programs to assess relative current and projected risks. Finally, our risk management team must approve the acquisition, taking into account the results of our risk assessment process. Once assets are migrated to our systems, our account management protocols will apply immediately as described below under "—Customer Account Management," "—Credit Authorizations of Individual Transactions" and "—Collections."

Customer Account Management

We regularly assess the credit risk exposure of our customer accounts. This ongoing assessment includes information relating to the customer's performance with respect to its account with us, as well as information from credit bureaus relating to the customer's broader credit performance. To monitor and control the quality of our loan portfolio (including the portion of the portfolio originated by third parties), we use behavioral scoring models that we have developed to score each active account on its monthly cycle date. Proprietary risk models, together with the FICO scores obtained on each active account no less than quarterly, are an integral part of our credit decision-making process. Depending on the duration of the customer's account, risk profile and other performance metrics, the account may be subject to a range of account actions, including limits on transaction authorization and increases or decreases in purchase and cash credit limits.

Credit Authorizations of Individual Transactions

Once an account has been opened, when a credit card is used to make a purchase in-store at one of our partners' locations or on-line, point-of-sale terminals or on-line sites have an on-line connection with our credit authorization system, which allows for real-time updating of accounts. Each potential sales transaction is passed through a transaction authorization system, which takes into account a variety of behavior and risk factors to determine whether the transaction should be approved or declined, and whether a credit limit adjustment is warranted.

Fraud Investigation

We provide follow up and research with respect to different types of fraud such as fraud rings, new account fraud and transactional fraud. We have developed a proprietary fraud model to identify new account fraud and deployed tools that help identify transaction purchase behavior outside a customer's established pattern. Our proprietary model is also complemented by externally sourced models and tools used across the industry to better identify fraud and protect our customers. We also are continuously implementing new and improved technologies to detect and prevent fraud. For example we intend to begin implementing EMV chips with some of our partners in 2014.

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Collections

All monthly billing statements of accounts with past due amounts include a request for payment of these amounts. Collections personnel generally initiate contact with customers within 30 days after any portion of their balance becomes past due. The nature and the timing of the initial contact, typically a personal call, e-mail, text message or letter, are determined by a review of the customer's prior account activity and payment habits.

We re-evaluate our collection efforts and consider the implementation of other techniques, including internal collection activities and use of external vendors, as a customer becomes increasingly delinquent. We limit our exposure to delinquencies through controls within the transaction authorization processes, the imposition of credit limits and criteria-based account suspension and revocation processes. In certain situations, we may enter into arrangements to extend or otherwise change payment schedules, decrease interest rates and/or waive fees to aid customers experiencing financial difficulties in their efforts to become current on their obligations to us.

Customer Service

Customer service is an important feature of our relationship with our partners. Our customers can contact us via phone, mail, email, eService and eChat. During the year ended December 31, 2013, we handled approximately 174 million calls.

We assign a dedicated toll-free customer service phone number to each of our Retail Card programs. Our Payment Solutions customers access customer service through one general purpose toll-free customer service phone number (except for a few large Payment Solutions programs, which have dedicated toll-free numbers). Our CareCredit platform has its own, dedicated toll-free customer service phone number. We also have dedicated toll-free customer service phone numbers for our deposit business.

We service all programs through our nine domestic and two off-shore call centers. We also provide phone-based customer service through a third party vendor. Our off-shore facilities are located in Hyderabad, India and Manila, Philippines. We blend domestic and off-shore locations and seek optimal cost as an important part of our servicing strategy. Customer service for cards issued to customers in Canada is supported through agents based in the United States.

Given the nature of our business and the high volume of calls, we maintain several centers of excellence to ensure the quality of our customer service across all of our sites. These centers of excellence consist of quality assurance, customer experience, training, workforce and capacity planning, surveillance and process control, tactical operations center, business solutions and technology support.

Production Services

Our production services organization oversees a number of services, including:

- payment processing (more than 413 million paper and electronic payments in 2013);
- embossing and mailing credit cards (approximately 43 million cards in 2013);
- printing and mailing and eService delivery of credit card statements (more than 598 million paper and electronic statements in 2013); and
- other letters mailed or sent electronically (more than 92 million in 2013).

All United States customer payments received by mail are processed at one of two centers located in Atlanta, Georgia and Longwood, Florida, both of which are operated by the Bank. United States credit card statement printing and mailing, card embossing and mailing and letter production and mailing for customers is provided through outsourced services with First Data. While these services are outsourced, we monitor and maintain oversight of these other services. First Data also produces our statements and other mailings for deposit customers.

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Card production embossing and mailing and statement printing and mailing services related to cards issued to customers in Canada are outsourced to Canadian suppliers.

Technology

We leverage information technology and deliver products and services that meet the needs of our partners and enable us to operate our business efficiently. The integration of our technology with our partners is at the core of our value proposition, enabling, among other things, customers to “apply and buy” at the point of sale, and many of our partners to settle transactions directly with us without an interchange fee. A key part of our strategic focus is the continued development of innovative, efficient, flexible technology and operational platforms to support marketing, risk management, account acquisition and account management, customer service, and new product development. We believe that the continued investment in and development of these platforms is an important part of our efforts to increase our competitive capabilities, reduce costs, improve quality and provide faster, more flexible technology services. Consequently, we continuously review capabilities and develop or acquire systems, processes and competencies to meet our business needs.

As part of our continuous efforts to enhance our technologies, we may either develop these capabilities internally or rely on third-party providers. We rely on third-party providers to help us deliver systems and operational infrastructure based on strategies and, in some cases, architecture, designed by us. These relationships include: First Data for our credit card transaction processing and production, and FIS for retail banking.

To protect our systems and technologies, and the consumer information stored on our systems, we employ security, backup and recovery systems and generally require the same of our third-party service providers. Our information security policy and supporting standards and procedures (including multiple layers of security controls), are designed to enable us to ensure the confidentiality, integrity and availability of consumer data and ensure that access is limited to those with a business need. We evaluate the effectiveness of the key security controls through ongoing assessment and measurement. We have implemented a security program that is designed to ensure oversight of third parties who store, process or have access to consumer data.

In addition, we perform, or cause to be performed, a variety of vulnerability and penetration testing on the platforms, systems and applications used to provide our products and services in an effort to reduce the risk that any attacks on these platforms, systems and applications are successful. We also perform periodic test and validation of our disaster recovery plans and require our third parties to perform the same. In connection with the Separation, we must migrate, and in some cases, establish with third parties, key parts of our technology infrastructure, including our data centers.

Competition

Our industry is highly competitive and is becoming more competitive. We compete for relationships with partners in connection with retaining existing or establishing new consumer credit programs. Our primary competitors for partners include major financial institutions such as Alliance Data, American Express, Capital One, Chase, Citibank, TD Bank and Wells Fargo, and to a lesser extent, potential partners’ own in-house financing capabilities. We compete for partners on the basis of a number of factors, including program financial and other terms, underwriting standards, marketing expertise, service levels, product and service offerings (including incentive and loyalty programs), technological capabilities and integration, brand and reputation. In addition, some of our competitors for partners have a business model that allows for their partners to manage underwriting (e.g., new account approval), customer service and collections, and other core banking responsibilities that we retain.

We also compete for customer usage of our products. Consumer credit provided, and credit card payments made, using our cards constitute only a small percentage of overall consumer credit provided and credit card payments in the United States. Consumers have numerous financing and payment options available to them. As a

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form of payment, our products compete with cash, checks, debit cards, Visa and MasterCard credit cards, as well as American Express, Discover Card, other private-label card brands, and, to a certain extent prepaid cards. We also compete with non-traditional providers such as PayPal. In the future, we expect our products will face increased competition from new emerging payment technologies, such as Google Wallet, ISIS Mobile Wallet, Square, as well as consortia of merchants that are expected to combine payment systems to reduce interchange and other costs (e.g., MCX). We compete for customers and their usage of our products, and to minimize transfers to competitors of our customers' outstanding balances, based on a number of factors, including pricing (interest rates and fees), product offerings, credit limits, incentives (including loyalty programs) and customer service. Some of our competitors provide a broader selection of services, including home and automobile loans, debit cards and bank branch ATM access, which may position them better among customers who prefer to use a single financial institution to meet all of their financial needs. In addition, some of our competitors are substantially larger than we are, may have substantially greater resources than we do or may offer a broader range of products and services than we do. Moreover, some of our competitors, including new and emerging competitors in the digital and mobile payments space, are not subject to the same regulatory requirements or legislative scrutiny to which we are subject, which also could place us at a competitive disadvantage.

In our retail deposits business, we have acquisition and servicing capabilities similar to other direct banking competitors. We compete for deposits with traditional banks, and in seeking to grow our direct banking business we compete with other banks that have direct banking models similar to ours, such as Ally Financial, American Express, Capital One (ING), Discover, Nationwide, Sallie Mae and USAA. Competition among direct banks is intense because online banking provides customers the ability to quickly and easily deposit and withdraw funds and open and close accounts in favor of products and services offered by competitors.

Intellectual Property

We use a variety of methods, such as trademarks, patents, copyrights and trade secrets, to protect our intellectual property. We also place appropriate restrictions on our proprietary information to control access and prevent unauthorized disclosures. Our brands are important assets, and we take steps to protect the value of these assets and our reputation. Following this offering, we are launching our new brand, "Synchrony," and expect to spend significant amounts over the next few years promoting our new brand.

We have two patents for proprietary methods related to our Dual Cards. The patents were issued in 2005 and 2010 and expire in 2023 and 2027, respectively.

We recently filed trademark applications to protect our new name in the United States and certain other countries, and the applications are pending.

Employees

At December 31, 2013, we had 9,333 full time employees including 2,856 employees in global services (which is responsible for customer service and other administrative functions), 2,665 employees in operations, 1,163 employees in collections, 691 employees in risk management (including fraud), 623 employees in client development, 363 employees in marketing, 311 employees in information technology and 661 other employees in other functions. At December 31, 2013, our workforce consisted of 6,477 full time employees in the United States, 1,558 in India and 1,298 in the Philippines. None of our employees is represented by a labor union or is covered by a collective bargaining agreement. We have not experienced any material employment-related work stoppages and consider relations with our employees to be good. We also have relationships with third-party call center providers in the United States and other countries that provided us with additional contractors for customer service, collections and other functions.

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Facilities

The table below sets out selected information on our principal facilities at December 31, 2013.

<u>Location</u>	<u>Owned/Leased⁽¹⁾</u>
Corporate Headquarters:	
Stamford, CT	Leased
Bank Headquarters:	
Draper, UT	Leased
Payment Processing Centers:	
Atlanta, GA	Leased
Longwood, FL	Leased
Customer Service Centers:	
Canton, OH	Leased
Charlotte, NC	Leased
Frisco, TX	Leased
Hyderabad, India	Leased
Kettering, OH	Leased
Manila, Philippines	Leased
Manila, Philippines (Alabang)	Leased
Merriam, KS	Owned
Phoenix, AZ	Leased
Rapid City, SD	Leased
San Juan, PR	Leased
Other Support Centers:	
Alpharetta, GA	Leased
Bellevue, WA	Leased
Bentonville, AR	Leased
Costa Mesa, CA	Leased
San Francisco, CA	Leased
San Jose, CA	Leased
St. Paul, MN	Leased
Walnut Creek, CA	Leased
Bank Retail Branch Location:	
Bridgewater, NJ	Leased

(1) All the leased properties in this table are either currently leased by us or, in connection with the completion of this offering, GECC will assign the leases or sublease the facilities to us. In addition, in connection with this offering, GECC will transfer ownership of the Merriam, KS facility to us.

Our corporate headquarters are located on a site in Stamford, Connecticut that is leased by GECC from a third party. The site contains three buildings, one of which we currently occupy completely and another which we occupy partially, with the remaining space occupied by other GE businesses. In connection with the completion of this offering, we intend to enter into an arms-length sublease agreement with GECC for our current facilities on this site and to expand our space by an additional 51,000 square feet, after which we will fully occupy two of the three buildings on the site. Our physical space and the technology services in Stamford are separate from the other GE businesses that operate there. GECC's current lease agreement expires September 30, 2016, and contains two remaining five year renewal options.

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We maintain small offices at a few of our United States partner locations pursuant to servicing, lease or license agreements. We also have several locations (in addition to those set forth above) where we use space leased or owned by GE or GECC and we intend to either exit or relocate these operations to other space to be leased directly by us.

We believe our space is adequate for our current needs and that suitable additional or substitute space will be available to accommodate the foreseeable expansion of our operations.

Legal Proceedings

For a discussion concerning our legal proceedings, see Note 16. *Legal Proceedings and Regulatory Matters* to our combined financial statements.

Risk Management

Strong risk management is at the core of our business strategy and we have developed processes to manage the major categories of risk we encounter, namely credit, market, liquidity, operational and strategic risk. Historically, the risk function for substantially all of our operations has been managed through the risk management function at the Bank level. We are currently establishing an overall risk management function at the Synchrony level, building on our extensive, well-established risk management experience and processes at the Bank. The Bank will maintain a substantial risk management function that will be coordinated with our overall risk management. The following is a description of our overall risk management function, which we expect will be substantially in place immediately after the closing of this offering.

As described in greater detail below under “—Risk Management Roles and Responsibilities,” we will manage our enterprise risk using an integrated framework that will include board-level oversight, administration by a group of cross-functional management committees, and day-to-day implementation by a dedicated risk management team led by the Chief Risk Officer (“CRO”). The Risk Committee of our board of directors will have responsibility for the oversight of our risk management program, and three other board committees will have other oversight roles with respect to risk management. Several management committees and subcommittees will have important roles and responsibilities in administering our risk management program, including the Enterprise Risk Management Committee (the “ERMC”), the ALCO and the Investment Committee. This committee-focused governance structure will provide a forum through which risk expertise will be applied cross-functionally to all major decisions, including development of processes, policies and controls used by the CRO and risk management team to execute our risk management philosophy.

Our enterprise risk management philosophy is to ensure that all relevant risks in our business activities are appropriately identified, measured, monitored and controlled. Our approach in executing this philosophy focuses on leveraging our strong credit risk culture to drive enterprise risk management using a strong governance framework, a comprehensive enterprise risk assessment program and an effective risk appetite framework.

Risk Categories

Our risk management is organized around five major risk categories: credit risk, market risk, liquidity risk, operational risk and strategic risk. We evaluate the potential impact of a risk event on us (including the Bank and other subsidiaries) by assessing the partner and customer, financial, reputational, and legal and regulatory impacts.

Credit Risk

Credit risk is the risk of loss that arises when an obligor fails to meet the terms of an obligation. Credit risk includes exposure to consumer credit risk from customer loans as well as institutional credit risk, principally from our partners. Consumer credit risk is one of the most significant risks we face. See “—Credit Risk Management” for a description of our customer credit risk management procedures.

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Market Risk

Market risk is the risk of loss due to changes in external market variables such as interest rates and asset values. Our principal market risk exposures arise from volatility in interest rates and their impact on our economic value, capitalization levels and earnings. Market risk is managed through our ALCO processes, and is subject to policy and risk appetite limits for both earnings at risk and the economic value of equity sensitivity analysis. The ALCO reviews market risk scenario results on a monthly basis, and interest rate risk appetite metrics are reviewed on a quarterly basis by the ERMC and our board of directors.

Liquidity Risk

Liquidity risk is the risk that an institution's financial condition or overall safety and soundness are adversely affected by a real or perceived inability to meet contractual obligations and support planned growth. Our primary liquidity objective is to maintain a liquidity profile that will enable us, even in times of stress or market disruption, to fund our existing assets and meet all of our liabilities in a timely manner and at an acceptable cost. Policy and risk appetite limits require us and the Bank (and other entities within our business, as applicable) to ensure that sufficient liquid assets are available to survive liquidity stresses over a specified time period. Our risk appetite policies also call for funding diversification, monitoring early warning indicators in the capital markets, and limits on the amounts of certificates of deposit maturities in any one month. Our ALCO reviews liquidity exposures continuously in the context of approved policy and risk appetite limits and reports results quarterly to the ERMC and our board of directors.

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed processes, people or systems, external events (i.e. natural disasters) or compliance, reputational or legal matters, and includes any of those risks as they relate directly to us and our subsidiaries, including the Bank, as well as to third parties with whom we contract or otherwise do business. Compliance risk arises from the failure to adhere to applicable laws, rules, regulations and internal policies and procedures. Operational risk also includes model risk relating to various financial and other models used by us and our subsidiaries, including the Bank, and is subject to a formal governance process.

Strategic Risk

Strategic risk consists of the current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. Our operational risk team conducts a formal strategic risk assessment at least annually, and establishes risk mitigation plans for top strategic risks. The Bank's New Product Innovation Council assesses the strategic viability and consistency of each new Bank product or service. New initiatives require the approval of the ERMC and our board of directors, in the case of projects deemed more risky or critical to the mission of the business.

Risk Management Roles and Responsibilities

Responsibility for risk management will flow to individuals and entities throughout our Company, including our board of directors, various board and management committees and senior management. We believe our credit risk culture has facilitated the evolution of an effective risk presence across the Company. Set forth below is a description of the roles and responsibilities of the key elements of our risk management framework.

Board of Directors

Our board of directors, among other things, will approve the enterprise-wide risk appetite statement and framework for the Company, as well as certain other risk management policies and oversee the Company's strategic plan and enterprise-wide risk management program. Our board of directors may assign certain risk management activities to applicable committees and management.

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Board Committees

Upon completion of this offering, our board of directors will establish four committees that will assist the board in its oversight of our risk management. These committees and their risk-related roles are described below.

Audit Committee. In coordination with the Risk Committees of the Company and the Bank, the Audit Committee, among other things, will review: (i) the Company's major financial risk exposures and the steps management has taken to monitor and control these risks, (ii) the Company's risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management, (iii) the organization, scope and audit findings of our internal audit function and (iv) our disclosure and internal controls.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, among other things, will: (i) review and approve certain transactions with related persons, (ii) review and resolve any conflict of interest involving directors or executive officers, (iii) oversee risks related to corporate governance structure and practices and (iv) identify and discuss with management the risks related to social responsibility actions and public policy initiatives.

Management Development and Compensation Committee. The Management Development and Compensation Committee, among other things, will: (i) review our incentive compensation arrangements with a view to appropriately balancing risk and financial results in a manner that does not encourage employees to expose us to imprudent risks, and are consistent with safety and soundness and (ii) review (with input from our CRO and the Bank's CRO) the relationship between risk management policies and practices, corporate strategies and senior executive compensation.

Risk Committee. The Risk Committee, among other things, will: (i) assist our board of directors in its oversight of the Company's enterprise-wide risk-management framework, including as it relates to credit, market, liquidity, strategic and operational risks (such as approval of the enterprise-wide risk appetite framework), as well as the guidelines, policies and processes for monitoring and mitigating such risks, (ii) review and recommend to our board of directors for approval the Company's enterprise-wide risk appetite and strategy relating to managing key risks, (iii) receive reports from our internal audit function on the results of risk management reviews and assessments, (iv) review the status of financial services regulatory examinations, (v) review disclosure regarding risk contained in our annual and quarterly reports, (vi) review and approve the Company's enterprise-wide capital and liquidity framework and, in coordination with the Bank's Risk Committee, review the Bank's allowance for loan losses, annual capital, recovery and resolution items, liquidity policy and risk appetite, regulatory capital policy and ratios, and internal capital adequacy assessment processes, (vii) review, at least semi-annually, information from senior management regarding whether we are operating within our established risk appetite and (viii) review the independence, authority and effectiveness of our risk management function and independent liquidity review function.

Management Committees

Upon completion of this offering, we will establish two management committees with important roles and responsibilities in our risk management function: the ERMC (of which ALCO will be a subcommittee) and the Investment Committee.

ERMC. A management committee that will be under the oversight of the Risk Committee, the ERMC will be comprised of our senior executives and chaired by the CRO. The ERMC will have responsibility for identifying, assessing, monitoring and mitigating material risks across the Company and for reporting on material risks to our board of directors. The responsibilities of the ERMC will include the day-to-day management of risks impacting the Company and ensuring compliance across the Company with the overall risk appetite. The ERMC will also oversee establishment of risk management policies, the performance and functioning of the relevant overall risk management function, and the implementation of appropriate governance activities and systems that support control of risks.

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ALCO. A subcommittee of the ERM, the ALCO will be comprised of our senior executives and chaired by the CFO. It will oversee asset and liability management activities, including monitoring of asset and liability maturity distributions, reviewing interest rate risk profiles over the range of assets and liabilities in the portfolio, and reviewing liquidity risks and opportunities. The ALCO will also review and evaluate funding sources and associated costs of funds, evaluate new product introductions from an interest rate and liquidity exposure perspective, and assess asset and liability pricing strategies as well as current economic and market conditions and asset and liability management model outputs.

Investment Committee. A management committee under the oversight of the Risk Committee, the Investment Committee will be comprised of our senior executives and chaired by the CRO. The Investment Committee will have responsibility for reviewing, approving and recommending proposed new programs, the proposed acquisitions of existing programs and changes to the terms of existing programs, and will also be responsible for monitoring existing programs to ensure they are operating in compliance with their terms.

Chief Executive Officer, Chief Risk Officer and Other Senior Officers

Our Chief Executive Officer has ultimate responsibility for ensuring the management of the Company's risk in accordance with the Company's approved risk appetite statement. The Chief Executive Officer also provides leadership in communicating the risk appetite to internal and external stakeholders so as to help embed appropriate risk taking into the overall risk culture.

The CRO manages our risk management team and, as chairperson of the ERM, is responsible for establishing and implementing standards for the identification, management and measurement of risk on an enterprise-wide basis, as well as for monitoring and reporting such risks. In collaboration with our Chief Executive Officer and the Chief Financial Officer, the CRO develops an appropriate risk appetite with corresponding limits which is approved by our board of directors and aligns with supervisory expectations. The CRO regularly reports to our board of directors and the Risk Committee on risk management matters.

Our senior executive officers are responsible for ensuring that their respective functions operate within established risk limits, in accordance with the Company's enterprise risk management policy. As members of the ERM, they are also responsible for identifying risks, considering risk when developing strategic plans, budgets and new products and implementing appropriate risk controls when pursuing business strategies and objectives. In addition, senior executive officers are responsible for deploying sufficient financial resources and qualified personnel to manage the risks inherent in the Company's business activities.

Risk Management Team

Our risk management team is led by the CRO and provides oversight of our risk profile and the risk profiles of our subsidiaries. This provides a "second line of defense" to the functional organizations' primary role in creating an appropriate control environment at each functional process.

Compliance Team

Our compliance team is responsible for establishing and maintaining a compliance program that includes compliance risk identification, assessment, policy development, and monitoring, testing, training and reporting activities.

Internal Audit Team

The internal audit team is responsible for performing periodic, independent reviews and testing of compliance with Company's and the Bank's risk management policies and standards, as well as with regulatory guidance and industry best practices. The internal audit team also assesses the design and operating effectiveness of these policies and standards and validates risk management controls.

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Enterprise Risk Assessment Program

Enterprise risk assessments play an important role in directing our risk management activities to prioritize and focus on appropriate risks. We conduct assessments at least annually for each risk category and update those assessments periodically. The risk leader for each risk category directs the assessment process, reviewing not only the current type and level of risks, but also compliance with regulatory guidance and industry best practices as well as policy and procedural compliance. Progress against any action plans that have been put into place to manage key risks is tracked and reported to the ERMC.

Stress testing efforts as part of the risk assessment process continue to evolve as we model scenarios exploring multi-risk impacts on profitability, liquidity and capital levels. Stress testing activities provide a forward-looking assessment of risks and losses. We seek to integrate the results of our stress testing into our strategic, capital and liquidity planning processes, and use the results to identify portfolio vulnerabilities and develop risk mitigation strategies or contingency plans across a range of stressed conditions.

Effective Risk Appetite Framework

We operate in accordance with a risk appetite statement setting forth our objectives, statements and limits, and expressing our preferences with respect to risk-taking activities in the context of our overall business goals. We intend to submit a substantially similar risk appetite statement for approval by the ERMC, the Risk Committee and our board of directors, with delegated authority to the Chief Risk Officer for implementation throughout the Company. The risk appetite statement will serve as a tool to preclude activities that are inconsistent with our business and risk strategy. The risk appetite statement will be reviewed and modified at least annually as part of our business planning process, to include updated risk tolerances by risk category, enabling us to meet prescribed goals while continuing to operate within our established risk boundaries.

REGULATION

General

Our business, including our relationships with our customers, is subject to extensive regulation, supervision and examination under U.S. federal, state and foreign laws and regulations. These laws and regulations cover all aspects of our business, including lending practices, treatment of our customers, safeguarding deposits, customer privacy and information security, capital structure, liquidity, dividends and other capital distributions, transactions with affiliates, and conduct and qualifications of personnel.

As a savings and loan holding company, Synchrony is subject to extensive regulation, supervision and examination by the Federal Reserve Board. Prior to July 21, 2011, savings and loan holding companies, such as the Bank's parent before Synchrony, were subject to regulation by the OTS. As a large provider of consumer financial services, we are also subject to extensive regulation, supervision and examination by the CFPB. Until the GE SLHC Deregistration, we will be controlled by GECC, which is also a savings and loan holding company and is subject to extensive regulation, supervision and examination by the Federal Reserve Board.

The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation, supervision and examination by the OCC, which is its primary regulator, and by the CFPB. In addition, the Bank, as an insured depository institution, is supervised by the FDIC.

The Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Act, which was enacted in July 2010, significantly restructured the financial regulatory regime in the United States. As discussed further throughout this section, certain aspects of the Dodd-Frank Act are subject to further rulemaking that will take effect over several years, making it difficult to anticipate the overall financial impact on us or across the industry. See also "Risk Factors—Risks Relating to Regulation—The Dodd-Frank Act has had, and may continue to have, a significant impact on our business, financial condition and results of operations."

Savings and Loan Holding Company Regulation

Overview

As a savings and loan holding company, we are required to register and file periodic reports with, and are subject to extensive regulation, supervision and examination by, the Federal Reserve Board. The Federal Reserve Board has adopted guidelines establishing safety and soundness standards on such matters as liquidity risk management, securitizations, operational risk management, internal controls and audit systems, business continuity, and compensation and other employee benefits. We are regularly reviewed and examined by the Federal Reserve Board, which results in supervisory comments and directions relating to many aspects of our business that require our response and attention. Our parent, GECC, as a savings and loan holding company, is also regularly reviewed and examined by the Federal Reserve Board, which results in supervisory comments and directions relating to many aspects of GECC's business generally and our business specifically, that require response and attention. The Federal Reserve Board has broad enforcement authority over us and our subsidiaries (other than the Bank and its subsidiaries). Under the Dodd-Frank Act, we are required to serve as a source of financial strength for any insured depository institution that we control, such as the Bank. In addition, until the GE SLHC Deregistration, we will be controlled by GECC, which has its own regulatory obligations as a savings and loan holding company. We may be affected by those obligations of GECC.

Capital

As a savings and loan holding company, Synchrony historically has not been required to maintain any specific amount of minimum capital. Beginning as early as 2015, however, we expect that Synchrony will be subject to capital requirements similar to those applicable to the Bank. In addition, until the GE SLHC

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Deregistration, we will be controlled by GECC, which itself is expected to be subject to capital requirements similar to those which apply to the Bank. These capital requirements have recently been substantially revised, including as a result of Basel III and the requirements of the Dodd-Frank Act. Moreover, these requirements are supplemented by outstanding regulatory proposals by the federal banking agencies, based on, and in addition to, changes recently adopted by the Basel Committee to increase the amount and scope of the leverage capital requirement by increasing the assets included in the denominator of the leverage ratio calculation and by potentially decreasing the capital that may be included in the numerator. Although we cannot predict the final form or the effects of these leverage ratio regulatory proposals under the Dodd-Frank Act and the newly adopted rules implementing Basel III (even independent of any potentially increased and expanded leverage capital requirement), Synchrony and GECC expect to be subject to increasingly stringent capital adequacy standards in the future.

The following are the minimum capital ratios to which we and GECC expect to be subject starting as early as 2015:

- under the Basel III standardized approach, a tier 1 common equity to risk-weighted assets ratio of 7% (the minimum of 4.5% plus a mandatory conservation buffer of 2.5%), a tier 1 capital to risk-weighted assets ratio of 8.5% (the minimum of 6% plus a mandatory conservation buffer of 2.5%), and a total capital to risk-weighted assets ratio of 10.5% (a minimum of 8% plus a mandatory conservation buffer of 2.5%);
- stress-tested minimum capital ratios described above of 5% tier 1 common equity to risk weighted assets, 6% tier 1 capital to risk-weighted assets and 8% total capital to risk-weighted assets;
- a leverage ratio of tier 1 capital to total exposures of 4%; and
- in the case of GECC, a stress-tested minimum supplemental leverage ratio of 3%.

For a discussion of our capital ratios, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital.”

When we and GECC become subject to capital requirements, we and GECC will also be required to conduct stress tests on an annual basis. Under the Federal Reserve Board’s stress test regulations, we and GECC will each be required to utilize stress-testing methodologies providing for results under at least three different sets of conditions, including baseline, adverse and severely adverse conditions. In addition, as part of meeting our minimum capital requirements, we and GECC may be required to comply with the Federal Reserve Board’s CCAR process, or some modified version of the CCAR process, which would measure our minimum capital requirement levels under various stress scenarios. In connection with such a process, we and GECC may be required to develop for the Federal Reserve Board’s review and approval a capital plan that will include how we and GECC will meet our minimum capital requirements under specified stress scenarios.

Dividends and Stock Repurchases

We are limited in our ability to pay dividends or repurchase our stock by the Federal Reserve Board, including on the basis that doing so would be an unsafe or unsound banking practice. If we intend to declare or pay a dividend, we generally will be required to inform and consult with the Federal Reserve Board in advance to ensure that such dividend does not raise supervisory concerns. It is the policy of the Federal Reserve Board that a savings and loan holding company like us should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the company’s capital needs and overall current and prospective financial condition.

According to guidance from the Federal Reserve Board, our dividend policies will be assessed against, among other things, our ability to achieve applicable Basel III capital ratio requirements. If we do not achieve applicable Basel III capital ratio requirements when they are fully phased-in, we may not be able to pay

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dividends. Although we currently expect to meet the applicable final Basel III capital ratio requirements, inclusive of any applicable capital conservation buffer, when they are fully phased in by the Federal Reserve Board, we cannot be sure that we will meet those requirements or even if we do, if we will be able to pay dividends. In addition, as discussed above, the federal banking agencies have recently proposed significant changes to their rules regarding the way in which both the numerator and the denominator of the leverage capital ratio is to be calculated, based on, and in addition to, changes recently adopted by the Basel Committee. As proposed, these changes would result in higher leverage capital requirements for many institutions that are subject to the leverage capital requirement. We cannot predict what effect, if any, such revised leverage capital rules will have on us, but adoption of the proposed rule revisions could increase our need to raise and hold additional capital and limit our ability to pay dividends.

We also will be required to inform and consult with the Federal Reserve Board in advance of redeeming or repurchasing our stock if the result will be a net reduction in our equity compared to our equity as of the beginning of the quarter in which the redemption or repurchase occurs. In evaluating the appropriateness of a proposed redemption or repurchase of stock, the Federal Reserve Board will consider, among other things, the potential loss that we may suffer from the prospective need to increase reserves and write down assets as a result of continued asset deterioration, and our ability to raise additional common equity and other capital to replace the stock that will be redeemed or repurchased. The Federal Reserve Board also will consider the potential negative effects on our capital structure of replacing common stock with any lower-tier form of regulatory capital issued. Moreover, the approval process for any capital plan we are required to submit could result in restrictions on our ability to pay dividends or make other capital distributions.

Until the GE SLHC Deregistration, we will be controlled by GECC, which as a savings and loan holding company is subject to all of the same regulatory requirements regarding dividends and stock repurchases and redemptions to which we are subject. Accordingly, until the GE SLHC Deregistration, our ability to pay dividends and repurchase our shares may be affected by GECC's ability to meet the same requirements to which we are subject. In addition, the FSOC has designated GECC as a nonbank SIFI under the Dodd-Frank Act. As a nonbank SIFI, GECC may be required to provide a capital plan for Federal Reserve Board approval that includes proposed capital distributions (including dividends and stock redemptions or repurchases) not only by GECC but also by entities controlled by GECC, such as us. As long as we are controlled by GECC for bank regulatory purposes, any such capital plan requirement imposed on GECC by the Federal Reserve Board could affect our ability to pay dividends and to repurchase our shares.

Activities

In general, savings and loan holding companies may only conduct, or acquire control of companies engaged in, financial activities specified in the relevant provisions of the Bank Holding Company Act and Savings and Loan Holding Company Act. We and each of our current parent companies are not subject to these activity restrictions and therefore are permitted to engage in non-financial activities, because we are grandfathered unitary savings and loan holding companies. This grandfathered status is based on the fact that our parent companies, GE and GECC, became grandfathered unitary savings and loan holding companies through the conversion of GE Capital Retail Bank from a state bank to a federal savings bank under an application pending with the OTS before May 4, 1999. We succeeded to our parent companies' grandfathered status upon becoming a savings and loan holding company on April 1, 2013.

In an effort to ensure that we preserve our status as a grandfathered unitary savings and loan holding company following this offering, we and the underwriters have agreed that we and the underwriters will not knowingly make a stock allocation in this offering to any investor (including any known subsidiary and affiliate) that results in an investor owning or controlling more than 4.99% of our capital stock entitled to vote generally in the election of directors that is outstanding following this offering. Further, our certificate of incorporation will provide that until the earlier to occur of: (i) the time immediately prior to the Split-off and (ii) the GE SLHC Deregistration, no stockholder or group (other than GE or its affiliates and certain other exempt persons) shall have the right to vote more than 4.99% of our capital stock entitled to vote generally in the election of directors. However, assuming the GE SLHC Deregistration occurs, and possibly at the

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Separation if it occurs prior to the GE SLHC Deregistration, we expect we will then no longer qualify to be a grandfathered unitary savings and loan holding company. See “Risk Factors—Risks Relating to Our Separation from GE—We need Federal Reserve Board approval to continue to be a savings and loan holding company following the GE SLHC Deregistration, and we cannot be certain we will receive this approval in a timely manner or at all, or what approval conditions may be imposed.” If we were no longer to qualify to be a grandfathered unitary savings and loan holding company, we would be subject to the activity restrictions. In that event, although we are not currently engaged in non-financial activities, we will also need to submit to the Federal Reserve Board a request to become a financial holding company in order to engage in activities that are permissible only for savings and loan holding companies that are treated as financial holding companies (including to continue to obtain financing through our securitization programs).

Even as a grandfathered unitary savings and loan holding company (and, until the GE SLHC Deregistration, as a subsidiary of GECC, which is also a savings and loan holding company), we and the Bank are subject to banking laws and regulations that limit in certain respects the types of acquisitions and investments that we can make. For example, certain acquisitions of and investments in depository institutions or their holding companies that we undertake are subject to the prior review and approval of our banking regulators, including the Federal Reserve Board, the OCC and the FDIC. Our banking regulators have broad discretion on whether to approve such acquisitions and investments. In deciding whether to approve a proposed acquisition or investment, federal bank regulators may consider, among other factors: (i) the effect of the acquisition or investment on competition, (ii) our (and, until the GE SLHC Deregistration, GECC’s) financial condition and future prospects, including current and projected capital ratios and levels, (iii) the competence, experience and integrity of our (and, until the GE SLHC Deregistration, GECC’s) management and its (and their) record of compliance with laws and regulations, (iv) the convenience and needs of the communities to be served, including our (and, until the GE SLHC Deregistration, GECC’s) record of compliance under the CRA, (v) our (and, until the GE SLHC Deregistration, GECC’s) effectiveness in combating money laundering and (vi) any risks that the proposed acquisition poses to the U.S. banking or financial system.

Certain acquisitions of our voting stock may be subject to regulatory approval or notice under federal law. Investors are responsible for ensuring that they do not, directly or indirectly, acquire shares of our stock in excess of the amount that can be acquired without regulatory approval under the Change in Bank Control Act and the Savings and Loan Holding Company Act, which prohibit any person or company from acquiring control of us without, in most cases, the prior written approval of the Federal Reserve Board.

Savings Association Regulation

Overview

The Bank is required to file periodic reports with the OCC and is subject to extensive regulation, supervision and examination by the OCC and the FDIC. The OCC has adopted guidelines establishing safety and soundness standards on such matters as loan underwriting and documentation, asset quality, earnings, internal controls and audit systems, interest rate risk exposure and compensation and other employee benefits. The Bank is periodically reviewed and examined by the OCC and the FDIC, which results in supervisory comments and directions relating to many aspects of the Bank’s business that require the Bank’s response and attention. In addition, the OCC and the FDIC have broad enforcement authority over the Bank.

Capital

The Bank is required by OCC regulations to maintain specified levels of regulatory capital. The OCC may impose capital requirements on individual institutions in excess of these requirements on a case-by-case basis. Institutions that are not well-capitalized are subject to certain restrictions on brokered deposits and interest rates on deposits. The OCC is authorized and, under certain circumstances, required to take certain actions against an institution that fails to meet the minimum ratios for an adequately capitalized institution. At December 31, 2013, the Bank met or exceeded all applicable requirements to be deemed well-capitalized under OCC regulations.

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The capital requirements to which the Bank is subject have recently been substantially revised, including as a result of Basel III and the requirements of the Dodd-Frank Act. The following are the minimum capital ratios to which the Bank expects to be subject starting as early as 2015:

- under the Basel III standardized approach, a tier 1 common equity to risk-weighted assets ratio of 7% (the minimum of 4.5% plus a mandatory conservation buffer of 2.5%), a tier 1 capital to risk-weighted assets ratio of 8.5% (the minimum of 6% plus a mandatory conservation buffer of 2.5%), and a total capital to risk-weighted assets ratio of 10.5% (a minimum of 8% plus a mandatory conservation buffer of 2.5%); and
- a leverage ratio of tier 1 capital to total exposures of 5%.

For a discussion of the Bank's capital ratios, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital."

The Bank will also be required to conduct stress tests on an annual basis. Under the OCC's stress test regulations, the Bank will be required to utilize stress-testing methodologies providing for results under at least three different sets of conditions, including baseline, adverse and severely adverse conditions.

As an insured depository institution, the Bank is also subject to the FDIA that requires, among other things, the federal banking agencies to take "prompt corrective action" in respect of depository institutions that do not meet minimum capital requirements. The FDIA sets forth the following five capital tiers: "well-capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." A depository institution's capital tier will depend upon how its capital levels compare with various relevant capital measures and certain other factors that are established by regulation. At December 31, 2013, the Bank met or exceeded all applicable requirements to be deemed well-capitalized for purposes of the FDIA. As described above, recently-issued rules of the federal banking agencies regarding the implementation of Basel III will alter the capital adequacy framework applicable to the Bank when they are fully phased in beginning in 2015. In addition, proposals by federal banking agencies and the Basel Committee to increase the amount and scope of the leverage capital requirement by increasing the assets included in the denominator of the leverage ratio calculation and by potentially decreasing the capital that can be included in the numerator could alter the capital adequacy framework applicable to the Bank if they are finally adopted. In addition, the Bank is subject to enhanced capital and liquidity requirements under the operating agreement with the OCC described below under "—Activities."

Dividends and Stock Repurchases

OCC regulations limit the ability of savings associations to make distributions of capital, including payment of dividends, stock redemptions and repurchases, cash-out mergers and other transactions charged to the capital account. The Bank must obtain the OCC's approval prior to making a capital distribution in certain circumstances, including if the Bank proposes to make a capital distribution when it does not meet certain capital requirements (or will not do so as a result of the proposed capital distribution) or certain net income requirements. In addition, the Bank must file a prior written notice of a planned or declared dividend or other distribution with the Federal Reserve Board. The Federal Reserve Board or the OCC may object to a capital distribution if: among other things, (i) the Bank is, or as a result of such distribution would be, undercapitalized, significantly undercapitalized or critically undercapitalized, (ii) the regulators have safety and soundness concerns or (iii) the distribution violates a prohibition in a statute, regulation, agreement between us and the OCC, or a condition imposed on us in an application or notice approved by the OCC. Additional restrictions on dividends apply if the Bank fails the QTL test (described below under "—Activities").

The FDIA also prohibits any depository institution from making any capital distributions (including payment of a dividend) or paying any management fee to its parent holding company if the depository institution would thereafter be "undercapitalized." If a depository institution is less than adequately capitalized, it must prepare and submit a capital restoration plan to its primary federal regulator for approval. For a capital restoration

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plan to be acceptable, among other things, the depository institution's parent holding company must guarantee that the institution will comply with the capital restoration plan. If a depository institution fails to submit an acceptable capital restoration plan, it is treated as if it is "significantly undercapitalized." A "significantly undercapitalized" depository institution may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become "adequately capitalized," elect a new board of directors, reduce total assets or cease taking deposits from correspondent banks. A "critically undercapitalized" institution may be subject to the appointment of a conservator or receiver which could sell or liquidate the institution.

Activities

Under the Home Owners' Loan Act ("HOLA"), the OCC requires the Bank to comply with the qualified thrift lender, or "QTL" test. Under the QTL test, the Bank is required to maintain at least 65.00% of its "portfolio assets" (total assets less: (i) specified liquid assets up to 20.00% of total assets, (ii) intangibles, including goodwill and (iii) the value of property used to conduct business) in certain "qualified thrift investments" (primarily residential mortgages and related investments (including certain mortgage-backed securities, credit card loans, student loans and small business loans) in at least nine months of the most recent 12-month period. The Bank currently meets that test. A savings association that fails to meet the QTL test is subject to certain operating restrictions and may be required to convert to a national bank charter. Also, if the Bank fails to meet the QTL test, Synchrony, as well as GE, GECC and GEFCI, would no longer qualify to be grandfathered unitary savings and loan holding companies.

Savings associations, including the Bank, are subject as well to limitations on their lending and investments. These limitations include percentage of asset limitations on various types of loans the Bank may make. In addition, there are similar limitations on the types and amounts of investments the Bank may make.

Insured depository institutions, including the Bank, are subject to restrictions under Sections 23A and 23B of the Federal Reserve Act (as implemented by Federal Reserve Board Regulation W), which govern transactions between an insured depository institution and any affiliate, including an entity that is the institution's direct or indirect holding company and a non-bank subsidiary of such a holding company. Restrictions in Sections 23A and 23B of the Federal Reserve Act apply to "covered transactions" such as extensions of credit, issuance of guarantees or asset purchases. In general, these restrictions require that any extensions of credit made by the insured depository institution to an affiliate must be fully secured with qualifying collateral and are limited, as to any one affiliate of the Bank, to 10% of the Bank's capital stock and surplus, and, as to all of the Bank's affiliates in the aggregate, to 20% of the Bank's capital stock and surplus. In addition, transactions between the Bank and its affiliates must be on terms and conditions that are, or in good faith would be, offered by the Bank to non-affiliated companies (i.e., at arm's length).

The CRA is a federal law that generally requires an insured depository institution to identify the communities it serves and to make loans and investments, offer products and provide services, in each case designed to meet the credit needs of these communities. The CRA also requires an institution to maintain comprehensive records of CRA activities to demonstrate how it is meeting the credit needs of communities. These records are subject to periodic examination by the responsible federal banking agency of the institution. Based on these examinations, the agency rates the institution's compliance with CRA as "Outstanding," "Satisfactory," "Needs to Improve" or "Substantial Noncompliance." The CRA requires the agency to take into account the record of an institution in meeting the credit needs of the entire communities served, including low- and moderate- income neighborhoods, in determining such rating. Failure of an institution to receive at least a "Satisfactory" rating could inhibit the institution or its holding company from undertaking certain activities, including acquisitions. The Bank received a CRA rating of "Outstanding" as of its most recent CRA examination.

The FDIA prohibits insured banks from accepting brokered deposits or offering interest rates on any deposits significantly higher than the prevailing rate in the bank's normal market area or nationally (depending upon where the deposits are solicited) unless it is "well-capitalized," or it is "adequately capitalized" and receives a waiver from the FDIC. A bank that is "adequately capitalized" and that accepts brokered deposits

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under a waiver from the FDIC may not pay an interest rate on any deposit in excess of 75 basis points over certain prevailing market rates. There are no such restrictions under the FDIA on a bank that is “well-capitalized.” Further, “undercapitalized” institutions are subject to growth limitations. At December 31, 2013, the Bank met or exceeded all applicable requirements to be deemed well-capitalized for purposes of the FDIA. An inability to accept brokered deposits in the future could materially adversely impact our funding costs and liquidity.

In connection with the OCC’s December 12, 2012 approval of the Bank’s assumption of certain deposits and related liabilities of MetLife and acquisition of certain assets of MetLife, the Bank entered into an Operating Agreement with the OCC (the “Operating Agreement”) and also into a Capital Assurance and Liquidity Maintenance Agreement with GECC, GECFI and Synchrony (the “CALMA”) on January 11, 2013. The material terms of the Operating Agreement and the CALMA are summarized below, and the Operating Agreement and the CALMA have been filed as exhibits to the registration statement of which this prospectus forms a part.

The Operating Agreement requires, among other things, that the Bank: (i) maintain a total risk-based capital ratio of at least 11%, a Tier 1 risk-based capital ratio of at least 7% and a leverage ratio of at least 6%, (ii) maintain liquid assets at least equal to the greater of \$500 million or 90 days’ coverage of the Bank’s operating expenses, (iii) not materially change or significantly deviate from a business plan for 2013 and 2014 that was submitted to the OCC without first giving the OCC notice and obtaining its supervisory non-objection, (iv) must meet certain conditions to declare or pay a dividend (including being in compliance with the Operating Agreement), (v) maintain a board with at least 40% independent directors and (vi) for three years immediately after the date of the Operating Agreement, not appoint any new director or senior executive officer or enter into a material services contract with an affiliate without providing prior notice to the OCC.

The Operating Agreement provides that, if the OCC determines there is an existing or imminent material breach of the Bank’s obligation to maintain the required amounts of capital or liquidity and in certain other circumstances, the Bank must submit to the OCC a plan for the sale, merger or dissolution of the Bank and must implement such plan upon obtaining the OCC’s non-objection and written direction to begin implementation (subject to a right on the Bank’s part to cure the basis for such direction within 15 days of its issuance). The Operating Agreement also provides that the OCC may require the Bank to immediately cease extending new or additional credit under certain circumstances, including if the OCC determines there is an existing or imminent material breach of the Bank’s obligation to maintain the required amounts of capital or liquidity and the OCC deems that breach likely to pose an imminent threat to the financial condition of the Bank and that has not been cured within five days of receiving written notice from the OCC. The Operating Agreement imposes certain monitoring and reporting obligations, including, among other things, notification to the OCC regarding material changes to the financial condition of the Bank, GECC, GECFI and Synchrony. The Operating Agreement will remain in effect until it is terminated in writing by the OCC, the Bank ceases to be a federal savings association or the consummation of a merger, consolidation or other business combination in which the Bank is not the resulting entity.

The CALMA requires, among other things, that GECC, GECFI and Synchrony shall: (i) make capital infusions as requested by the Bank to ensure that the Bank remains in compliance with the capital requirements of the Operating Agreement, (ii) provide such financial support as requested by the Bank to ensure that the Bank remains in compliance with the liquidity requirements of the Operating Agreement, and (iii) provide certain information to the Bank and the OCC relevant to their financial condition and ability to fulfill their obligations under the CALMA. We currently expect that the CALMA’s obligations will terminate as to GECC and GECFI once GE no longer controls the Bank as defined in the CALMA or as otherwise determined by the OCC. We expect that Synchrony will continue to be subject to the CALMA’s obligations after the Bank and we are no longer controlled by GE.

Deposit Insurance

The FDIA requires the Bank to pay deposit insurance assessments. Deposit insurance assessments are affected by the minimum reserve ratio with respect to the DIF. The Dodd-Frank Act increased the minimum

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reserve ratio with respect to the DIF to 1.35% and removed the statutory cap on the reserve ratio. The FDIC subsequently set a reserve ratio of 2% and may increase that ratio in the future. Under the FDIC's current deposit insurance assessment methodology, the Bank is required to pay deposit insurance assessments based on its average consolidated total assets, less average tangible equity, and various other regulatory factors included in an FDIC assessment scorecard.

The FDIA creates a depositor preference regime for the resolution of all insured depository institutions, including the Bank. If any such institution is placed into receivership, the FDIC will pay (out of the remaining net assets of the failed institution and only to the extent of such assets) first secured creditors (to the extent of their security), second the administrative expenses of the receivership, third all deposits liabilities (both insured and uninsured), fourth any other general or senior liabilities, fifth any obligations subordinated to depositors or general creditors, and finally any remaining net assets to shareholders in that capacity.

The Bank may be held liable by the FDIC for any loss incurred, or reasonably expected to be incurred by the DIF, due to the default of another commonly controlled FDIC-insured institution or for any assistance provided by the FDIC to another commonly controlled FDIC-insured institution that is in danger of default. As long as we are directly or indirectly controlled by GE, the Bank will be commonly controlled with another FDIC-insured institution, GE Capital Bank, an industrial bank chartered under the laws of Utah.

Consumer Financial Services Regulation

The relationship between us and our U.S. customers is regulated extensively under federal and state consumer protection laws. Federal laws include the Truth in Lending Act, the Equal Credit Opportunity Act, HOLA, the Fair Credit Reporting Act (the "FCRA"), the GLBA, the CARD Act and the Dodd-Frank Act. These and other federal laws, among other things, require disclosures of the cost of credit, provide substantive consumer rights, prohibit discrimination in credit transactions, regulate the use of credit report information, provide financial privacy protections, require safe and sound banking operations, prohibit unfair, deceptive and abusive practices, restrict our ability to raise interest rates, and subject us to substantial regulatory oversight. State and, in some cases, local laws also may regulate the relationship between us and our U.S. customers in these areas, as well as in the areas of collection practices, and may provide other additional consumer protections. Moreover, we and our U.S. subsidiaries are subject to the Servicemembers Civil Relief Act, which protects persons called to active military service and their dependents from undue hardship resulting from their military service. The Servicemembers Civil Relief Act applies to all debts incurred prior to the commencement of active duty (including credit card and other open-end debt) and limits the amount of interest, including service and renewal charges and any other fees or charges (other than bona fide insurance) that is related to the obligation or liability.

Violations of applicable consumer protection laws can result in significant potential liability from litigation brought by customers, including actual damages, restitution and attorneys' fees. Federal banking regulators, as well as state attorneys general and other state and local consumer protection agencies, also may seek to enforce consumer protection requirements and obtain these and other remedies, including civil money penalties and fines.

The CARD Act was enacted in 2009 and most of the requirements became effective in 2010. The CARD Act made numerous amendments to the Truth in Lending Act, requiring us to make significant changes to many of our business practices, including marketing, underwriting, pricing and billing. The CARD Act's restrictions on our ability to increase interest rates on existing balances to respond to market conditions and credit risk ultimately limits our ability to extend credit to new customers and provide additional credit to current customers. Other CARD Act restrictions, such as limitations on late fees, have resulted and will continue to result in reduced interest income and loan fee income.

The FCRA regulates the Bank's and our use of credit reports and the reporting of information to credit reporting agencies, and also provides a standard for lenders to share information with affiliates and certain third parties and to provide firm offers of credit to consumers. The FCRA also places further restrictions on the use of

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information shared between affiliates for marketing purposes, requires the provision of disclosures to consumers when risk-based pricing is used in a credit decision, and requires safeguards to help protect consumers from identity theft.

Under HOLA, the Bank is prohibited from engaging in certain tying or reciprocity arrangements with its customers. In general, the Bank may not extend credit, lease, sell property, or furnish any services or fix or vary the consideration for these on the condition that: (i) the customer obtain or provide some additional credit, property, or services from or to the Bank or Synchrony or their subsidiaries or (ii) the customer may not obtain some other credit, property, or services from a competitor, except in each case to the extent reasonable conditions are imposed to assure the soundness of the credit extended. Certain arrangements are permissible. For example, the Bank may offer more favorable terms if a customer obtains two or more traditional bank products.

The Durbin Amendment in the Dodd-Frank Act requires the Federal Reserve Board to promulgate certain rules related to debit transaction interchange fees. On June 29, 2011, the Federal Reserve Board adopted a final rule with respect to the Durbin Amendment effective on October 1, 2011, which, among other things, established a regulatory cap for many types of debit interchange transactions that is no more than 21 cents plus five basis points of the value of the transaction. These rules are being challenged in pending litigation brought by retailers claiming that the interchange fee and network non-exclusivity provisions of the rule are arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law. The outcome of this litigation is uncertain, but if the plaintiffs were to succeed, it is possible that the Federal Reserve Board would have to reduce interchange fees below the rates in the current rule. The Federal Reserve Board also adopted a rule to allow a debit card issuer to recover 1% per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements. In addition, the rule prohibits the imposition of restrictions on a merchant's ability to direct the routing of electronic debit transactions over a network for which the issuer has enabled processing.

The Dodd-Frank Act established the CFPB, which regulates consumer financial products and services and certain financial services providers. The CFPB is authorized to prevent "unfair, deceptive or abusive acts or practices" and ensure consistent enforcement of laws so that all consumers have access to markets for consumer financial products and services that are fair, transparent and competitive. The CFPB has rulemaking and interpretive authority under the Dodd-Frank Act and other federal consumer financial services laws, as well as broad supervisory, examination and enforcement authority over large providers of consumer financial products and services, such as us. In addition, the CFPB has an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the products we offer. The system could inform future agency decisions with respect to regulatory, enforcement or examination focus. There continues to be uncertainty as to how the CFPB's strategies and priorities will have an impact on our businesses and our results of operations going forward. Although we have been subject to various matters with the CFPB as described below, neither we nor the Bank has had its first comprehensive examination by the CFPB, and we cannot predict when such examination will occur or what the results will be. See "Risk Factors—Risks Relating to Regulation—The Consumer Financial Protection Bureau is a new agency and there continues to be uncertainty as to how the agency's actions will impact our business. The agency's actions have had and may continue to have an adverse impact on our business."

In July 2012, the CFPB issued an industry bulletin regarding marketing practices with respect to credit card add-on products, including debt cancellation products. The Bank has made a number of changes, including changes in response to the CFPB bulletin, with respect to its marketing and sale of debt cancellation products to credit card customers, including ceasing all telesales of such products, and the Bank has also enhanced the disclosures associated with its website sales of such products. Starting in December 2012 and continuing into 2013, the CFPB conducted a review of the Bank's debt cancellation products and its marketing practices in its telesales channel related to those products. We are currently in discussions with the CFPB relating to this review. We cannot predict the final outcome of the discussions and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business. See "Risk Factors—Risks Relating to Our Business—Litigation and regulatory actions could subject us to significant fines, penalties, judgments and/or requirements resulting in increased expenses."

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In October 2013 the CFPB published its first biennial report reviewing the impact of the CARD Act on the consumer credit card market. In the report, the CFPB identified practices that may warrant further scrutiny by it, including add-on products (such as debt protection, identity theft protection, credit score monitoring, and other products that are supplementary to the extension of credit), cards that charge substantial application fees, and deferred interest offers and products (which could include our promotional financing products). The report further identified concerns regarding the adequacy of online disclosures as well as of the disclosures associated with rewards products and grace periods. Separately, the CFPB is also studying pre-dispute arbitration clauses, and our litigation exposure could increase if the CFPB exercises its authority to limit or ban pre-dispute arbitration clauses.

On December 10, 2013, we entered into the Consent Order relating to our CareCredit platform, which requires us to pay up to \$34.1 million to customers, to provide additional training and monitoring of our CareCredit partners, to include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, to make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and to terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the changes required by the Consent Order are similar to requirements in the Assurance that we entered with the Attorney General for the State of New York on June 3, 2013. The Bank expects to be in full compliance with the business practice changes required by the Consent Order and the Assurance by the third quarter of 2014, subject to ongoing reporting obligations and will complete the additional provider training by the fourth quarter of 2015. In addition to the costs of remediation, which were not material for the Assurance and will be up to \$34.1 million for the Consent Order, the Company estimates it will incur one-time costs of approximately \$3 million to implement these changes, and ongoing annual costs of approximately \$3 million. At this time, we do not believe that the Consent Order or the Assurance will have a material impact on our net earnings going forward. In addition, in 2012, the Bank discovered through an audit of its collection operations, potential violations of the Equal Credit Opportunity Act where certain Spanish-speaking customers and customers residing in Puerto Rico were excluded from certain statement credit and settlement offers that were made to certain delinquent customers. We provided information to the CFPB in connection with this matter and have been in discussions with them. This matter has been referred to the Department of Justice, which has initiated a civil investigation. We cannot predict the final outcome of the discussions or the investigation, and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

GECC's Regulatory Status

GECC is a regulated savings and loan holding company and therefore is subject to all of the regulatory obligations to which we are subject. Until the GE SLHC Deregistration, GECC's regulatory obligations as a savings and loan holding company may, for reasons related or unrelated to us, adversely affect us, including restricting our ability to initiate or continue various business activities or practices, pay dividends or repurchase stock.

As a nonbank SIFI, GECC is subject to enhanced prudential standards under the Dodd-Frank Act and regulation by the Federal Reserve Board, which is expected to include regulatory capital requirements. Nonbank SIFIs, such as GECC, currently are subject to some, but not all, of the enhanced prudential standards under the Dodd-Frank Act. The Federal Reserve Board has issued regulations implementing certain of the enhanced prudential standards of the Dodd-Frank Act for bank holding companies and foreign banking organizations, but not for nonbank SIFIs. In connection with these regulations, the Federal Reserve Board has indicated that it will apply enhanced prudential standards to an individual nonbank SIFI, such as GECC, by rule or order. Although the enhanced prudential standards currently applicable to GECC in its capacity as a nonbank SIFI do not have the effect of imposing direct regulatory obligations on us, we cannot be certain that standards imposed by rule or order on GECC as a nonbank SIFI by the Federal Reserve Board in the future will not have the effect of directly or indirectly imposing obligations on us so long as we are controlled by GECC for bank regulatory purposes.

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Privacy

We, along with the Bank, are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification. For example, in the United States, certain of our businesses are subject to the GLBA and implementing regulations and guidance. Among other things, the GLBA: (i) imposes certain limitations on the ability of financial institutions to share consumers' nonpublic personal information with nonaffiliated third parties, (ii) requires that financial institutions provide certain disclosures to consumers about their information collection, sharing and security practices and affords customers the right to "opt out" of the institution's disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions) and (iii) requires financial institutions to develop, implement and maintain a written comprehensive information security program containing safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of customer information processed by the financial institution as well as plans for responding to data security breaches. Federal and state laws also require us to respond appropriately to data security breaches. We, along with the Bank have a program to comply with applicable privacy, information security, and data protection requirements imposed by federal, state, and foreign laws, including the GLBA. See also "Risk Factors—Risks Relating to Regulation—Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities."

GE Transfer of Unrelated Bank

As part of the Separation (assuming it is accomplished by the Split-off), GE intends to transfer ownership of GE Capital Bank (a bank that is and will be separate from and unrelated to Synchrony and the Bank) from one of its subsidiaries to another. GE has indicated to us that it does not believe that this transfer requires an application to, or an approval or non-objection by, any bank regulatory authorities. However, if those authorities disagree and were to require an application or other opportunity for approval or non-objection, we cannot predict what action the authorities might take on such an application or notice, or what conditions or restrictions, if any, the regulators might impose in connection with any such action. Any such action, or any conditions or restrictions in connection with such action, could have a material adverse effect on GE's ability to retain that bank and could affect GE's willingness to proceed with the Separation as currently planned.

Money Laundering and Terrorist Financing Prevention Program

We maintain an enterprise-wide program designed to comply fully with all applicable anti-money laundering and anti-terrorism laws and regulations, including the Bank Secrecy Act and the Patriot Act. This program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering or terrorist financing posed by our products, services, customers and geographic locale. These controls include procedures and processes to detect and report suspicious transactions, perform customer due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. The program is coordinated by a compliance officer, undergoes an annual independent audit to assess its effectiveness, and requires training of employees.

Sanctions Programs

We have a program designed to comply with applicable economic and trade sanctions programs, including those administered and enforced by the United States Department of the Treasury's Office of Foreign Assets Control. These sanctions are usually targeted against foreign countries, terrorists, international narcotics traffickers and those believed to be involved in the proliferation of weapons of mass destruction. These regulations generally require either the blocking of accounts or other property of specified entities or individuals, but they may also require the rejection of certain transactions involving specified entities or individuals. We maintain policies, procedures and other internal controls designed to comply with these sanctions programs.

Environmental and Health and Safety Matters

We are subject to various environmental, health and safety laws and regulations.

MANAGEMENT**Directors and Executive Officers**

The following table sets forth certain information concerning our directors and executive officers as of the completion of this offering:

Name	Age	Positions
Margaret M. Keane	54	President, Chief Executive Officer and Director
Brian D. Doubles	39	Executive Vice President, Chief Financial Officer and Treasurer
Henry F. Greig	51	Executive Vice President, Chief Risk Officer
Jonathan S. Mothner	50	Executive Vice President, General Counsel and Secretary
David P. Melito	48	Senior Vice President, Chief Accounting Officer and Controller
Thomas M. Quindlen	51	Executive Vice President and Chief Executive Officer—Retail Card
Glenn P. Marino	57	Executive Vice President and Chief Executive Officer—Payment Solutions and Chief Commercial Officer
David Fasoli	55	Executive Vice President and Chief Executive Officer—CareCredit
William H. Cary	54	Director
Daniel O. Colao	47	Director
Alexander Dimitrief	55	Director
Anne Kennelly Kratky	52	Director
Dmitri L. Stockton	49	Director
Roy A. Guthrie	60	Director Nominee
Richard C. Hartnack	68	Director Nominee
Jeffrey G. Naylor	55	Director Nominee

The following sets forth certain biographical information with respect to our executive officers, directors and nominees for director.

Margaret M. Keane has been our President, Chief Executive Officer since February 2014 and has served as Chief Executive Officer and President of GE's North American retail finance business since April 2011. She has also been a member of our board of directors since 2013 and a member of the board of directors of the Bank since 2009. From June 2004 to April 2011, Ms. Keane served as President and Chief Executive Officer of the Retail Card platform of GE's North American retail finance business. From January 2002 to May 2004, Ms. Keane served as Senior Vice President of Operations of the Retail Card platform of GE's North American retail finance business. From January 2000 to December 2001, Ms. Keane served as Chief Quality Leader of GECC. From October 1999 to December 1999, Ms. Keane served as Shared Services Leader for GECC's Mid-Market Leasing Businesses. Prior to that, Ms. Keane served in various operations and quality leadership roles at GECC and Citibank. Ms. Keane was named a GE Officer in 2005 and a GECC Officer in 1996. Ms. Keane received a B.A. in Government and Politics and an M.B.A. from St. John's University. Ms. Keane was designated to our board of directors by GE. We believe that Ms. Keane should serve as a member of our board of directors due to her extensive experience in the retail finance business and the perspective she brings as our Chief Executive Officer and President.

Brian D. Doubles has been our Executive Vice President, Chief Financial Officer and Treasurer since February 2014 and has served as Chief Financial Officer of GE's North American retail finance business since January 2009 and a member of the board of directors of the Bank since 2009. From July 2008 to January 2009, Mr. Doubles served as Vice President of Financial Planning and Analysis of GE's global consumer finance business. From March 2007 to July 2008, Mr. Doubles led the winddown of GE's U.S. mortgage business (WMC Mortgage) as Chief Financial Officer and subsequently Chief Executive Officer. From May 2006 to March 2007, Mr. Doubles served as Vice President Financial Planning and Analysis of GE's North American retail finance business. From January 2001 to May 2006, Mr. Doubles served in roles of increasing responsibility for GE's

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internal audit staff. From February 1997 to January 2001, Mr. Doubles held various roles as part of a GE management leadership program. Mr. Doubles was named a GECC Officer in 2009. Mr. Doubles received a B.S. in Engineering from Michigan State University.

Henry F. Greig has been our Executive Vice President, Chief Risk Officer since February 2014 and has served as Chief Risk Officer of GE's North American retail finance business since October 2010 and the Bank since May 2011 and a member of the board of directors of the Bank since 2011. From June 2004 to October 2010, Mr. Greig served as Chief Risk Officer of the Retail Card platform of GE's North American retail finance business. From December 2002 to June 2004, Mr. Greig served as Vice President of Risk for GE's North American retail finance business. From June 2000 to December 2002, Mr. Greig served as Vice President of Information & Customer Marketing of GE's North American retail finance business. Prior to that, Mr. Greig served in various business and risk positions with GE affiliates. Mr. Greig was named a GECC Officer in 2010. Mr. Greig received an A.B. in Mathematics from Bowdoin College and an M.S. in Applied Mathematics from Rensselaer Polytechnic Institute.

Jonathan S. Mothner has been our Executive Vice President, General Counsel and Secretary since February 2014 and has served as General Counsel for GE's North American retail finance business since January 2009 and the Bank since September 2011. From December 2005 to July 2009, Mr. Mothner served as Chief Litigation Counsel and Chief Compliance Officer of GE's global consumer finance business. From June 2004 to December 2005, Mr. Mothner served as Chief Litigation Counsel and head of the Litigation Center of Excellence of GE Commercial Finance. From May 2000 to June 2004, Mr. Mothner served as Litigation Counsel of GE's global consumer finance business. Mr. Mothner was named a GECC Officer in 2005. Prior to joining GECC, Mr. Mothner served in various legal roles in the U.S. Department of Justice and a private law firm. Mr. Mothner received a B.A. in Economics from Hobart College and a J.D. from New York University School of Law.

David P. Melito has been our Senior Vice President, Chief Accounting Officer and Controller since February 2014 and has served as Controller for GE's North American retail finance business since March 2009. From January 2008 to March 2009, Mr. Melito served as Global Controller, Technical Accounting for GE Capital Aviation Services. From January 2001 to January 2008, Mr. Melito served as Global Controller, Technical Accounting for GE Capital Commercial Finance. Prior to that, Mr. Melito worked in public accounting. Mr. Melito holds a B.A. in Accounting from Queens College, City University of New York and is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

Thomas M. Quindlen has been our Executive Vice President and Chief Executive Officer of our Retail Card platform since February 2014 and has served as Vice President of the Retail Card platform for GE's North American retail finance business since December 2013. From January 2009 to December 2013, Mr. Quindlen served as Vice President and Chief Executive Officer of GECC Corporate Finance. From November 2005 to January 2009, Mr. Quindlen served as President of GECC Corporate Lending, North America. From March 2005 to November 2005, Mr. Quindlen served as Vice President and Chief Marketing Officer of GECC Commercial Financial Services. From May 2002 to March 2005, Mr. Quindlen served as President and Chief Executive Officer of GECC Franchise Finance. From September 2001 to May 2002, Mr. Quindlen served as Senior Vice President of GECC Global Six Sigma for Commercial Equipment Financing. Prior to that, Mr. Quindlen served in various sales, marketing, business development and financial positions with GE affiliates. Mr. Quindlen was named a GE Officer in 2005 and a GECC Officer in 2001. Mr. Quindlen received a B.S. in Accounting from Villanova University.

Glenn P. Marino has been our Executive Vice President and Chief Executive Officer of our Payment Solutions platform and our Chief Commercial Officer since February 2014 and has served as Chief Executive Officer of the Payment Solutions platform and as Chief Commercial Leader of GE's North American retail finance business since December 2011. From July 2002 to December 2011 Mr. Marino served as Chief Executive Officer of the Payment Solutions platform of GE's North American retail finance business. From

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March 1999 to July 2002, Mr. Marino served as Chief Executive Officer of Monogram Credit Services, a joint venture between GE and BankOne (now JPMorgan Chase & Co.). From February 1996 to March 1999, Mr. Marino served as Chief Risk Officer of the Visa/MasterCard division of GE's North American retail finance business. Prior to that, Mr. Marino served as Vice President of Risk within Citigroup's U.S. retail banking business. Mr. Marino was named a GE Officer in 2006 and a GECC Officer in 1999. Mr. Marino received a B.S. in Biology from Syracuse University and an M.B.A. from the University of Michigan.

David Fasoli has been our Executive Vice President and Chief Executive Officer of our CareCredit platform since February 2014 and has served as President and Chief Executive Officer of the CareCredit platform of GE's North American retail finance business since March 2008. From June 2003 to March 2008, he served as General Manager of Home and Recreational Products Business of GE's North American retail finance business. Prior to June 2003, Mr. Fasoli served as Vice President of Client Development of GE's North American retail finance business and held several positions of increasing responsibility within GE and GE's North American retail finance business in Finance, Client Development, Business Integration and Quality. Mr. Fasoli was named a GECC Officer in 2007. Mr. Fasoli received a B.S. in Business and Economics from the State University of New York at Albany.

William H. Cary has been a member of our board of directors since February 2014. Mr. Cary has served as President and Chief Operating Officer of GECC since November 2008. From February 2008 to November 2008, Mr. Cary served as President and Chief Executive Officer of GE's global consumer finance business. From January 2006 to February 2008, Mr. Cary served as President and Chief Executive Officer of GE's European consumer finance business. From February 2004 to January 2006, Mr. Cary served as Corporate Vice President, Investor Relations of GE Corporate Finance. From October 2002 to February 2004, Mr. Cary served as Corporate Vice President, Financial Planning and Analysis. From January 2001 to October 2002, Mr. Cary served as President and Chief Executive Officer of GE Capital Vendor Financial Services. From April 1996 to January 2001, Mr. Cary served as Vice President and Manager, Financial Planning and Analysis of GECC. Mr. Cary was named a GE Officer in 1999 and a GECC Officer in 1999. We believe that Mr. Cary should serve as a member of our board of directors due to his extensive background in finance (including consumer finance) and his experience as a leader in both financial and operational roles.

Daniel O. Colao has been a member of our board of directors since February 2014. Mr. Colao has served as Vice President, Financial Planning and Analysis of GECC since January 2011. From July 2008 to January 2011, Mr. Colao served as Chief Financial Officer of GE Asset Management. From March 2007 to July 2008, Mr. Colao served as Managing Director and as Chief Financial Officer for two divisions of Lehman Brothers. From September 1999 to March 2007, Mr. Colao served in various Chief Financial Officer roles in several GECC businesses including Real Estate, Consumer Auto Finance, Fleet Services, Vendor Financial Services and Aviation Services. Prior to that, Mr. Colao served in various financial roles at GE and GECC. Mr. Colao was named a GE Officer in 2013 and a GECC Officer in 2004. Mr. Colao received a B.S. in Finance from Boston College. Mr. Colao was designated to our board of directors by GE. We believe that Mr. Colao should serve as a member of our board of directors due to his extensive background in finance and leadership experience, including more than 10 years served as a chief financial officer of various businesses.

Alexander Dimitrief has been a member of our board of directors since February 2014. Mr. Dimitrief has served as Senior Vice President and General Counsel of GECC since October 2012. From November 2011 to October 2012, Mr. Dimitrief served as Vice President and General Counsel of GE Energy. From February 2007 to November 2011, Mr. Dimitrief served as Vice President for Litigation and Legal Policy at GE. Mr. Dimitrief was named a GE Officer in 2007 and a GECC Officer in 2012. Prior to February 2007, Mr. Dimitrief was a senior partner at Kirkland & Ellis LLP. Mr. Dimitrief received a B.A. in Economics and Political Science from Yale College and a J.D. from Harvard Law School. Mr. Dimitrief was designated to our board of directors by GE. We believe that Mr. Dimitrief should serve as a member of our board of directors due to his extensive experience in the areas of law and compliance spanning many industries and subject areas, including the financial services industry.

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Anne Kennelly Kratky has been a member of our board of directors since February 2014. Ms. Kratky has served as Deputy Treasurer and Chief Risk Officer of GE Corporate Treasury since August 2011. From October 2006 to August 2011, Ms. Kratky served as Chief Risk Officer of GECC Aviation Financial Services. From November 2005 to October 2006, Ms. Kratky served as Chief Risk Officer of Global Media and Communications for GE Capital Americas. From January 2004 to November 2005, Ms. Kratky served as Chief Risk Officer of Commercial and Industrial for GE Capital Solutions and from July 1998 to January 2004, served as Managing Director of GE Capital Structured Finance Group. Ms. Kratky was named a GE Officer in 2012 and a GECC Officer in 2006. Ms. Kratky received a B.S. in Systems Analysis from Miami University in Ohio. Ms. Kratky was designated to our board of directors by GE. We believe that Ms. Kratky should serve as a member of our board of directors due to her extensive background and leadership experience in risk management, including more than 10 years served as a chief risk officer of various businesses and treasury.

Dmitri L. Stockton has been a member of our board of directors since February 2014. Mr. Stockton has served as President and Chief Executive Officer of GE Asset Management since May 2011. From January 2009 to April 2011, Mr. Stockton served as Chief Executive Officer of GE Capital Global Banking. From October 2004 to December 2008, Mr. Stockton served as President and Chief Executive Officer of GE's Central and Eastern European consumer finance business. From September 2001 to October 2004, Mr. Stockton served as Chief Executive Officer of GE's Swiss consumer finance business. From August 1999 to September 2001, Mr. Stockton served as Senior Vice President of GE Mortgage Insurance. Mr. Stockton was named a GE Officer in 2005. Mr. Stockton received a B.A. in Accounting from North Carolina Agricultural Technical State University School of Business and Economics. Mr. Stockton was designated to our board of directors by GE. We believe that Mr. Stockton should serve as a member of our board of directors due to his extensive background in finance (including consumer finance), banking and asset management and leadership experience in various businesses.

Roy A. Guthrie has agreed to join our board effective as of the date of this prospectus. From July 2005 to January 2012, Mr. Guthrie served as Executive Vice President and Chief Financial Officer of Discover Financial Services, Inc. From September 2000 to July 2004, Mr. Guthrie served as President and Chief Executive Officer of various businesses of Citigroup Inc., including CitiFinancial International from 2000 to 2004 and CitiCapital from 2000 to 2001. From April 1978 to September 2000, Mr. Guthrie served in various roles of increasing responsibility at Associates First Capital Corporation. Mr. Guthrie serves on the board of directors of Nationstar Mortgage Holdings, Inc., an originator and servicer of real estate mortgage loans, Springleaf Finance Corporation, a financial services company, LifeLock, Inc., a company offering identity theft protection and detection services, Garrison Capital, Inc., a closed-end management investment company, and Bluestem Brands, Inc., a multi-brand retailer, and served on the board of directors of Discover Bank. Mr. Guthrie received a B.A. in Economics from Hanover College and a M.B.A. from Drake University. We believe that Mr. Guthrie should serve as a member of our board of directors due to his leadership experience and extensive background in consumer finance (including the private label credit card industry), including more than 30 years of experience in finance and/or operating roles.

Richard C. Hartnack has agreed to join our board effective as of the date of this prospectus. From April 2005 to February 2013, Mr. Hartnack served as Vice Chairman and Head, Consumer and Small Business Banking of U.S. Bancorp. From June 1991 to March 2005, Mr. Hartnack served in various leadership roles at Union Bank, N.A. (formerly known as Union Bank of California, N.A.), including Vice Chairman and Head, Community Banking and Investment Services from 1999 to 2005. From June 1982 to May 1991, Mr. Hartnack served in various leadership roles at First Chicago Corporation, including Executive Vice President and Head, Community Banking. Mr. Hartnack serves on the board of directors of Federal Home Loan Mortgage Corporation and has served on the board of directors of MasterCard International, Inc. and UnionBanCal Corporation. Mr. Hartnack received a B.A. in Economics from the University of California, Los Angeles and a M.B.A. from Stanford University. We believe that Mr. Hartnack should serve as a member of our board of directors due to his leadership experience and extensive background in consumer finance and banking accumulated over the course of a 40 year career in the banking industry.

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Jeffrey G. Naylor has agreed to join our board effective as of the date of this prospectus. Mr. Naylor has served as Founder and Managing Director of Topaz Consulting, LLC, a financial consulting firm, since April 2014. From February 2013 to April 2014, Mr. Naylor served as Senior Corporate Advisor of the TJX Companies, Inc. From January 2012 to February 2013, Mr. Naylor served as Chief Administrative Officer of the TJX Companies, Inc., from February 2009 to January 2012, he served as its Chief Financial and Administrative Officer, from June 2007 to February 2009, he served as its Chief Administrative and Business Development Officer, from September 2006 to June 2007, he served as its Chief Financial and Administrative Officer, and from February 2004 to September 2006, he served as its Chief Financial Officer. From September 2001 to January 2004, Mr. Naylor served as Chief Financial Officer of Big Lots, Inc. From September 2000 to September 2001, Mr. Naylor served as Senior Vice President, Chief Financial and Administrative Officer of Dade Behring, Inc. From November 1998 to September 2000, he served as Vice President, Controller of Limited, Inc. Mr. Naylor serves on the board of directors of Fresh Market, Inc. a grocery retailer and Emerald Expositions, which conducts business and consumer trade shows. Mr. Naylor received a B.A. in Economics and Political Science and an M.B.A. from the J.L. Kellogg Graduate School of Management, Northwestern University. We believe that Mr. Naylor should serve as a member of our board of directors due to his executive management and leadership experience, his extensive financial and accounting background, and his considerable experience in the retail industry.

Status as a “Controlled Company” under NYSE Listing Standards

Our common stock will be listed on the NYSE and, as a result, we will be subject to the NYSE’s corporate governance listing standards. However, a listed company that meets the NYSE’s definition of “controlled company” (i.e., a company of which more than 50% of the voting power is held by a single entity or group), may elect not to comply with certain of these requirements. Consistent with this, the Master Agreement will provide that, so long as GE owns more than 50% of our outstanding common stock and we are therefore a “controlled company,” we will elect not to comply with the corporate governance standards of the NYSE requiring: (i) a majority of independent directors on the board of directors, (ii) a fully independent corporate governance and nominating committee and (iii) a fully independent compensation committee. As discussed below, upon completion of this offering, we expect that six of our nine directors, including one member of the board of directors’ Nominating and Corporate Governance Committee and one member of the board of directors’ Management Development and Compensation Committee, will not qualify as “independent directors” under the applicable rules of the NYSE.

Board Leadership Structure

Following completion of this offering, our board of directors will be led by an independent director serving as non-executive Chairman. We believe that having an independent director serve as the non-executive Chairman of the board of directors will be in the best interests of our stockholders in light of the fact that we are a newly public company as well as a “controlled company” with GE as our majority stockholder. The separation of roles will allow our Chairman to focus on the organization and effectiveness of our board of directors and any potential conflicts of interest with GE that require review by the independent members of the board of directors. At the same time, it will allow our Chief Executive Officer to focus on executing our strategy and managing our operations, performance and risk.

Composition of the Board of Directors

Following completion of this offering, our board of directors will have nine members, consisting of our Chief Executive Officer (who is an officer of GE), five other officers of GE and three directors who will be “independent” under the listing standards of the NYSE. Messrs. Guthrie, Hartnack and Naylor, who will serve as independent directors, were selected by GE following an extensive search conducted with the assistance of a third party search firm and a review by GE and Synchrony of these individuals’ experience, qualifications, attributes, skills and independence from both companies.

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Under our certificate of incorporation, the number of directors constituting our entire board of directors will be fixed from time to time by resolution of our board of directors. The Master Agreement will provide that, until GE's beneficial ownership of our common stock decreases below 20%, we cannot change the size of our board of directors without GECC's prior written approval.

Under our bylaws, our directors will be elected annually by plurality vote. As discussed under "Committees of the Board of Directors" below, our Nominating and Corporate Governance Committee will be responsible for recommending to our board of directors, for their approval, the director nominees to be presented for stockholder approval at the annual meeting. Until the GE SLHC Deregistration, the Master Agreement will give GECC the right to designate a specified number of persons for nomination by our board of directors at any stockholder meeting at which directors are to be elected. The number will vary with the level of GE's beneficial ownership of our outstanding common stock, as follows:

- when GE beneficially owns more than 50% of our outstanding common stock, GECC will be entitled to designate five persons for nomination (a majority of the board of directors' nominees for election);
- when GE beneficially owns at least 33% and no more than 50% of our outstanding common stock, GECC will be entitled to designate four persons for nomination;
- when GE beneficially owns at least 20% but less than 33% of our outstanding common stock, GECC will be entitled to designate three persons for nomination;
- when GE beneficially owns at least 10% but less than 20% of our outstanding common stock, GECC will be entitled to designate two persons for nomination; and
- when GE beneficially owns less than 10% of our outstanding common stock, GE will be entitled to designate one person for nomination.

In the event that (with GECC's approval) the size of our board of directors is changed, GECC will have the right to designate a proportional number of persons for nomination for election to the board of directors (rounded up to the nearest whole number).

Under the Master Agreement, our Nominating and Corporate Governance Committee or our board of directors must consider for approval in good faith each person designated by GECC for nomination for election to the board of directors, applying the same standards as shall be applied for the consideration of other proposed nominees for election as directors. We are required to recommend and solicit proxies in favor of, and to otherwise use our best efforts to cause the election of, each person designated by GECC whose nomination has been approved. In the event that the committee or the board of directors does not approve the nomination of any person designated by GECC, GECC shall have the right to designate an alternative person for consideration.

The holders of any outstanding series of our preferred stock may have the right to elect certain directors under certain limited circumstances.

Committees of the Board of Directors

Upon completion of this offering, the standing committees of our board of directors will consist of an Audit Committee, a Nominating and Corporate Governance Committee, a Management Development and Compensation Committee, and a Risk Committee. These committees are described below. Our board of directors may also establish various other committees to assist it in its responsibilities. However, the Master Agreement provides that, until the GE SLHC Deregistration, without GECC's prior written approval, our board of directors will not establish an executive committee or any other committee having powers typically delegated to an executive committee.

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Audit Committee. The primary responsibilities of this committee will include:

- selecting, evaluating, compensating and overseeing the independent registered public accounting firm;
- reviewing the audit plan and scope and results of the audit to be conducted by the independent registered public accounting firm;
- overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed;
- in coordination with the Risk Committee, reviewing our major financial risk exposures (and the steps management has taken to monitor and control these risks) and reviewing the Company's risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management;
- approving audit and non-audit services provided by the independent registered public accounting firm;
- meeting with management and the independent registered public accounting firm to review and discuss our financial statements;
- establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters;
- reviewing the organization, performance and audit findings of our internal audit function and our disclosure and internal controls; and
- overseeing the Company's compliance with applicable legal, ethical and regulatory requirements.

The Audit Committee will be comprised of three directors, all of whom will be "independent" under the listing standards of the NYSE and the Company's independence guidelines, and meet the SEC's independence requirements for audit committee membership. The Audit Committee will be comprised of at least one "audit committee financial expert" as prescribed under the Exchange Act. We intend to appoint these directors to serve on our board of directors and the Audit Committee as soon as practicable after completion of this offering. Initially the Audit Committee will be comprised of Messrs. Naylor (chair), Guthrie and Hartnack.

Nominating and Corporate Governance Committee. The primary responsibilities of this committee will include:

- reviewing GE's designees for nomination for election to our board of directors pursuant to the Master Agreement, considering potential director nominees properly recommended by other stockholders, leading the search for other individuals qualified to become members of the board of directors, and recommending to our board of directors for approval the director nominees to be presented for stockholder approval at the next annual meeting;
- reviewing and making recommendations to our board of directors, taking into account the Master Agreement as appropriate, with respect to the board's leadership structure and the size and composition of the board of directors and the board committees;
- developing and annually reviewing our governance principles;
- annually reviewing director compensation and benefits;
- overseeing the annual self-evaluation of our board of directors and its committees;
- reviewing and making recommendations to our board of directors concerning the board's leadership structure and the structure and membership of board committees;
- reviewing and, if appropriate, approving or ratifying transactions with related persons required to be disclosed under SEC rules;
- reviewing our policies and procedures with respect to political spending;
- reviewing actions in furtherance of our corporate social responsibility;
- reviewing and resolving any conflict of interest involving directors or executive officers;
- overseeing risks related to corporate governance structure and practices; and
- identifying and discussing with management the risks related to our social responsibility actions and public policy initiatives.

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Under the Master Agreement, so long as GE beneficially owns more than 50% of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of three directors, one of whom will be designated by GECC from among the directors it has designated for nomination and two of whom will be “independent” under the listing standards of the NYSE and the Company’s independence guidelines. When GE beneficially owns 50% or less of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of three directors, each of whom will be “independent” under the listing standards of the NYSE and the Company’s independence guidelines. Initially the Nominating and Corporate Governance Committee will be comprised of Messrs. Hartnack (chair), Guthrie and Dimitrief.

Management Development and Compensation Committee. The primary responsibilities of this committee will include:

- establishing, reviewing and approving Chief Executive Officer compensation, and reviewing and approving other senior executive compensation;
- monitoring our management resources, structure, succession planning, development and selection process as well as the performance of the Chief Executive Officer and senior executives;
- reviewing incentive compensation arrangements with a view to appropriately balancing risk and financial results in a manner that does not encourage employees to expose us to imprudent risks, and are consistent with safety and soundness, and reviewing (with input from our CRO and the Bank’s CRO) the relationship between risk management policies and practices, corporate strategies and senior executive compensation; and
- overseeing incentive compensation plans and programs, including any equity-based compensation plans.

Under the Master Agreement, so long as GE beneficially owns more than 50% of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, one of whom will be designated by GECC from among the directors it has designated for nomination, and two of whom will be “independent” under the listing standards of the NYSE and the Company’s independence guidelines. When GE beneficially owns 50% or less of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, each of whom will be “independent” under the listing standards of the NYSE and the Company’s independence guidelines. At all times, at least two members of the Management Development and Compensation Committee will qualify as both an “outside director” for purposes of Section 162(m) of the Code and a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act. Initially the Management Development and Compensation Committee will be comprised of Messrs. Cary (chair), Hartnack and Naylor.

Risk Committee. The primary responsibilities of this committee will include:

- assisting our board of directors in its oversight of our enterprise-wide risk management framework, including as it relates to credit, market, liquidity, operational and strategic risks, as well as the guidelines and policies for monitoring and mitigating such risks;
- reviewing and, at least annually, recommending to our board of directors for approval, our enterprise-wide risk appetite, including our liquidity risk tolerance and our strategy relating to managing key risks;
- meeting separately on a regular basis with our CRO and (in coordination with the Bank’s Risk Committee, as appropriate) the Bank’s CRO;
- receiving reports from our internal audit function on the results of risk management reviews and assessments;
- reviewing and approving the Company’s enterprise-wide capital and liquidity framework and, in coordination with the Bank’s Risk Committee, reviewing the Bank’s allowance for loan losses, annual capital, recovery and resolution items, liquidity policy and risk appetite, regulatory capital policy and ratios, and internal capital adequacy assessment processes;

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- reviewing, at least semi-annually, information from senior management regarding whether we are operating within our established risk appetite;
- reviewing the independence, authority and effectiveness of our risk management function and independent liquidity review function;
- approving the appointment of, evaluating and, when appropriate, replacing the CRO;
- reviewing the status of financial services regulatory examinations; and
- reviewing the disclosure regarding risk contained in our annual and quarterly reports.

Under the Master Agreement, until the GE SLHC Deregistration, the Risk Committee will be comprised of three directors, one of whom will be designated by GECC from among the directors it has designated for nomination and two of whom will be “independent” under the listing standards of the NYSE and the Company’s independence guidelines. Initially the Risk Committee will be comprised of Mr. Guthrie (chair), Ms. Kratky and Mr. Naylor.

Related Person Transaction Approval Policy

Prior to the completion of this offering, our board of directors will adopt a written policy for the review, approval or ratification of transactions (known as “related person transactions”) between us or any of our subsidiaries and any related party, in which the amount involved since the beginning of our last completed fiscal year will or may be expected to exceed \$120,000 and in which one of our executive officers, directors, director nominees or stockholders beneficially owning more than 5% of any class of our voting stock (or their immediate family members) has a direct or indirect material interest.

The policy will call for the related person transactions to be reviewed and, if deemed appropriate, approved or ratified by the Nominating and Corporate Governance Committee. In determining whether or not to approve or ratify a related person transaction, the Nominating and Corporate Governance Committee will take into account, among other factors it deems important, whether the related person transaction is in our best interests and whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances. In the event a member of the Nominating and Corporate Governance Committee is not disinterested with respect to the related person transaction under review, that member may not participate in the review, approval or ratification of that related person transaction.

Certain decisions and transactions are not subject to the related person transaction approval policy, including: (i) decisions on compensation or benefits relating to directors or executive officers and (ii) indebtedness to the Bank in the ordinary course of business, on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans with persons not related to the Bank and not presenting more than the normal risk of collectability or other unfavorable features.

The transactions described in the section “Arrangements Among GE, GECC and Our Company” (collectively, the “GE Contemplated Transactions”) will be entered into prior to the adoption of our related person transaction approval policy and therefore will not be approved under the policy. However, the policy will apply to new agreements, amendments and modifications to existing agreements, terminations, disputes and extensions, in each case involving amounts in excess of \$120,000. Any executive officer of the Company who is also an officer, director or employee of GE may participate in discussions concerning these matters provided that they do so solely on behalf of the Company and under the direction of, and subject to the approval of, the Nominating and Corporate Governance Committee. Any director of the Company who is an affiliate of GE may participate in discussions concerning these matters provided that they do so solely on behalf of GE and that the Nominating and Corporate Governance Committee has received advance notice of his or her participation. At any time at which a director of the Company who is also an officer, director or employee of GE is a member of the Nominating and Corporate Governance Committee, that director shall recuse himself or herself from all activities of the Nominating and Corporate Governance Committee relating to related person transactions with GE.

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Compensation Discussion and Analysis

Introduction

The executive officers whose compensation we discuss in this Compensation Discussion and Analysis and whom we refer to as our named executive officers (“NEOs”) are Margaret M. Keane, President and Chief Executive Officer; Brian D. Doubles, Executive Vice President, Chief Financial Officer and Treasurer; Glenn P. Marino, Executive Vice President, Chief Executive Officer – Payment Solutions and Chief Commercial Leader; Jonathan S. Mothner, Executive Vice President, General Counsel and Secretary; and Thomas M. Quindlen, Executive Vice President and Chief Executive Officer – Retail Card.

We currently operate as a business unit of GECC and, at least for a period following this offering, will continue to operate as a majority-owned subsidiary of GECC. As a result, in 2013, our NEOs participated in GE and GECC compensation and benefit plans, and their compensation was subject to the oversight and approval of the Compensation Committee of GECC’s board of directors, as well as the Development and Compensation Committee of the Bank’s board of directors (except in the case of Mr. Quindlen, who joined us from another GECC business unit in December 2013), as our executive officers are also executive officers of the Bank. Their incentive compensation and equity awards were also subject to the approval of the Chief Executive Officer of GE and the Management Development and Compensation Committee of GE’s board of directors. These historical compensation arrangements are discussed below.

Following the completion of this offering, the Management Development and Compensation Committee of our board of directors, as well as the Bank’s Development and Compensation Committee, will oversee our compensation plans, policies and programs for our NEOs. Our employees will receive equity awards based on our common stock following the completion of this offering (including during the period in which we operate as a majority-owned subsidiary of GECC), and will no longer receive awards under the GE 2007 Long-Term Incentive Plan. As long as GE owns at least 50% of our outstanding common stock, we will be part of the GE group, and our employees generally will continue to participate in GE benefit plans other than the GE 2007 Long-Term Incentive Plan. When GE ceases to own at least 50% of our outstanding common stock, we anticipate that our U.S. employees will be covered by benefit plans that we expect to establish.

Compensation Framework

Goals

The goal of GECC’s 2013 executive compensation program for its business units, including our company, was aligned with GE’s compensation goal, which was to retain and reward leaders who create long-term value. GE’s executive compensation program is designed to reward sustained financial and operating performance and leadership excellence, align executives’ long-term interests with those of GE’s shareowners and motivate executives to remain with GE for long and productive careers built on expertise.

Program Principles

GECC’s executive compensation program for its business units, including our company, is designed to be consistent with GECC’s and our company’s safety and soundness and to identify, measure, monitor and control incentive compensation arrangements so that such arrangements do not encourage excessive or imprudent risk-taking. The key principles guiding this program and underlying the oversight of this program by GECC’s Compensation Committee and the Bank’s Development and Compensation Committee are:

- Performance – rewards should be linked to business and individual performance against both qualitative and quantitative goals and objectives;
- Growth Values – rewards should be linked to the employee’s demonstration of the behaviors and values expected of employees;
- Market Competitiveness – reward opportunities should be competitive with the external labor markets in which GECC and its business units compete;

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- Internal Equity – reward opportunities should be internally equitable, subject to the individual’s experience, performance and other relevant factors; and
- Prudent Risk – rewards, particularly incentive compensation, must not encourage excessive risk-taking and should be based in part on the long-term performance outcomes of risks taken.

Key Considerations in Setting Compensation

GECC has adopted the following key considerations in setting compensation for its business units, including our company. These considerations are consistent with the framework established by GE in setting compensation.

Consistent and sustainable performance. GECC’s executive compensation program provides the greatest pay opportunity for executives who demonstrate superior performance for sustained periods of time. It also rewards executives for executing our company’s strategy through business cycles, so that the achievement of long-term strategic objectives is not compromised by short-term considerations. The emphasis on consistent performance affects the annual cash bonus and equity incentive compensation. With the prior year’s award or grant serving as an initial basis for consideration, such awards are determined based on an assessment of an executive’s past performance and expected future contributions. Because current-year, past and sustainable performance are incorporated into compensation decisions, any percentage increase or decrease in the amount of annual compensation tends to be more gradual than in a framework that is focused solely or largely on current-year performance.

Future pay opportunity versus current pay. GECC strives to provide an appropriate mix of compensation elements to achieve a balance between current versus long-term, deferred compensation, cash versus equity incentive compensation, and other features that cause the amounts ultimately received by the NEOs to appropriately reflect risk and risk outcomes. Cash payments primarily, but not exclusively, reward more recent performance, whereas equity awards encourage our NEOs to continue to deliver results over a longer period of time, and serve as a retention tool. GECC believes that the compensation paid or awarded to our NEOs should be more heavily weighted towards rewards based on our company’s sustained operating performance as well as GE’s stock price performance over the long-term.

Qualitative and quantitative factors. Except with respect to payouts under GE’s Long-Term Performance Awards (“LTPAs”), which are tied to achieving specific quantitative performance objectives, quantitative formulas are not used exclusively in determining the amount and mix of compensation. Instead, a broad range of both quantitative and qualitative factors are evaluated to avoid excessive weight being placed on any one performance measure. These factors include, but are not necessarily limited to, reliability in delivering financial growth and operating targets, performance in the context of the economic environment relative to other companies, a track record of integrity, good judgment, the vision and ability to create further growth, the ability to lead others, and other considerations that cause the amounts ultimately received by the NEOs to appropriately reflect risk and risk outcomes.

Consideration of risk. GECC’s compensation program is balanced, focused on the long term and takes into consideration the full range and duration of risks associated with a NEO’s activities. Under this structure, the highest amount of compensation can be achieved through consistent superior performance within the limits of GECC’s stated risk appetite. In addition, significant portions of compensation are earned only over the longer term and may be adjusted during the vesting period for risk outcomes. This provides strong incentives for executives to manage our company for the long term while avoiding excessive risk-taking in the short term. As discussed further below, both GECC’s Compensation Committee and the Bank’s Development and Compensation Committee review the relationship between our risk management policies and practices and the incentive compensation provided to our NEOs.

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2013 Compensation Elements

The following summarizes the compensation elements used in 2013 to reward and retain our NEOs.

Base Salary

Base salaries for our NEOs depend on a number of factors, including the size, scope and impact of their role, the market value associated with their role, leadership skills and values, length of service, and individual performance and contributions. Decisions regarding salary increases are affected by the NEOs' current salary and the amounts paid to their peers within and outside our company.

Annual Bonus

Annual cash bonuses to our NEOs are made under the GECC Executive Incentive Compensation Plan, which is funded based on an assessment of GE's and GECC's overall performance and is designed to reward executives for sustained financial and operating performance, effective risk management and overall leadership excellence. Bonus amounts are based on achieving specific performance goals for each executive and are driven by the executive's success in achieving these goals. The prior year's award serves as an initial basis for consideration. After an assessment of a NEO's ongoing performance and current year contributions to our company's results, as well as the performance of any business or function he or she leads, judgment is used in determining the bonus amount, if any, and the resulting percentage change from the prior year. Because GE and GECC emphasize consistent performance over time, the relative size of our NEOs' bonuses is driven by current year, past and sustainable performance, and percentage increases or decreases in the amount of annual compensation therefore tend to be more gradual than in a framework that is focused solely or largely on current year performance. Our NEOs will continue to participate in the GECC Executive Incentive Compensation Plan until the date on which GE ceases to own at least 50% of our outstanding common stock.

GE Equity Awards

As part of GE's equity compensation program for 2013, our NEOs received GE stock options in the amounts set forth in the "—2013 Grants of GE Plan-Based Awards Table." No grants of equity awards based on our common stock were made in 2013. Important factors in determining the amount of GE stock options awarded to each NEO include the size of past grant amounts, individual performance and expected future contributions to GE. GE's equity compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, align the interests of award recipients with those of GE's shareholders and retain award recipients. GE uses grants of stock options to focus its executives on delivering long-term value to its shareowners because options have value only to the extent that the price of GE stock on the date of exercise exceeds the stock price on the grant date, as well as to retain its executives, as stock options generally vest 20% per year while employed. In prior years, GE has also used grants of RSUs to reward and retain executives by offering them the opportunity to receive shares of GE stock on the date the restrictions lapse as long as they continue to be employed by GE. Although our NEOs have received grants of GE RSUs in prior years and currently hold GE RSUs, they did not receive any grants of GE RSUs in 2013. Following this offering, the equity awards previously granted to our NEOs will continue to relate to GE equity, and service with us will be counted as service with GE for all purposes. As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest, and all unexercised GE stock options held by our employees will remain exercisable for GE common stock for five years or until the expiration of the stock option, whichever is earlier. GE RSUs will remain outstanding and vest in accordance with their terms. We will have no obligations with respect to GE stock options and GE RSUs.

GE LTPAs

In early 2013, as part of a broader GE program, GE granted contingent LTPAs to our NEOs, which will be payable if GE achieves, on an overall basis for a three-year period (2013 through 2015), specified goals based on

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four equally weighted GE-specific performance metrics. These performance metrics are: (i) cumulative operating earnings per share, (ii) cumulative total cash generation, (iii) 2015 industrial earnings as a percentage of total GE earnings and (iv) 2015 return on total capital. The awards are payable in cash (or, at the discretion of GE's Management Development and Compensation Committee, in GE common stock), based on achieving threshold, target or maximum levels for any of the performance metrics, with payments prorated for performance between the established levels. As was the case with the awards granted under GE's prior long-term performance award programs, the target levels of the 2013-2015 LTPA performance metrics are challenging but achievable with good performance, whereas maximum levels represent stretch goals. For each NEO, the award is based on a multiple (e.g., in the case of Ms. Keane, 0.5x at threshold, 0.75x at target and 1.5x at maximum) of base salary and incentive compensation, and will be subject to forfeiture if the individual's employment terminates for any reason other than disability, death, retirement or in connection with a business disposition prior to the settlement of the award. Assuming the date on which GE ceases to own at least 50% of our outstanding common stock will occur prior to the LTPA 2016 payment date, our NEOs who remain employed by us until the 2016 payment date will remain eligible to receive a pro rata portion of their award from GE, based on their service from the LTPA's grant date to the date on which GE ceases to own at least 50% of our outstanding common stock and based on their annual salary then in effect on such date and the last annual bonus received prior to such date. These awards are not based on our performance, except to the extent that the results of our performance are included in GE's results, and will not be paid by us.

GE Deferred Compensation

GE periodically offers both a deferred salary plan and a deferred bonus plan, with only the deferred salary plan providing for payment of an "above-market" rate of interest as defined by the SEC. These plans are available to approximately 3,600 eligible employees in GE's executive band and above, including our NEOs. These plans are described in further detail in the narrative accompanying the "—2013 Nonqualified Deferred Compensation Table." Payouts for our NEOs will begin to occur in the year following the date on which GE ceases to own at least 50% of our outstanding common stock and in accordance with participants' payout elections.

GE Pension Plans

During 2013, our NEOs were eligible to participate in the same GE Pension Plan, GE Supplementary Pension Plan and GE Excess Benefits Plan in which other eligible executives and employees participate. The GE Pension Plan is a broad-based tax-qualified plan under which eligible employees may retire at age 60 or later. Unlike the GE Pension Plan, the GE Supplementary Pension Plan and the GE Excess Benefits Plan are unfunded, unsecured obligations of GE and are not qualified for tax purposes. These plans are described in further detail in the narrative accompanying the "—2013 GE Pension Benefits Table." Pursuant to the terms of the Employee Matters Agreement, we will reimburse GE for the payment of pension benefits under the GE Supplementary Pension Plan and the GE Excess Benefits Plan when our NEOs are entitled to receive them. Our NEOs' benefits under these plans will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We do not intend to establish our own tax-qualified defined benefit pension plan for our employees, including our NEOs.

Transaction Awards

We have entered into transaction award agreements with certain of our employees, including each of the NEOs. These agreements are intended to provide an incentive to our management team to remain dedicated to, and to continue their employment with, our company. Under these agreements, each of the NEOs is eligible to receive a transaction award equal to 100% of their base salary in effect as of the date they enter into the agreement plus their 2012 bonus, with 50% of the transaction award payable within 60 days following the completion of this offering and the remaining 50% payable within 60 days following the date on which GE ceases to own at least 50% of our outstanding common stock. The transaction award will be forfeited in its entirety if a NEO voluntarily resigns or is terminated by us for "cause" (as determined by us). Each of the NEOs

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will also be subject to a non-compete/non-solicit provision for eighteen months from the date of termination of employment. These transaction award agreements are discussed in further detail under “—2013 Potential Payments Upon Termination at Fiscal Year-End.”

Other Compensation

Our NEOs received other benefits, reflected in “—2013 All Other Compensation Table,” consistent with those provided to certain GE executives, such as a leased car. In addition, as officers of GE, Ms. Keane, Mr. Marino and Mr. Quindlen received benefits provided to GE officers, such as financial counseling and tax preparation. We do not expect to provide our executive officers with all of the same types of benefits as provided to GE executives.

Performance Objectives and Evaluations for Our Named Executive Officers for 2013

At the beginning of 2013, Ms. Keane developed the objectives that she believed should be achieved for our company to be successful, which were based on the 2013 objectives established for GE and for GECC and tailored to our business. These objectives include both quantitative financial measurements and qualitative strategic, operational and risk management considerations and are focused on the factors that Ms. Keane, the Chief Executive Officer of GE and the Chief Executive Officer of GECC believe create long-term shareowner value. Ms. Keane’s 2013 performance was evaluated and measured against these goals by the Chief Executive Officer of GECC, GECC’s Compensation Committee and the Bank’s Development and Compensation Committee to develop a recommendation as to the appropriate incentive compensation awards for her. The amount of her incentive compensation was ultimately approved by the Chief Executive Officer of GE and GE’s Management Development and Compensation Committee, based on their discretion and judgment. Ms. Keane did not participate in the determination of her compensation.

During 2013, our other NEOs – other than Mr. Quindlen, who joined us in December 2013 – reported directly to Ms. Keane, who developed their objectives based on our company’s objectives. Each of our other NEOs’ objectives include both quantitative financial measurements and qualitative strategic, operational and risk management considerations affecting our company and the businesses or functions that they lead. Each of our other NEOs’ 2013 performance was evaluated and measured against their respective goals by the Chief Executive Officer of GECC, GECC’s Compensation Committee and the Bank’s Development and Compensation Committee, as well as by Ms. Keane, in the case of Mr. Marino, and by the heads of GECC’s Finance and Legal functions, with input from Ms. Keane, in the case of Mr. Doubles and Mr. Mothner, respectively, to develop recommendations as to the appropriate incentive compensation awards for each of them. The amount of their incentive compensation was ultimately approved by the Chief Executive Officer of GE and GE’s Management Development and Compensation Committee, based on their discretion and judgment. None of our other named executive officers participated in the determination of their compensation.

2013 Performance Objectives and Achievements

Under Ms. Keane’s leadership, management delivered the following results on the qualitative and quantitative performance goals set for our company by Ms. Keane with respect to 2013:

- *Prepare our company for an initial public offering in 2014.* To prepare for the initial public offering, we took a number of actions including: (i) the preparation of carve-out financial statements, (ii) the preparation of regulatory filings, including drafts of the S-1 Registration Statement, (iii) significant financial planning activity, (iv) substantial corporate governance activity and (v) various actions to enable us to operate as a stand-alone entity, including hiring key talent and putting retention plans in place.
- *Drive growth and invest in new capabilities.* During 2013, we achieved 10.2% average loan receivables growth with all three sales platforms growing year over year. In January 2013, we acquired MetLife’s

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deposit business, which is a key part of our strategy to increase our deposit base as a source of stable and diversified low cost funding. We also launched new programs with 14 partners and added more than 17,000 new partners in 2013.

- *Execute world-class compliance and enterprise risk management.* During 2013, we meaningfully increased headcount in our regulatory and compliance groups to further invest in our compliance and enterprise risk management capabilities and to enhance our ability to work with our regulators. The Bank also achieved an “outstanding” rating on the publicly released examination under the Community Reinvestment Act.
- *Drive simplification and operational efficiencies.* We significantly simplified our operating and organizational structure in 2013, which resulted in costs being in line with our goals, as adjusted for the incremental costs associated with preparing for this offering.
- *Operationalize commercial excellence.* For 2013, our purchase volume increased 9.3% and average active accounts increased 6.1%, as compared to 2012. We renewed three contracts through 2017-2020 with partners representing, in the aggregate, 23% of 2013 loan receivables.
- *Develop leadership and talent.* We invested more than \$6 million in leadership development activities in 2013, including sending more than 550 employees through GE Crotonville development courses and sponsoring a pre-executive leadership program for our senior professional level employees.
- *Strong financial results.* Our financial performance in 2013 was strong, with purchase volume of \$93.9 billion, as compared to \$85.9 billion in 2012, and loan receivables of \$57.3 billion, as compared to \$52.3 billion in 2012. Moreover, we had net earnings of \$2.0 billion in 2013, as compared to \$2.1 billion in 2012. This decrease was driven primarily by an increase in our provision for loan losses as a result of enhancements to our allowance for loan loss methodology.

2013 Compensation Decisions

Ms. Keane

GECC’s Compensation Committee and the Bank’s Development and Compensation Committee believe that Ms. Keane performed very well in 2013 in executing on the performance framework and 2013 financial objectives outlined above. Ms. Keane’s base salary, which was last increased in October 2012, was unchanged for 2013. In light of the assessment of Ms. Keane’s performance by GECC’s Compensation Committee and the Bank’s Development and Compensation Committee, she received a \$1,150,000 cash bonus, an increase of 15% from 2012. In addition, Ms. Keane received a stock option grant to purchase 250,000 shares of GE common stock.

Mr. Doubles

In addition to his contributions toward our company’s objectives described above, the head of GECC’s Finance function specifically recognized that, as the leader of our finance organization, Mr. Doubles led several key processes in preparation for this offering, continued to maintain strong controllership of the business while simplifying accounting and legal entity structures, and reorganized the finance organization to operate more efficiently. Based on his performance, Mr. Doubles’s base salary was increased by 11% to \$555,000, effective July 1, 2013. In light of the assessment of Mr. Doubles’s performance by GECC’s Compensation Committee and the Bank’s Development and Compensation Committee, he received a \$330,000 cash bonus, an increase of 10% from 2012. In addition, Mr. Doubles received a stock option grant to purchase 75,000 shares of GE common stock.

Mr. Marino

In addition to his contributions toward our company’s objectives described above, Ms. Keane specifically recognized that Mr. Marino provided strong leadership of the Payment Solutions sales platform, increasing platform revenue, executing renewals of significant programs, and developing important new products and digital marketing capabilities. In addition, his leadership of sales teams across our sales platforms resulted in the

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expansion of a key partner marketing effort and the launch of a comprehensive digital sales tool. Based on his performance, Mr. Marino's base salary was increased by 6% to \$675,000, effective April 1, 2013. In light of the assessment of Mr. Marino's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, he received a \$530,000 cash bonus, an increase of 10% from 2012. In addition, Mr. Marino received a stock option grant to purchase 75,000 shares of GE common stock.

Mr. Mothner

In addition to his contributions toward our company's objectives described above, the head of GECC's Legal function specifically recognized that, as the leader of our legal organization, Mr. Mothner led a team that provided critical legal support for the negotiation of key program agreements, an important disposition, the resolution of significant regulatory and enforcement matters and the reorganization and simplification of our legal entity structure, all while controlling legal costs. In addition, he played a lead role in preparing the legal organization for this offering. Based on his performance, Mr. Mothner's base salary was increased by 9% to \$600,000, effective October 1, 2013. In light of the assessment of Mr. Mothner's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, he received a \$300,000 cash bonus, an increase of 20% from 2012. Mr. Mothner also received an award of \$75,000 under GECC's Extraordinary Performance Program, which rewards a small number of executives who demonstrated truly extraordinary performance over the year. Although this award is subject to the same approval process as for the annual bonus and will be reported in the "Bonus" column in the "—2013 Summary Compensation Table," this award is distinct and separate from the annual bonus. In addition, Mr. Mothner received a stock option grant to purchase 35,000 shares of GE common stock.

Mr. Quindlen

As Mr. Quindlen joined us as Chief Executive Officer – Retail Card, effective December 23, 2013, his 2013 incentive compensation was determined by GECC's Compensation Committee and was awarded primarily for his service as Chief Executive Officer and President of GE Capital Corporate Finance (a business separate from our company). GECC's Compensation Committee specifically recognized that Mr. Quindlen, in his prior GE role, met or exceeded his goals for net income, total volume and on-book volume, while still reducing key cost drivers. In addition, he led his prior business in the implementation of a new risk framework, the evolution of the organization to a specialty finance company, and key simplification efforts. Based on his performance, Mr. Quindlen's base salary was increased by 6% to \$680,000, effective April 1, 2013. In light of the assessment of Mr. Quindlen's performance by GECC's Compensation Committee, he received a \$760,000 cash bonus, an increase of 7% from 2012. In addition, Mr. Quindlen received a stock option grant to purchase 110,000 shares of GE common stock.

Other Compensation Practices

Role of GE, GECC, the Bank and Executives in Establishing and Implementing Compensation Goals

As noted above, in 2013, each of GECC's Compensation Committee and the Bank's Development and Compensation Committee had responsibility for overseeing and approving the compensation of our NEOs. GECC's Compensation Committee is comprised of GECC's Chairman and Chief Executive Officer, Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, Chief Regulatory and Compliance Officer, Vice President and General Counsel, Vice President – Human Resources, and Compensation and Benefits Leader. The Bank's Development and Compensation Committee is comprised of three independent members of the Bank's Board of Directors, Ms. Keane and the Bank's Executive Vice President, Human Resources.

All incentive and equity awards require the approval of the Chief Executive Officer of GE and GE's Management Development and Compensation Committee, based on the recommendations of GECC's Compensation Committee and the Bank's Development and Compensation Committee. In addition, each year, the Chief Executive Officer of GE and GE's Senior Vice President, Human Resources determine the annual

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bonus pool under the GECC Executive Incentive Compensation Plan within the overall funding limits of GE's overall incentive compensation program, as approved by GE's Management Development and Compensation Committee. Once the annual bonus pool for GECC has been approved, GECC's Compensation Committee apportions to us our bonus pool.

Review of Compensation Policies and Practices Related to Risk Management

In 2013, both GECC's Compensation Committee and the Bank's Development and Compensation Committee reviewed the relationship between our risk management policies and practices and the incentive compensation provided to our NEOs to confirm that their incentive compensation appropriately balances risk and reward and determined that our compensation policies and practices are not reasonably likely to have a material adverse effect on our company. The Bank's Development and Compensation Committee met with the Bank's Chief Risk Officer to discuss the annual risk assessment conducted with respect to incentive compensation plans in which all employees (including the NEOs) participate, including whether these arrangements had any features that might encourage excessive risk-taking that could threaten the value of the Bank. The Bank's Chief Risk Officer also discussed the risk mitigation factors reviewed in the annual risk assessment, including the balance between financial and non-financial measures as well as the short-term and long-term oriented measures. GECC's Compensation Committee and the Bank's Development and Compensation Committee also continue to monitor a separate, ongoing risk assessment by senior management of our broader employee compensation practices consistent with the federal banking regulators' guidance on sound incentive compensation policies.

Equity Grant Practices

The exercise price of each GE stock option granted to our NEOs in 2013 was the closing price of GE stock on the date of grant, which was the date of GE's Management Development and Compensation Committee meeting at which equity awards for the NEOs were determined. GE's board and board committee meetings are generally scheduled at least a year in advance and without regard to anticipated earnings or other major announcements by GE. GE prohibits the repricing of its stock options.

Potential Impact on Compensation from Executive Misconduct

If it is determined that an executive officer has engaged in conduct detrimental to GECC or the Bank, GECC's Compensation Committee or the Bank's Development and Compensation Committee may take a range of actions to remedy the misconduct, prevent its recurrence, and impose such discipline as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limitation: (i) termination of employment, (ii) initiating an action for breach of fiduciary duty, (iii) reducing, cancelling or seeking reimbursement of any paid or awarded compensation and (iv) if the conduct resulted in a material inaccuracy in GE's or GECC's financial statements or performance metrics that affects the executive officer's compensation, seeking reimbursement of any portion of incentive compensation paid or awarded to the executive that is greater than what would have been paid or awarded if calculated based on the accurate financial statements or performance metrics. If it is determined that an executive engaged in fraudulent misconduct, GECC's Compensation Committee or the Bank's Development and Compensation Committee will seek such reimbursement. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

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2013 Summary Compensation

The following table contains 2013 compensation information for our NEOs.

2013 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option Awards(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(2)	All Other Compensation(3)	Total
Margaret M. Keane President and Chief Executive Officer	2013	\$825,000	\$1,150,000	\$1,130,000	\$ 563,573	\$ 95,255	\$3,763,828
Brian D. Doubles Executive Vice President, Chief Financial Officer and Treasurer	2013	\$527,500	\$ 330,000	\$ 339,000	\$ 57,570	\$ 29,657	\$1,283,727
Glenn P. Marino Executive Vice President, Chief Executive Officer –Payment Solutions and Chief Commercial Leader	2013	\$665,000	\$ 530,000	\$ 339,000	\$ 277,460	\$ 120,309	\$1,931,769
Jonathan S. Mothner Executive Vice President, General Counsel and Secretary	2013	\$562,500	\$ 375,000(4)	\$ 158,200	\$ 51,290	\$ 29,868	\$1,176,858
Thomas M. Quindlen Executive Vice President and Chief Executive Officer – Retail Card	2013	\$670,000	\$ 760,000	\$ 497,200	\$ 31,623	\$ 67,155	\$2,025,978

- (1) This column represents the aggregate grant date fair value of stock options granted in 2013 in accordance with SEC rules. These amounts reflect GE’s accounting expense and do not correspond to the actual value that will be realized by the NEOs. GE measures the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value of options granted during 2013 was \$4.52. GE used the following assumptions in arriving at the fair value of options granted during 2013: risk-free interest rate of 2.5%, dividend yield of 4.0%, expected volatility of 28% and expected life of 7.5 years. See the “—2013 Grants of GE Plan-Based Awards Table” for further information on stock options granted in 2013.
- (2) This column represents the sum of the change in pension value and nonqualified deferred compensation earnings for each of the NEOs. The change in pension value in 2013 was \$556,095, \$56,882, \$257,064 and \$51,290 for Ms. Keane and Messrs. Doubles, Marino and Mothner, respectively. There was no change in pension value reported for Mr. Quindlen because the present value of his pension benefits decreased, which resulted from the effect of the higher discount rate assumption exceeding the effect of his benefit growth. See “—2013 GE Pension Benefits” for additional information, including the present value assumptions used in this calculation. In 2013, the above-market earnings on the executive deferred salary plans in which the NEOs participated were \$7,478, \$688, \$20,396 and \$31,623 for Ms. Keane and Messrs. Doubles, Marino and Quindlen, respectively. Above-market earnings represent the difference between market interest rates calculated pursuant to SEC rules and the 8.5% to 12% interest contingently credited by GE on salary deferred by the NEOs under various executive deferred salary plans in effect between 1987 and 2013. See “—2013 Nonqualified Deferred Compensation” for additional information.
- (3) See the “—2013 All Other Compensation Table” for additional information.
- (4) This amount includes an award of \$75,000 under GECC’s Extraordinary Performance Program.

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2013 All Other Compensation

In 2013, our NEOs received additional benefits, reflected in the table below, for 2013 and included in the “All Other Compensation” column in “—2013 Summary Compensation Table” that GE and GECC believed to be reasonable, competitive and consistent with their overall executive compensation programs. The incremental costs of these benefits, which are shown below after giving effect to any reimbursements by the NEOs, constitute only a small percentage of each NEO’s total compensation.

2013 All Other Compensation Table

Name of Executive	Perquisites & Other Personal Benefits(1)		Value of Supplementary Life Insurance Premium(3)	Payments Relating to Employer Savings Plan(4)	Total
		Leased Cars(2)			
Margaret M. Keane	\$ 18,397	\$ 25,042	\$ 42,891	\$ 8,925	\$ 95,255
Brian D. Doubles	—	\$ 19,090	\$ 1,642	\$ 8,925	\$ 29,657
Glenn P. Marino	\$ 51,794	\$ 20,028	\$ 39,562	\$ 8,925	\$120,309
Jonathan S. Mothner	—	\$ 14,874	\$ 6,069	\$ 8,925	\$ 29,868
Thomas M. Quindlen	\$ 5,155	\$ 24,909	\$ 28,166	\$ 8,925	\$ 67,155

- (1) Amounts in this column include financial counseling and tax preparation services for Ms. Keane and Messrs. Marino and Quindlen, and participation in the GE Executive Products and Lighting Program for Ms. Keane and Mr. Quindlen pursuant to which executives can receive GE appliances or other products with the incremental cost calculated based on the fair market value of the products received. For Mr. Marino, this column also includes \$37,594 in personal use of GE aircraft. The calculation of incremental cost for personal use of GE aircraft includes the variable costs incurred as a result of personal flight activity: a portion of ongoing maintenance and repairs, aircraft fuel, satellite communications and any travel expenses for the flight crew. It excludes non-variable costs, such as exterior paint, interior refurbishment and regularly scheduled inspections, which would have been incurred regardless of whether there was any personal use of aircraft. Aggregate incremental cost, if any, of travel by the executive’s family or other guests when accompanying the executive on both business and non-business occasions is also included.
- (2) This column includes expenses associated with GE’s leased cars program, such as leasing and management fees, administrative costs, maintenance fees and gas allowance.
- (3) This column reports taxable payments made to the NEOs to cover premiums for universal life insurance policies owned by the executives. These policies include: (i) Executive Life for Ms. Keane and Messrs. Marino and Quindlen, which provides universal life insurance policies for the NEOs totaling \$3 million in coverage at the time of enrollment, increased 4% annually thereafter and (ii) Leadership Life for each of the NEOs, which provides universal life insurance policies for the NEOs with coverage of two times their annual pay (salary plus 100% of their latest bonus payments).
- (4) This column reports company matching contributions to the NEOs’ 401(k) savings accounts of 3.5% of pay up to the limitations imposed under IRS rules.

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2013 Grants of GE Plan-Based Awards

The following table provides information about awards granted to the NEOs in 2013: (i) the grant date, (ii) the estimated future payouts under non-equity incentive plan awards, which consist of potential payouts under the LTPA granted in 2013 for the 2013-2015 performance period, (iii) the number of shares underlying stock options granted to the NEOs under the GE 2007 Long-Term Incentive Plan, (iv) the exercise price of the stock option grants, which reflects the closing price of GE stock on the date of grant and (v) the grant date fair value of each option grant computed in accordance with applicable SEC rules. Our NEOs did not receive any other GE stock-based awards in 2013.

2013 Grants of GE Plan-Based Awards Table

Name of Executive	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Option Awards: Number of Securities Underlying Options(2)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Option Awards(3)
		Threshold	Target	Maximum			
Margaret M. Keane	3/14/13	\$ 912,500	\$ 1,368,750	\$ 2,737,500	—	—	—
	9/13/13	—	—	—	250,000	\$ 23.78	\$ 1,130,000
Brian D. Doubles	3/14/13	\$ 200,000	\$ 400,000	\$ 800,000	—	—	—
	9/13/13	—	—	—	75,000	\$ 23.78	\$ 339,000
Glenn P. Marino	3/14/13	\$ 278,750	\$ 557,500	\$ 1,115,000	—	—	—
	9/13/13	—	—	—	75,000	\$ 23.78	\$ 339,000
Jonathan S. Mothner	3/14/13	\$ 200,000	\$ 400,000	\$ 800,000	—	—	—
	9/13/13	—	—	—	35,000	\$ 23.78	\$ 158,200
Thomas M. Quindlen	3/14/13	\$ 337,500	\$ 675,000	\$ 1,350,000	—	—	—
	9/13/13	—	—	—	110,000	\$ 23.78	\$ 497,200

- (1) These columns show the potential value of the payout for each NEO under the 2013-2015 LTPA if the threshold, target or maximum goals are satisfied for all four performance measures, based on the executive's 2013 salary and bonus at the time of grant. The potential payouts are performance-driven and therefore completely at risk. The performance metrics, performance goals and salary and bonus multiples for determining the payout are described in "—Compensation Discussion and Analysis—2013 Compensation Elements." As reflected in the "—2013 Summary Compensation Table," no amounts were paid with respect to these LTPA awards for 2013. Assuming the date on which GE ceases to own at least 50% of our outstanding common stock will occur prior to the LTPA 2016 payment date, our NEOs who remain employed by us through the 2016 payment date will remain eligible to receive a pro rata portion of their award from GE, based on their service from the LTPA's grant date to the date on which GE ceases to own at least 50% of our outstanding common stock and based on their annual salary then in effect on such date and the last annual bonus received prior to such date, on the same basis as GE employees who receive LTPAs.
- (2) This column shows the number of stock options granted, which will vest and become exercisable ratably in five equal annual installments beginning one year from the date of grant and each year thereafter. Following this offering, the equity awards previously granted to our NEOs will continue to relate to GE equity, and service with us will be counted as service with GE for all purposes. When GE ceases to own at least 50% of our outstanding common stock, each outstanding, unvested GE stock option will vest and will be exercisable for GE common stock until the expiration of the award or, if earlier, five years from the vesting date.
- (3) This column shows the aggregate grant date fair value of stock options under applicable SEC rules granted to the NEOs in 2013. Generally, the aggregate grant date fair value is the expected accounting expense that will be recognized over the award's vesting schedule. For stock options, fair value is calculated using the Black-Scholes value of an option on the grant date. See the "—2013 Summary Compensation Table" for additional information.

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2013 Outstanding GE Equity Awards at Fiscal Year-End

The following table provides information on the holdings of GE equity awards by the NEOs at fiscal year-end. This table includes unexercised (both vested and unvested) option grants and unvested RSUs with vesting conditions that were not satisfied as of December 31, 2013. Each equity grant is shown separately for each NEO. The vesting schedule for each outstanding award is shown following this table.

2013 Outstanding GE Equity Awards at Fiscal Year-End Table

Name of Executive	Option Awards					Stock Awards					
	Option Grant Date	Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested(1)			
Margaret M. Keane	9/17/04	16,800	—	\$ 34.22	9/17/14	7/28/05	3,750	\$ 105,113			
	9/16/05	18,600	—	\$ 34.47	9/16/15						
	9/8/06	17,500	—	\$ 34.01	9/8/16						
	9/7/07	22,500	—	\$ 38.75	9/7/17						
	9/9/08	30,000	—	\$ 28.12	9/9/18						
	3/12/09	—	24,000	\$ 9.57	3/12/19						
	7/23/09	—	28,000	\$ 11.95	7/23/19						
	6/10/10	120,000	80,000	\$ 15.68	6/10/20						
	6/9/11	110,000	165,000	\$ 18.58	6/9/21						
	9/7/12	60,000	240,000	\$ 21.59	9/7/22						
	9/13/13	—	250,000	\$ 23.78	9/13/23						
Total		395,400	787,000				3,750	\$ 105,113			
Brian D. Doubles	5/10/04	480	—	\$ 30.03	5/10/14	9/3/10	8,000	\$ 224,240			
	4/21/06	2,400	—	\$ 33.97	4/21/16				11/4/11	15,000	420,450
	9/7/07	2,500	—	\$ 38.75	9/7/17						
	9/9/08	3,750	—	\$ 28.12	9/9/18						
	3/12/09	—	3,000	\$ 9.57	3/12/19						
	7/23/09	—	4,000	\$ 11.95	7/23/19						
	6/10/10	—	20,000	\$ 15.68	6/10/20						
	6/9/11	24,000	36,000	\$ 18.58	6/9/21						
	9/7/12	15,000	60,000	\$ 21.59	9/7/22						
	9/13/13	—	75,000	\$ 23.78	9/13/23						
	Total		48,130	198,000							23,000
Glenn P. Marino	9/17/04	12,000	—	\$ 34.22	9/17/14						
	9/16/05	15,000	—	\$ 34.47	9/16/15						
	9/8/06	17,500	—	\$ 34.01	9/8/16						
	9/7/07	22,500	—	\$ 38.75	9/7/17						
	9/9/08	22,500	—	\$ 28.12	9/9/18						
	3/12/09	—	18,000	\$ 9.57	3/12/19						
	7/23/09	—	18,000	\$ 11.95	7/23/19						
	6/10/10	75,000	50,000	\$ 15.68	6/10/20						
	6/9/11	54,000	81,000	\$ 18.58	6/9/21						
	9/7/12	25,000	100,000	\$ 21.59	9/7/22						
	9/13/13	—	75,000	\$ 23.78	9/13/23						
Total		243,500	342,000								

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Name of Executive	Option Awards					Stock Awards		
	Option Grant Date	Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested(1)
Jonathan S. Mothner	5/10/04	1,620	—	\$ 30.03	5/10/14	6/8/06	1,250	\$ 35,038
	9/16/05	2,880	—	\$ 34.47	9/16/15			
	9/8/06	4,800	—	\$ 34.01	9/8/16			
	9/7/07	7,500	—	\$ 38.75	9/7/17			
	9/9/08	10,000	—	\$ 28.12	9/9/18			
	3/12/09	—	8,000	\$ 9.57	3/12/19			
	7/23/09	—	8,000	\$ 11.95	7/23/19			
	6/10/10	9,000	18,000	\$ 15.68	6/10/20			
	6/9/11	15,000	33,000	\$ 18.58	6/9/21			
	9/7/12	10,000	40,000	\$ 21.59	9/7/22			
	9/13/13	—	35,000	\$ 23.78	9/13/23			
Total		60,800	142,000				1,250	\$ 35,038
Thomas M. Quindlen	9/17/04	13,800	—	\$ 34.22	9/17/14			
	9/16/05	18,000	—	\$ 34.47	9/16/15			
	9/8/06	17,500	—	\$ 34.01	9/8/16			
	9/7/07	25,000	—	\$ 38.75	9/7/17			
	9/9/08	32,500	—	\$ 28.12	9/9/18			
	3/12/09	—	26,000	\$ 9.57	3/12/19			
	7/23/09	13,000	26,000	\$ 11.95	7/23/19			
	6/10/10	105,000	70,000	\$ 15.68	6/10/20			
	6/9/11	70,000	105,000	\$ 18.58	6/9/21			
	9/7/12	35,000	140,000	\$ 21.59	9/7/22			
	9/13/13	—	110,000	\$ 23.78	9/13/23			
Total		329,800	477,000					

(1) The market value of the stock awards represents the product of the closing price of GE stock at December 31, 2013, which was \$28.03, and the number of shares underlying each such award.

2013 Outstanding GE Equity Awards Vesting Schedule

Name of Executive	Option Awards		Stock Awards	
	Grant Date	Option Awards Vesting Schedule(1)	Grant Date	Stock Awards Vesting Schedule(2)
Margaret M. Keane	3/12/09	100% vests 2014	7/28/05	100% vests 7/28/15
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		

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Name of Executive	Option Awards		Stock Awards	
	Grant Date	Option Awards Vesting Schedule(1)	Grant Date	Stock Awards Vesting Schedule(2)
Brian D. Doubles	3/12/09	100% vests 2014	9/3/10	50% vests 9/3/14 and 9/3/15
	7/23/09	100% vests 2014	11/4/11	33% vests 11/4/14, 11/4/15 and 11/4/16
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		
Glenn P. Marino	3/12/09	100% vests 2014		
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014 and 2015 and 50% vests 2016		
	9/13/13	20% vests 2014 and 2015 and 60% vests 2016		
Jonathan S. Mothner	3/12/09	100% vests 2014	6/8/06	100% vests 6/8/16
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		
Thomas M. Quindlen	3/12/09	100% vests 2014		
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		

- (1) This column shows the vesting schedule of unexercisable or unearned options reported in the “Number of Securities Underlying Unexercised Options (Unexercisable)” column of the “—2013 Outstanding GE Equity Awards at Fiscal Year-End Table.” The stock options generally vest on the anniversary of the grant date in the years shown in the table above.
- (2) This column shows the vesting schedule of unvested stock awards reported in the “Number of Shares or Units of Stock That Have Not Vested” column of the “—2013 Outstanding GE Equity Awards at Fiscal Year-End Table.” The stock awards generally vest on the anniversary of the grant date in the years shown in the table above.

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2013 GE Option Exercises and Stock Vested

The following table provides information for the NEOs on (i) stock option awards exercised during 2013, including the number of shares acquired upon exercise and the value realized at such time and (ii) the number of shares acquired upon the vesting of RSUs and the value realized at such time, each before payment of any applicable withholding tax and brokerage commission.

2013 GE Option Exercises and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Margaret M. Keane	186,000	\$ 2,542,803	2,000	\$ 46,640
Brian D. Doubles	53,500	\$ 669,919	9,250	\$ 230,800
Glenn P. Marino	90,000	\$ 1,153,805	1,500	\$ 34,980
Jonathan S. Mothner	32,000	\$ 390,900	1,917	\$ 45,192
Thomas M. Quindlen	123,000	\$ 1,669,808	6,167	\$ 144,094

2013 GE Pension Benefits

The table below sets forth information on the pension benefits for the NEOs under each of the following pension plans:

GE Pension Plan

The GE Pension Plan is a funded and tax-qualified retirement program that covers eligible employees. As applicable to the NEOs, the plan provides benefits based primarily on a formula that takes into account the NEO's earnings for each fiscal year. Since 1989, the formula has provided an annual benefit accrual equal to 1.45% of the NEO's earnings for the year up to "covered compensation" and 1.9% of his or her earnings for the year in excess of "covered compensation." "Covered compensation" was \$45,000 for 2013 and has varied over the years based in part on changes in the average of the Social Security taxable wage bases. The NEO's annual earnings taken into account under this formula include base salary and up to one-half of his or her bonus payments, but may not exceed an IRS-prescribed limit applicable to tax-qualified plans (\$255,000 for 2013). As a result, for service in 2013, the maximum incremental annual benefit a NEO could have earned toward his or her total pension payments under this formula was \$4,642.50 (\$386.88 per month), payable after retirement, as described below.

The accumulated benefit an employee earns over his or her career with GE is payable starting after retirement on a monthly basis for life with a guaranteed minimum term of five years. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the NEOs, retirement may occur at age 60 without any reduction in benefits. Employees vest in the GE Pension Plan after five years of qualifying service. In addition, the plan provides for Social Security supplements and spousal joint and survivor annuity options, and requires employee contributions.

Section 415 of the Code limits the benefits payable under the GE Pension Plan. For 2013, the maximum single life annuity a NEO could have received under these limits was \$205,000 per year. This ceiling is actuarially adjusted in accordance with IRS rules to reflect employee contributions, actual forms of distribution and actual retirement dates.

Our NEOs' benefits under the GE Pension Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We have no obligation to reimburse GE for the payment of benefits under the GE Pension Plan.

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GE Supplementary Pension Plan

GE offers the GE Supplementary Pension Plan to approximately 3,600 eligible employees in the executive band and above, including the NEOs, to provide for retirement benefits above amounts available under GE's tax-qualified and other pension programs. The Supplementary Pension Plan is unfunded and not qualified for tax purposes. A NEO's annual supplementary pension, when combined with certain amounts payable under GE's tax-qualified and other pension programs and Social Security, will equal 1.75% of his "earnings credited for retirement benefits" multiplied by the number of his years of credited service, up to a maximum of 60% of such earnings credited for retirement benefits. The "earnings credited for retirement benefits" are the NEO's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement. Employees are generally not eligible for benefits under the Supplementary Pension Plan if they leave GE prior to reaching age 60. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the NEOs, retirement may occur at age 60 without any reduction in benefits. The Supplementary Pension Plan provides for spousal joint and survivor annuities. Benefits under this plan would be available to the NEOs only as monthly payments and could not be received in a lump sum.

Our NEOs' benefits under the GE Supplementary Pension Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We will reimburse GE for the payment of benefits under the GE Supplementary Pension Plan.

GE Excess Benefits Plan

GE offers the GE Excess Benefits Plan to employees whose benefits under the GE Pension Plan are limited by Section 415 of the Code. The GE Excess Benefits Plan is unfunded and not qualified for tax purposes. Benefits payable under this program are equal to the excess of (i) the amount that would be payable in accordance with the terms of the GE Pension Plan disregarding the limitations imposed pursuant to Section 415 of the Code over (ii) the pension actually payable under the GE Pension Plan taking such Section 415 limitations into account. Benefits under the GE Excess Benefits Plan for the NEOs are generally payable at the same time and in the same manner as the GE Pension Plan benefits.

Our NEOs' benefits under the GE Excess Benefits Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We will reimburse GE for the payment of benefits under the GE Excess Benefits Plan.

The amounts reported in the table below equal the present value of the accumulated benefit at December 31, 2013 for the NEOs under each plan based upon the assumptions described in note 1 to that table.

2013 GE Pension Benefits Table

<u>Name of Executive</u>	<u>Plan Name</u>	<u>Number of Years Credited Service</u>	<u>Present Value of Accumulated Benefit(1)</u>
Margaret M. Keane	GE Pension Plan	17.751	\$ 822,050
	GE Supplementary Pension Plan	17.751	\$ 5,010,746
	GE Excess Benefits Plan	17.751	\$ 577
Brian D. Doubles	GE Pension Plan	13.855	\$ 261,095
	GE Supplementary Pension Plan	13.855	\$ 631,697
	GE Excess Benefits Plan	13.855	—
Glenn P. Marino	GE Pension Plan	17.847	\$ 927,803
	GE Supplementary Pension Plan	17.847	\$ 3,261,294
	GE Excess Benefits Plan	17.847	—

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Name of Executive	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit ⁽¹⁾
Jonathan S. Mothner	GE Pension Plan	13.669	\$ 535,745
	GE Supplementary Pension Plan	13.669	\$ 1,058,768
	GE Excess Benefits Plan	13.669	—
Thomas M. Quindlen	GE Pension Plan	28.950	\$ 853,032
	GE Supplementary Pension Plan	28.950	\$ 5,318,274
	GE Excess Benefits Plan	28.950	—

- (1) The accumulated benefit is based on service and earnings (base salary and bonus, as described above) considered by the plans for the period through December 31, 2013. Our NEOs' benefits under the plans will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. The accumulated benefit includes the value of contributions made by the NEOs throughout their careers. The present value has been calculated assuming the NEOs will remain in service until age 60, the age at which their retirement may occur without any reduction in benefits, and assuming that the benefit is payable under the available forms of annuity consistent with the assumptions used by GE, as set forth below. Although illustration of a present value is required under SEC rules, the NEOs are not entitled to receive the present values of their accumulated benefits shown above in a lump sum. The postretirement mortality assumption used for present value calculations is the RP-2000 mortality table projected to 2024.

Discount rates of 4.85% and 3.96% at December 31, 2013 and 2012, respectively, are used by GE to measure the year-end benefit obligations and the pension costs for the GE Pension Plan, the GE Supplementary Pension Plan and the GE Excess Benefits Plan for the subsequent year.

2013 Nonqualified Deferred Compensation

The table below provides information on the nonqualified deferred compensation of the NEOs in 2013, including:

Bonus deferrals

GE's executive-band and above employees, including our NEOs, are able to defer all or a portion of their bonus payments in either: (i) GE stock ("GE Stock Units"), (ii) an index based on the S&P 500 ("S&P 500 Index Units") or (iii) cash units. The participants may change their election among these options four times per year. If a participant elects to defer bonus payments in either GE Stock Units or the S&P 500 Index Units, GE credits a number of such units to the participant's deferred bonus plan account based on the respective average price of GE stock and the S&P 500 Index for the 20 trading days preceding the date GE's board of directors approves GE's total bonus allotment.

Deferred cash units earn interest income on the daily outstanding balance in the account based on the prior calendar month's average yield for U.S. Treasury Notes and Bonds issued with maturities of 10 years and 20 years. The interest income does not constitute an "above-market interest rate" as defined by the SEC and is credited to the participant's account monthly. Deferred GE Stock Units and S&P 500 Index Units earn dividend-equivalent income on such units held as of the start of trading on the NYSE ex-dividend date equal to: (i) for GE Stock Units, the quarterly dividend declared by the Board of Directors of GE or (ii) for S&P 500 Index Units, the quarterly dividend as declared by Standard & Poor's for the S&P 500 Index for the preceding calendar quarter. Participants are permitted to receive their deferred compensation balance upon termination of employment either through a lump-sum payment or in annual installments over 10 to 20 years.

Salary deferrals

GE's executive-band and above employees are able to defer their salary payments under executive deferred salary plans. These plans have been offered periodically (the last such plan was offered in 2010 with respect to 2011 salary) and are available to approximately 3,600 eligible employees in the executive band and above,

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including our NEOs. The deferred salary plans in which our NEOs participate pay accrued interest, including an above-market interest rate as defined by the SEC, ranging from 8.5% to 12%, compounded annually. Early termination before the end of the five-year vesting period will result in a payout of the deferred amount with no interest income paid, with exceptions for events such as retirement, death and disability. With respect to distributions under all deferred salary plans, participants elected at the time of deferral to receive either a lump-sum payment or 10 to 20 annual installments.

GE makes all decisions with respect to the measures for calculating interest or other earnings on the nonqualified deferred compensation plans. Payouts for our NEOs and continuing employees will begin to occur in the year following the date on which GE ceases to own at least 50% of our outstanding common stock, and in accordance with participants' payout elections.

2013 Nonqualified Deferred Compensation Table

Name of Executive	Type of Deferred Compensation Plan	Executive Contributions in Last Fiscal Year(1)	Aggregate Earnings in Last Fiscal Year(2)	Aggregate Balance at Last Fiscal Year-End
Margaret M. Keane	Deferred bonus plans	—	\$ 17,147	\$ 100,135
	Deferred salary plans	—	\$ 23,340	\$ 248,598
Brian D. Doubles	Deferred salary plans	—	\$ 1,905	\$ 24,313
Glenn P. Marino	Deferred bonus plans	—	\$ 46,635	\$ 1,809,342
	Deferred salary plans	—	\$ 63,465	\$ 677,927
Jonathan S. Mothner	Deferred bonus plans	—	\$ 7,970	\$ 31,822
Thomas M. Quindlen	Deferred bonus plans	—	\$ 55,963	\$ 243,631
	Deferred salary plans	—	\$ 88,779	\$ 1,001,403

- (1) The amounts reported are limited to deferred compensation contributed during 2013. They do not include any amounts reported as part of 2013 compensation in the "— 2013 Summary Compensation Table," which were credited to the NEO's deferred account plan, if any, in 2014, and are described in the notes to that table.
- (2) Reflects earnings on each type of deferred compensation listed in this section. The earnings on deferred bonus payments are calculated based on: (a) the total number of deferred units in the account multiplied by the GE common stock or S&P 500 Index price at December 31, 2013; less (b) the total number of deferred units in the account multiplied by the GE common stock or S&P 500 Index price at December 31, 2012; and less (c) any NEO contributions during the year. The earnings on the executive deferred salary plans are calculated based on the total amount of interest earned. See the "—2013 Summary Compensation Table" for the above-market portion of those interest earnings in 2013.

2013 Potential Payments Upon Termination At Fiscal Year-End

The information below describes and quantifies certain compensation that would have become payable under existing plans and arrangements if the NEO's employment had terminated on December 31, 2013, given the NEO's compensation and service levels as of such date and, if applicable, based on GE's closing stock price on December 31, 2013. These benefits are in addition to benefits available generally to salaried employees who joined GE prior to 2005, such as distributions under the GE Retirement Savings Plan, subsidized retiree medical benefits, disability benefits and accrued vacation pay. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any amounts actually paid or distributed may be different. Factors that could affect these amounts include the time during the year of any such event, GE's stock price and the executive's age.

GE Equity Awards

If one of the NEOs were to die or become disabled, any unexercisable stock options become exercisable and remain exercisable until their expiration date. In the event of disability, this provision applies only to options that have been held for at least one year. Remaining restrictions on RSUs that were awarded prior to death or disability may lapse immediately in some cases, depending on the terms of the particular award. In addition, any

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unvested options or RSUs held for at least one year become fully vested upon either becoming retirement-eligible (reaching the applicable retirement age) or retiring at age 60 or thereafter, depending on the terms of the particular award, and provided the award holder has at least five years of service with GE. Each of the NEOs was below the applicable retirement age as of December 31, 2013. For these purposes, “disability” generally means disability resulting in the NEO being unable to perform his job. The following table provides the intrinsic value (that is, the value based upon the GE’s stock price, and, in the case of stock options, minus the exercise price) of equity awards that would become exercisable or vested if the NEO had died or become disabled as of December 31, 2013.

Potential Equity Benefits upon Termination Table

Name of Executive	Upon Death		Upon Disability	
	Stock Options	RSUs	Stock Options	RSUs
Margaret M. Keane	\$ 6,048,630	\$ 105,113	\$ 4,986,130	—
Brian D. Doubles	\$ 1,412,050	\$ 644,690	\$ 1,093,300	—
Glenn P. Marino	\$ 2,967,420	—	\$ 2,648,670	—
Jonathan S. Mothner	\$ 1,216,820	\$ 35,038	\$ 1,068,070	—
Thomas M. Quindlen	\$ 4,123,890	—	\$ 3,656,390	—

Transaction Awards

As discussed in “—Compensation Discussion and Analysis,” in November 2013, we entered into transaction award agreements with certain of our employees, including each of the NEOs. These agreements are intended to provide an incentive to our management team to remain dedicated to, and to continue their employment with, our company. Under these award transaction agreements, each of the NEOs is eligible to receive a transaction award equal to 100% of their base salary in effect as of the date they enter into the agreement plus their 2012 bonus, with 50% of the transaction award payable within 60 days following this offering and the remaining 50% payable within 60 days following the date on which GE ceases to own at least 50% of our outstanding common stock. The transaction award will be forfeited in its entirety if a NEO voluntarily resigns or is terminated by us for “cause” (as determined by us). Each of the NEOs will also be subject to a non-compete/non-solicit provision for eighteen months from the date of termination of employment. Under the terms of the transaction award agreements, award recipients are eligible to receive (i) a prorated award in the event of his or her retirement prior to the payment of the award and (ii) a full award payout in the event of his or her death or termination by us without cause prior to the payment of the award. For purposes of the NEOs’ transaction awards, a participant becomes retiree eligible upon attaining age 60. As of December 31, 2013, none of our NEOs were retiree eligible. Assuming the NEOs’ termination without cause or death on December 31, 2013, the NEOs would have been eligible to receive the following payments under the transaction award agreements: Ms. Keane – \$1,825,000, Mr. Doubles – \$855,000, Mr. Marino – \$1,155,000, Mr. Mothner – \$850,000 and Mr. Quindlen – \$1,460,000.

Deferred Compensation

The NEOs are entitled to receive the amount in their deferred compensation accounts in the event of termination of employment. The account balances continue to be credited with increases or decreases reflecting changes in the value of the GE Stock Units or S&P 500 Index Units and to accrue interest income or dividend payments, as applicable, between the termination event and the date that distributions are made. Therefore, amounts received by the NEOs will differ from those shown in the “—2013 Nonqualified Deferred Compensation Table.” See the narrative accompanying that table for information on the available types of distribution under each deferral plan.

Pension Benefits

In “—2013 GE Pension Benefits,” we describe the general terms of each pension plan in which the NEOs participate, the years of credited service and the present value of each NEO’s accumulated pension benefit,

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assuming payment begins at age 60. The table below provides the pension benefits that would have become payable if the NEOs had died, become disabled or voluntarily terminated as of December 31, 2013.

In the event of death before retirement, the surviving spouse may receive a benefit based upon the accrued pension benefits under the GE Pension Plan and GE Excess Benefits Plan either: (i) in the form of an annuity as if the NEO had retired and elected the spousal 50% joint and survivor annuity option prior to death, or (ii) as an immediate lump-sum payment based on five years of pension distributions. The surviving spouse of a NEO who meets certain age and service criteria may also receive a lump-sum payment under the GE Supplementary Pension Plan based on the greater of the value of: (i) the 50% survivor annuity that the spouse would have received under that plan if the NEO had retired and elected the spousal 50% joint and survivor annuity option prior to death or (ii) five years of pension distributions under that plan. The amounts payable depend on several factors, including employee contributions and the ages of the NEO and the surviving spouse. If the named executive does not meet the age and service criteria for a lump sum death benefit from the GE Supplementary Pension Plan, the surviving spouse would receive an annuity payment when the employee would have turned 60. The survivors of each of the NEOs who are at least age 50 as of December 31, 2013 would have been entitled to receive any annuity distributions promptly following death.

In the event a disability occurs before retirement, the NEOs who have at least 15 years of pension qualification service may receive an annuity payment of accrued pension benefits, payable immediately.

The table below shows, for the NEOs, the lump sum payable to the surviving spouse in the case of the NEO's death on December 31, 2013. It also reflects the annual annuity payment payable: (i) for the life of the surviving spouse in the case of the NEO's death on December 31, 2013, (ii) as a 50% joint and survivor annuity to the NEO in the case of disability on December 31, 2013 and (iii) as a 50% joint and survivor annuity to the NEO payable after age 60 upon voluntary termination on December 31, 2013. The annuity payments upon voluntary termination do not include any payments under the GE Supplementary Pension Plan because such payments are forfeited upon voluntary termination before age 60. Payments would be made on a monthly basis.

Potential Pension Benefits upon Termination Table

Name of Executive	Lump Sum upon Death(1)	Annual Annuity upon Death	Annual Annuity upon Disability(2)	Annual Annuity Payable at Age 60 after Voluntary Termination
Margaret M. Keane	\$ 3,920,986	\$ 37,213	\$ 519,868	\$ 71,403
Brian D. Doubles	\$ —	\$ 83,680	\$ —	\$ 47,370
Glenn P. Marino	\$ 2,468,463	\$ 36,742	\$ 315,342	\$ 70,248
Jonathan S. Mothner	\$ —	\$ 80,509	\$ —	\$ 57,041
Thomas M. Quindlen	\$ 5,225,675	\$ 42,658	\$ 649,624	\$ 86,408

- (1) As of December 31, 2013, Messrs. Doubles and Mothner did not have 15 years of pension qualification service, which is the service requirement for a lump sum death benefit to a surviving spouse under the GE Supplementary Pension Plan. The GE Supplementary Pension benefit payable to the surviving spouse (when the executive would have turned 60) is included in the annual annuity upon death column.
- (2) As of December 31, 2013, Messrs. Doubles and Mothner did not have 15 years of pension qualification service, which is the service requirement for disability pension. Therefore they would not have been eligible to receive immediate payments if they had become disabled as of December 31, 2013. They would be entitled to receive a GE Pension Plan benefit at age 60 in the same amount as shown in the voluntary termination column.

Life Insurance Benefits

For a description of the supplemental life insurance plans that provide coverage to the named executive officers, see the “—2013 All Other Compensation Table.” If the NEOs had died on December 31, 2013, the survivors of Ms. Keane and Messrs. Doubles, Marino, Mothner, and Quindlen would have received \$4,965,932, \$1,600,000, \$3,495,324, \$1,600,000 and \$4,015,924, respectively, under these arrangements.

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Compensation Plans Following This Offering

The following section summarizes the compensation plans we anticipate implementing for our executive officers, including our named executive officers, and other employees following the completion of this offering.

Benefit Plans—Transition from GE to Synchrony Plans

Prior to this offering, our employees have been covered under GE benefit plans. These GE benefit plans include the GE 2007 Long-Term Incentive Plan providing stock options, stock appreciation rights (“SARs”), restricted stock units (“RSUs”) and long-term performance awards, the GECC Executive Incentive Compensation Plan providing annual incentive compensation, retirement benefits, health, life and disability insurance benefits, and severance. We have reimbursed GE for benefits it has provided to our employees under these benefit plans.

After the completion of this offering, and for so long as GE owns 50% or more of our outstanding common stock, we will be part of the GE group, and our employees generally will continue to be eligible to participate in GE benefit plans, except as noted below. When GE ceases to own at least 50% of our outstanding common stock, we anticipate that U.S. employees will be covered by the benefit plans that we expect to establish.

Prior to this offering, some of the employees of our business received certain awards under the GE 2007 Long-Term Incentive Plan. As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest and all unexercised GE stock options will remain exercisable in accordance with their terms and the GE 2007 Long-Term Incentive Plan. In addition, GE’s RSUs will remain outstanding and vest in accordance with their terms, and service with us will be taken into account for vesting purposes. After the completion of this offering, our employees will no longer be eligible to receive awards under the GE 2007 Long-Term Incentive Plan.

Prior to the completion of this offering, we will establish, adopt and maintain plans for our selected employees providing for stock options, SARs, restricted stock, RSUs, performance awards and other stock-based awards. See “—Synchrony 2014 Long-Term Incentive Plan” for information concerning this plan. However, we expect that certain of our employees will continue to participate in the GECC Executive Incentive Compensation Plan until the date that GE ceases to own at least 50% of our outstanding common stock. We expect that our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own at least 50% of our outstanding common stock.

From the completion of this offering until GE ceases to own at least 50% of our outstanding common stock, we will reimburse GE for the costs incurred by GE and its affiliates for continuing coverage of our employees in the GE benefit plans, consistent with applicable regulatory requirements and the practices and procedures established and uniformly applied to GE businesses. See “Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Employee Matters Agreement” for information concerning our benefit plans, our reimbursement obligations to GE, and other employment matters after the completion of this offering.

Synchrony 2014 Long-Term Incentive Plan

In connection with the completion of this offering, we intend to establish the Synchrony Financial 2014 Long-Term Incentive Plan, which we refer to as the “Incentive Plan.” The Incentive Plan will permit us to issue stock-based, stock-denominated and other awards to officers, employees, consultants and non-employee directors providing services to Synchrony and our participating affiliates. Available awards under the Incentive Plan will include stock options and SARs, restricted stock and RSUs, performance awards and other awards valued in whole or in part by reference to or otherwise based on our common stock (other stock-based awards), and dividend equivalents.

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The following is a description of the Incentive Plan and the treatment of those awards to be made in connection with and after this offering.

Effective date and term. The Incentive Plan will become effective prior to the completion of this offering and will authorize the granting of awards for a term of up to 10 years.

Administration. The Incentive Plan will be administered by the Management Development and Compensation Committee of Synchrony's board of directors ("Committee"). The Committee has the authority to make any determination or take any action that the Committee deems necessary or desirable for the administration of the Incentive Plan, including, for example: (i) the authority to establish rules and guidelines for the administration of the Incentive Plan, (ii) select the participants to whom awards are granted, (iii) determine the types of awards to be granted and the number of shares covered by such awards, (iv) set the terms and conditions of such awards and (v) cancel, suspend and amend awards. The Committee has the sole discretion to make determinations with respect to and interpret the Incentive Plan and award agreements. The Committee may delegate its authority under the Incentive Plan to the chairman of the Committee, a subcommittee of the Committee or to one or more officers or managers of the Company, provided, however, that the Committee may not delegate to officers or managers of the Company its authority to grant awards and to cancel or suspend awards for executive officers and directors of the Company who file reports under Section 16 of the Exchange Act.

Eligibility. Officers, employees, consultants and non-employee directors of the Company and its affiliates are eligible to participate in the Incentive Plan.

Number of shares available for issuance. Subject to adjustment as described below, _____ shares of our common stock (including authorized and unissued shares and treasury shares) will be available for granting awards under the Incentive Plan. If any shares covered by an award under the Incentive Plan are forfeited or otherwise terminated without delivery of shares or other consideration, then the shares covered by such an award shall again be available for granting awards under the Incentive Plan. In an acquisition, any awards made and any of the shares delivered upon the assumption of or in substitution for outstanding grants made by the acquired company will not be counted against the shares available for granting awards under the Incentive Plan. Dividend equivalents denominated in shares and awards not denominated, but potentially payable, in shares shall be counted against the aggregate number of shares available for granting awards under the Incentive Plan in such amount and at such time as the dividend equivalents and such awards are settled in shares. Shares surrendered for the payment of the exercise price or withholding taxes under stock options or SARs, and stock repurchased in the open market with the proceeds of an option exercise, may not again be made available for issuance under the Incentive Plan. In addition, shares that were subject to an option or stock-settled SAR and were not issued upon the net settlement or net exercise of such option or SAR will also not be made available for issuance.

Adjustments. In the event of certain corporate transactions or events affecting the number or type of outstanding common shares of the Company, including, for example, a dividend or other distribution (whether in cash or stock), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or issuance of warrants, the Committee will make adjustments as it deems appropriate in order to prevent dilution or enlargement of Incentive Plan benefits. These adjustments include: (i) changing the number and type of shares to be issued under the Incentive Plan and outstanding awards, (ii) changing the per participant limitations on awards and the grant, purchase or exercise price of outstanding awards and (iii) changing the restriction on the total amount of restricted stock, RSUs, performance awards or other stock-based awards that may be granted. The Committee may also make adjustments in the terms of awards in connection with acquisitions of another business or business entity in which the Company assumes outstanding employee awards or the right or obligation to make future awards, and make adjustments in performance award criteria or in the terms and conditions of other awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or of changes in applicable laws, regulations, or accounting principles.

Awards. Awards generally will be granted for no cash consideration. We intend that, under the Incentive Plan, awards may provide that upon exercise the participant will receive cash, stock, other securities, other

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awards, other property, or any combination thereof, as the Committee will determine. The exercise price per share of common stock purchasable under any stock option, the grant price of any SAR, and the purchase price of any security which may be purchased under any other stock-based award will be not less than 100% of the fair market value of the stock or other security on the date of the grant of such option, SAR, or right. It is intended that, under the Incentive Plan, any exercise or purchase price may be paid in cash or, if permitted by the Committee, by surrender of shares.

Award limits. The awards which may be granted under the Incentive Plan are generally subject to the following limits (each, an “Award Limit”). The maximum number of our shares of common stock with respect to which stock options or SARs may be granted or measured to any participant in a three-year period is _____ shares. The maximum number of our shares of common stock with respect to which restricted stock, RSUs, performance awards and other stock-based awards may be granted or measured to any participant in any three-year period is _____ shares. These provisions are designed so that compensation resulting from awards can qualify as tax deductible performance-based compensation under Section 162(m) of the Code, assuming other applicable regulatory requirements are satisfied.

Stock options and SARs. The Committee may award stock options in the form of nonqualified stock options or incentive stock options, or SARs, each with a maximum term of ten years. The Committee will establish the vesting schedule for stock options and SARs and, with respect to stock options, the method of payment for the exercise price, which may include cash, shares or other awards.

Restricted stock and RSUs. The Committee may award restricted stock and RSUs and establish the applicable restrictions, including any limitation on voting rights or the receipt of dividends. The Committee will establish the manner and timing under which restrictions may lapse. If employment is terminated during the applicable restriction period, shares of restricted stock and RSUs still subject to restriction will be forfeited, except as determined otherwise by the Committee.

Performance awards and other stock-based awards. The Committee may grant performance awards, which may be denominated in cash, shares, other securities or other awards and payable to, or exercisable by, the participant upon the achievement of performance goals during performance periods, as established by the Committee. Performance criteria mean any measures, as determined by the Committee, which may be used to measure the level of performance of the Company or participant during a performance period. The Committee may grant other stock-based awards that are denominated or payable in shares, under the terms and conditions as the Committee will determine.

Dividends and dividend equivalents. The Committee may decide to include dividends or dividend equivalents as part of an award (other than stock options and SARs), and the payment of any such dividends may be deferred, with or without interest, until the award is paid.

Deferrals. The Committee also will be able to require or permit award payments to be deferred and may authorize crediting of dividends or interest or their equivalents in connection with any such deferral.

Transferability. Awards are not transferable otherwise than by will or the laws of descent and distribution unless determined otherwise by the Committee. Awards may not be pledged or otherwise encumbered and are exercisable during the participant’s lifetime only by the participant.

Conditions and restrictions on stock issuable under an award. The Committee may provide that shares of our common stock issuable under an award will be subject to such further restrictions or conditions as the Committee may determine, including, but not limited to, conditions on vesting or transferability, forfeiture or repurchase provisions, tax withholding conditions and restrictions regarding the timing and manner of resales or other subsequent transfers by the participant of shares issuable under an award.

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Amendments and termination. Our board of directors may amend, suspend or terminate the Incentive Plan, provided, however, that our board of directors will seek stockholder approval of material amendments to the Incentive Plan as required by law, regulation or stock exchange and any amendment that would increase the total number of shares available for awards under the Incentive Plan (except pursuant to the corporate transaction adjustment provisions discussed above) or permit stock options, SARs or other rights to purchase our common stock to be repriced, replaced or regranted through cancellation or by lowering the exercise or purchase price. The Committee generally may waive conditions or amend the term of awards, or otherwise amend, suspend or terminate awards already granted, provided that such action does not, without the participant's consent, impair the rights of the award holder.

Founders' Grants

To promote retention and alignment with our stockholders, in connection with this offering we intend to grant restricted stock units and stock options under our Incentive Plan to a broad group of several hundred employees, including our executive officers. These awards will have a four-year cliff vesting period. The stock options will have a term of 10 years, and their exercise price will be the initial public offering price of our common stock. Dividends earned on the RSUs will be reinvested in additional RSUs at each dividend-payable date. These additional RSUs will vest under the same terms and conditions as the original RSU award.

Stock Ownership Guidelines

We intend to require our Chief Executive Officer and executive vice presidents to own significant amounts of our common stock. The number of shares of our common stock that must be held will be set at a multiple of the officer's base salary rate in effect on the date on which GE ceases to own at least 50% of our outstanding common stock. Our officers will have five years from that date to satisfy our share ownership requirement.

<u>Position</u>	<u>Multiple</u>	<u>Time to Attain</u>
Chief Executive Officer	5X	5 years
Executive Vice President	3X	5 years

Individual and joint holdings of our common stock with immediate family members, including those shares held in our 401(k) plan and any deferred compensation accounts, and unvested time-based restricted stock or restricted stock units will count toward this requirement.

Clawback Policy

We intend to adopt our Bank's clawback policy, pursuant to which, if it is determined that an executive officer has engaged in conduct detrimental to our company or the Bank, our Management and Development Compensation Committee or the Bank's Development and Compensation Committee may take a range of actions to remedy the misconduct, prevent its recurrence, and impose such discipline as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limitation: (i) termination of employment, (ii) initiating an action for breach of fiduciary duty, (iii) reducing, cancelling or seeking reimbursement of any paid or awarded compensation and (iv) if the conduct resulted in a material inaccuracy in our financial statements or performance metrics that affects the executive officer's compensation, seeking reimbursement of any portion of incentive compensation paid or awarded to the executive that is greater than what would have been paid or awarded if calculated based on the accurate financial statements or performance metrics. If it is determined that an executive engaged in fraudulent misconduct, our Management Development and Compensation Committee or the Bank's Development and Compensation Committee will seek such reimbursement. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

ARRANGEMENTS AMONG GE, GECC AND OUR COMPANY

Relationship with GE and GECC

Historically, GE has provided a variety of services to us, and we have provided a variety of services to GE. These arrangements are described below under “—Other Related Party Transactions.”

Prior to the completion of this offering, we will enter into a master agreement and a number of other agreements with GE and GECC for the purpose of accomplishing the Separation and setting forth various matters governing our relationship with GE after the completion of this offering. The agreements will also provide for the allocation of employee benefits, tax and other liabilities and obligations attributable or related to periods or events prior to and in connection with this offering. The material terms of these agreements are summarized below, and the agreements have been filed as exhibits to the registration statement of which this prospectus forms a part. We will enter into these agreements with GE and GECC while we are still a wholly-owned subsidiary of GE and certain terms of these agreements are not necessarily the same as could have been obtained from a third party.

Master Agreement

We will enter into a master agreement with GECC and, for limited purposes only, GE, prior to the completion of this offering. We refer to this agreement in this prospectus as the “Master Agreement.” The Master Agreement will set forth our agreements with GE and GECC relating to the ownership of certain assets and the allocation of certain liabilities in connection with the separation of our company from GECC. It also will set forth other agreements governing our relationship with GECC and its affiliates after this offering.

The separation of our business

The Master Agreement generally will allocate certain assets and liabilities between us and GECC according to the business to which such assets and liabilities primarily relate, which is consistent with the basis of presentation of our historical financial statements. To the extent not previously transferred to us or one of our subsidiaries prior to the completion of this offering, the Master Agreement will provide that GECC or its affiliates, as applicable, will transfer and assign to us or our subsidiaries certain assets related to our business owned by them. We or our subsidiaries will perform, discharge and fulfill certain liabilities related to our businesses (which, in the case of tax matters, will be governed by the TSSA) in accordance with their terms.

Except as expressly set forth in the Master Agreement or in any other transaction document, neither we nor GECC will make any representation or warranty as to:

- any assets or liabilities allocated under the Master Agreement;
- the value of or freedom from any security interests of, or any other matter concerning, any assets or liabilities of such party;
- the legal sufficiency of any assignment, document or instrument to convey title to any asset;
- any consents or approvals required in connection with any transfer of assets or assumptions of liabilities; or
- the absence of any defenses or right of set-off or freedom from counterclaim with respect to any claim of either us or GECC.

Except as expressly set forth in any transaction document, in connection with the transactions through which we were formed, all assets were transferred to us on an “as is,” “where is” basis, and we and our subsidiaries will agree to bear the economic and legal risks that any conveyance was insufficient to vest in us good title, free and clear of any security interest, and that any necessary consents or approvals were not or are not obtained or that any requirements of law or judgments were not or are not complied with. For a discussion of the transfer of the assets and operations of GE’s North American retail finance business to us in connection with our formation, see “Corporate Reorganization.”

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The Distribution

GE has indicated that after this offering it currently is targeting to continue its exit from our business in 2015 through the Separation. See “Risk Factors—Risks Relating to Our Separation from GE—GE may not complete the Separation as planned or at all.” We refer to any potential distribution involved in the Separation as the “Distribution.” The Master Agreement provides that we will cooperate with GECC and its affiliates to accomplish the Distribution.

Regulatory requirements and information rights

The Master Agreement will provide that until the GE SLHC Deregistration, we will be required to provide to GE all financial and other information that GE requires to prepare and provide any report or other submission to the Federal Reserve Board or any other federal or state bank regulatory agency or authority or to comply with any other supervisory or regulatory requirement to which GE is subject under any federal or state banking laws. In addition, we will be required to provide GECC with copies of all reports of examinations and any other supervisory communications from federal or state bank regulatory agencies or authorities identifying any matter requiring our attention or correction or regarding any existing or potential investigation or enforcement action by those agencies or authorities relating to us, and the prior written approval of GECC will be required in connection with any material agreements to be entered into by us with any governmental authority. We will further agree to enforce the limitation on voting rights in our certificate of incorporation described under “Description of Capital Stock—Common Stock—Voting Rights” and not to take any action that is not permissible for a savings and loan holding company under HOLA. Any information obtained from us by GE must be used solely for the purpose of complying with the reporting requirement or other supervisory or regulatory requirement for which GE obtained such information, and for no other purpose.

Financial information

We will agree that, for so long as GE owns shares of our common stock, we will cooperate with GE and GECC and we will provide such entities with quarterly and annual historical financial information needed by GE to issue its own earnings releases and public filings. We also will agree that for so long as GE beneficially owns at least 5% of our outstanding common stock, we will provide GE with certain financial projections, as well as access to quarterly and annual financial information. We will further agree that, for so long as GE beneficially owns more than 20% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis or under the equity method of accounting), we will provide GE with information requested by GE in connection with its press releases and public filings and advance notice of all meetings to be held by us with financial analysts. We will also agree during this time, among other things, to issue our quarterly and annual earnings releases and file our quarterly and annual reports with the SEC immediately after GE issues its quarterly and annual earnings releases and files its quarterly and annual reports with the SEC, respectively. For so long as GE beneficially owns more than 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), in addition to the items described above, we will agree to provide GE with access to our books and records so that it may conduct audits of our financial statements, notice of any proposed material changes in our accounting estimates or discretionary accounting principles, and a quarterly representation of our chief executive officer and our chief financial or accounting officer as to the accuracy and completeness of our financial and accounting records. If GE beneficially owns any of our outstanding common stock, we will also provide to GE copies of reports submitted by our accountants.

We also will agree, for so long as GE beneficially owns more than 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), to conduct our strategic and operational review process on the same schedule on which GECC conducts its strategic and operational review process.

Exchange of other information

The Master Agreement will also provide for other arrangements with respect to the mutual sharing of information between us and GECC and its affiliates in order to comply with reporting, filing, audit or tax

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requirements, for use in judicial proceedings, and in order to comply with our respective obligations after the completion of this offering. We and GECC and its affiliates will also agree to provide mutual access to historical business records.

Releases and indemnification

Except for each party's obligations under the Master Agreement, the other transaction documents and certain other specified liabilities, we, GE and GECC, on behalf of ourselves and each of our respective affiliates, will release and discharge the other and its respective affiliates from all liabilities existing or arising between us on or before the completion of this offering, including in connection with the separation of our business from GECC and this offering. The release will not extend to obligations or liabilities under any agreements between us and GECC or its affiliates that remain in effect following this offering, including ordinary course liabilities for products and services.

We will indemnify, hold harmless and defend GECC, each of its affiliates and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations of our businesses, whether arising before or after the completion of this offering;
- the operations, liabilities and obligations of our businesses;
- any guarantee, indemnification obligation, surety bond or other credit support arrangement by GECC or any of its affiliates for our benefit;
- any breach by us or any of our affiliates of the Master Agreement, certain of the other transaction documents or our certificate of incorporation or by-laws;
- any untrue statement of, or omission to state, a material fact in GE's or GECC's public filings to the extent it was as a result of information that we furnished to GECC or its affiliates or which GECC or its affiliates incorporated by reference from our public filings, if that statement or omission was made or occurred after the completion of this offering; and
- any untrue statement of, or omission to state, a material fact in any registration statement or prospectus related to this offering, the Distribution or the Planned Debt Offering, except to the extent the statement was made or omitted in reliance upon information provided to us by GECC expressly for use in any such registration statement or prospectus.

GECC will indemnify, hold harmless and defend us and each of our directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure of GECC or any affiliate of GECC or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of GECC or its affiliates other than liabilities of our businesses, whether arising before or after the completion of this offering;
- the liabilities of GECC and its affiliates' businesses other than liabilities of our businesses;
- any breach by GECC or any of its affiliates of the Master Agreement or certain of the other transaction documents;
- any untrue statement of, or omission to state, a material fact in our public filings to the extent it was as a result of information that GE or any of its affiliates furnished to us or which we incorporated by reference from GE's or GECC's public filings (other than any registration statement or prospectus related to this offering, the Distribution or the Planned Debt Offering); and
- any untrue statement of, or omission to state, a material fact contained in any registration statement or prospectus related to this offering, the Distribution or the Planned Debt Offering, but only to the extent the untrue statement or omission was made or omitted in reliance upon information provided by GE or any of its affiliates expressly for use in any such registration statement or prospectus.

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The Master Agreement will also specify procedures with respect to claims subject to indemnification and related matters and provide for contribution in the event that indemnification is not available to an indemnified party.

Expenses of the Separation and this offering

Except as otherwise provided in the Master Agreement, the ancillary agreements or any other agreement between us and GECC relating to the Separation or this offering, GECC will pay or reimburse us for out-of-pocket fees, costs and expenses incurred in connection with this offering (other than underwriting discounts) and the Distribution. Except as otherwise provided in the Master Agreement, the ancillary agreements or any other agreement between us and GECC relating to the Separation or this offering, we will be responsible for out-of-pocket fees, costs and expenses (including certain legal and financial advisor, information technology, human resource-related and marketing expenses) in connection with the Separation and the Planned Debt Offering, and in connection with the other debt, credit and securitization facilities described in this prospectus that we have entered into or intend to incur or enter into concurrently with or shortly after the completion of this offering.

Noncompetition agreement

GE has agreed that, subject to certain exceptions, for two years after the GE SLHC Deregistration, it will not engage in the business of providing credit to consumers through: (i) private label credit cards or dual cards in conjunction with programs with retailers, merchants or healthcare providers primarily for the purchase of goods and services from the applicable retailer, merchant or healthcare provider, or (ii) general purpose credit cards, in each case, in the United States and Canada.

Credit support obligations

In the ordinary course of our business, we enter into agreements (including leases) which require guarantees and other credit support obligations (we refer to such obligations, collectively as the "Credit Support Obligations"). Prior to this offering, GE and certain of its subsidiaries agreed to be primary obligors on most of our currently outstanding Credit Support Obligations. We and GE will cooperate to eliminate or replace certain Credit Support Obligations and we will use reasonable best efforts to attempt to release or replace the liability of GE or its subsidiaries, as applicable and necessary, under any Credit Support Obligations that are not novated prior to completion of this offering. If GE or its subsidiaries cannot be relieved of these obligations as of the completion of this offering, we have agreed to be liable to GE or such subsidiary for: (i) all costs of GE or its subsidiaries of maintaining such obligations, (ii) fees to GE or its subsidiaries (on an arms' length basis) for maintaining such obligations and (iii) indemnification and reimbursement obligations with respect to the obligations underlying any such Credit Support Obligations.

To the extent that the Credit Support Obligations are not novated prior to completion of this offering, GE and each applicable subsidiary of GE will maintain in full force and effect each Credit Support Obligation which is issued and outstanding as of the date of this offering until the earlier of: (i) such time as the contract, or all of the obligations of us or our applicable affiliate thereunder, to which such Credit Support Obligation relates, terminates and (ii) such time as such credit support obligation expires in accordance with its terms or is otherwise released.

Dispute resolution procedures

We will agree with GECC that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the Master Agreement. Instead, any dispute that is not resolved in the normal course of business will be submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 45 days, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days of the selection of a mediator, either party may submit the

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dispute to binding arbitration before a panel of three arbitrators. The arbitrators will resolve the dispute in accordance with New York law. Most of the other agreements between us and GECC have similar dispute resolution provisions.

These dispute resolution procedures will not apply to any dispute or claim related to GECC's or its affiliates' rights as a holder of our common stock and both parties will submit to the exclusive jurisdiction of the Delaware courts for resolution of any such dispute. In addition, both parties will be permitted to seek injunctive or interim relief in the event of any actual or threatened breach of the provisions of the Master Agreement relating to confidentiality, use of restricted marks, noncompetition agreements and corporate governance matters (including GECC's approval rights, director nomination rights and composition of certain of our board committees), and any of the provisions of the Employee Matters Agreement, the Registration Rights Agreement, the Intellectual Property Cross License Agreement or the Transitional Trademark License Agreement. If an arbitral tribunal has not been appointed, both parties may seek injunctive or interim relief from any court with jurisdiction over the matter.

Approval Rights

Until the GE SLHC Deregistration, we may not (and we may not permit or authorize any of our subsidiaries to), without the prior written approval of GECC:

- consolidate or merge with or into any person or, subject to certain exceptions, permit any subsidiary to merge with or into any person;
- acquire control of a bank or savings association or make any other acquisition of assets or equity for a price in excess of \$500 million (other than acquisitions of receivables portfolios in the ordinary course of business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the threshold for ordinary course transactions will be increased to \$2 billion;
- dispose of assets or securities in a single transaction or a series of related transactions for a price (including assumed debt) in excess of \$500 million (other than dispositions of receivables portfolios in the ordinary course of business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the threshold for ordinary course transactions will be increased to \$2 billion;
- incur or guarantee debt that would reasonably be expected to result in a downgrade of our publicly-issued debt below specified ratings at the time of this offering;
- dissolve, liquidate, or wind up our company;
- alter, amend, terminate or repeal or adopt any provision inconsistent with, the provisions of our certificate of incorporation or our bylaws;
- adopt or implement any stockholder rights plan or similar takeover defense measure;
- declare or pay any dividend or other distribution in respect of our common stock;
- repurchase our common stock, subject to certain exceptions;
- enter into a new principal line of business or enter into business outside of the United States and Canada; or
- establish an executive committee of our board of directors.

Until such time as GE's beneficial ownership of our common stock decreases below 20% of our outstanding common stock, we may not, without the prior written approval of GECC:

- issue capital stock or other securities convertible into capital stock; or
- change the size of our board of directors from nine directors.

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GECC's approval right for entry into new principal lines of business or business outside of the United States or Canada that is reasonably expected to have less than \$200 million in average receivables or annual purchase volume will expire when GE's beneficial ownership of our outstanding common stock decreases below 10%.

Board Rights

Until the GE SLHC Deregistration, GECC will be entitled to designate persons for nomination for election to our board of directors. The number of such GECC designees will depend on the level of beneficial ownership by GE of our outstanding common stock. At each election of members of our board of directors when GE beneficially owns:

- more than 50% of our outstanding common stock, GECC will have the right to designate five persons for nomination for election to our board of directors;
- at least 33% but not more than 50% of our outstanding common stock, GECC will have the right to designate four persons for nomination for election to our board of directors;
- at least 20% but less than 33% of our outstanding common stock, GECC will have the right to designate three persons for nomination for election to our board of directors;
- at least 10% but less than 20% of our outstanding common stock, GECC will have the right to designate two persons for nomination for election to our board of directors; and
- less than 10% of our outstanding common stock and prior to the GE SLHC Deregistration, GECC will have the right to designate one person for nomination for election to our board of directors. See "Management—Composition of the board of directors."

In the event that (with GECC's approval) the size of our board of directors is changed, GECC will have the right to designate a proportional number of persons for nomination for election to the board of directors (rounded up to the nearest whole number).

So long as GE beneficially owns at least 50% of our outstanding common stock, or, in certain cases, until the GE SLHC Deregistration, GECC will have the right to designate, from among the GECC director designees serving on our board of directors, certain members of certain committees of our board of directors (see "Management—Committees of the Board of Directors").

Until GE's beneficial ownership of our common stock decreases below 50%, GECC will also be entitled to designate two directors to the board of directors of the Bank and we will cause such designees to be appointed.

Other Provisions

The Master Agreement also will contain covenants between us and GECC with respect to:

- confidentiality of our and GE and its subsidiaries' information;
- our right to continue coverage under GE's insurance policies for so long as GE beneficially owns more than 50% of our outstanding common stock, as such policies may be amended from time to time;
- restrictions on the parties' ability to take any action or enter into any agreement that would cause the other party or any of its subsidiaries to violate any law, organizational document or judgment;
- restrictions on our ability to take any action that limits GECC's or any of its affiliates' ability to freely sell, transfer, pledge or otherwise dispose of our common stock;
- until the GE SLHC Deregistration, and except to the extent a GE policy conflicts with our certificate of incorporation or bylaws or any of the agreements between us and GECC or any of its affiliates, our obligation: (i) to comply (x) with policies adopted or authorized by our board of directors, (y) with certain policies of the Bank if our board of directors has not adopted or authorized a corresponding policy or (z) if the Bank is not executing the relevant activities on behalf of the Company or if the Bank does not have a corresponding policy, with the corresponding GE policies and (ii) to cause our and our subsidiaries' policies and procedures to comply with all applicable laws and not contravene the GE Spirit & Letter;

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- restrictions on the parties' ability to take action that reasonably could result in a breach or default under any agreement which binds or purports to bind the other party or any of its other subsidiaries;
- litigation and settlement cooperation between us and GE and its subsidiaries; and
- proposed intercompany transactions, including material amendments to the agreements accomplishing the Separation, all of which must be approved by a majority of our independent directors or a committee comprised solely of independent directors or a committee comprised solely of our independent directors.

Transitional Services Agreement

We will enter into a transitional services agreement with GECC prior to the completion of this offering to provide each other, on a transitional basis, certain administrative and support services and other assistance consistent with the services we and GECC provided to each other before this offering. We refer to this agreement in this prospectus as the "Transitional Services Agreement."

Pursuant to the Transitional Services Agreement: (i) we may provide GECC various services related to those GECC businesses that were not transferred to us that had received services from us prior to the completion of this offering and (ii) GECC will provide services to us, including:

- treasury, payroll, tax and other financial services;
- human resources and employee benefits services;
- information systems, network access, application and support related services; and
- procurement and sourcing support.

We also will provide each other, on a transitional basis, additional services that we and GECC may identify during the term of the agreement. We and GECC will pay to each other fees for the services rendered under the Transitional Services Agreement, which fees differ depending upon the services.

Under the Transitional Services Agreement, we and GECC will each have the right to purchase goods or services, use intellectual property licensed from third parties and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by such vendor agreements. The Transitional Services Agreement also will provide for the continuation of existing leases or subleases of certain facilities used in the operation of our respective businesses and for access to each other's facilities and computing and telecommunications systems to the extent necessary to perform or receive the transitional services.

The services provided under the Transitional Services Agreement will terminate at various times specified in the agreement (for most services within 24 months after the completion of this offering), but the receiving party may terminate any service by giving at least 60 days' prior written notice to the provider of the service. In addition, subject to consent rights or requirements under third party agreements, the Transitional Services Agreement will provide either party, at its sole expense, the right to extend services for up to 6 months, or longer, under specified circumstances. Except for breaches of certain IP licenses, breaches of confidentiality and data protection provisions of the Transitional Services Agreement, breaches of applicable law in the provision or receipt of services, a party's negligence or gross negligence (depending on the service provider), willful breach or willful misconduct or as otherwise provided by applicable law, the maximum liability of each party in connection with any single service received from the other party will be limited to the aggregate of the charges paid by the receiving party for such service and the aggregate liability of each party arising out of or in connection with the Transitional Services Agreement will be limited to the aggregate of fees paid to such party for all the transitional services it has delivered.

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Registration Rights Agreement

We will enter into a registration rights agreement with GECC prior to the completion of this offering to provide GECC with registration rights relating to shares of our common stock held by GECC or permitted transferees, after this offering. We refer to this agreement in this prospectus as the “Registration Rights Agreement.” GECC may assign its rights under the Registration Rights Agreement to any person that acquires shares of our common stock subject to the agreement and agrees to be bound by the terms of the agreement. GECC and its permitted transferees may require us to register under the Securities Act of 1933 (the “Securities Act”) all or any portion of these shares, a so-called “demand request.” The demand registration rights will be subject to certain limitations. We will not be obligated to effect:

- a demand registration within 60 days after the effective date of a previous demand registration, other than a shelf registration pursuant to Rule 415 under the Securities Act;
- a demand registration within 180 days after the effective date of the registration statement of which this prospectus is a part;
- a demand registration unless the demand request is for a number of shares with a market value of at least \$150 million; and
- more than two demand registrations during the first 12 months after completion of this offering or more than three demand registrations during any 12-month period thereafter.

After the first anniversary of this offering, we may defer the filing of a registration statement for up to 90 days after a demand request has been made, but not more than once in any six month period, if: (i) at the time of such request we are engaged in confidential business activities, which would be required to be disclosed in the registration statement, and our board of directors determines that such disclosure would be materially detrimental to us and our stockholders or (ii) prior to receiving such request, our board of directors had determined to effect a registered public offering of our securities for our account and we have taken substantial steps to effect such offering.

GECC and its permitted transferees also have so-called “piggyback” registration rights, which means that GECC and its permitted transferees may include their respective shares in any future registrations of our equity securities, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of our stockholders. The demand registration rights and piggyback registrations are each subject to market cut-back exceptions.

GECC or its permitted transferees will pay all costs and expenses in connection with any demand registration. We will pay all costs and expenses in connection with any “piggyback” registration, except underwriting discounts, commissions or fees attributable to the shares of common stock sold by our stockholders. In addition, we are required to bear the fees and expenses of one firm of counsel for the selling stockholders in any “piggyback” registration. The Registration Rights Agreement will set forth customary registration procedures, including an agreement by us to make our management available for road show presentations in connection with any underwritten offerings. We will also agree to indemnify GECC and its permitted transferees with respect to liabilities resulting from untrue statements or omissions in any registration statement used in any such registration, other than untrue statements or omissions resulting from information furnished to us for use in the registration statement by GECC or any permitted transferee.

The rights of GECC and its permitted transferees under the Registration Rights Agreement will remain in effect with respect to the shares covered by the agreement until those shares:

- have been sold pursuant to an effective registration statement under the Securities Act;
- have been sold to the public pursuant to Rule 144 under the Securities Act;
- have been transferred in a transaction where subsequent public distribution of the shares would not require registration under the Securities Act; or
- are no longer outstanding.

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In addition, the registration rights under the agreement will cease to apply to: (i) a holder other than GECC or its affiliates when such holder holds less than 5% of the then outstanding shares covered by the agreement and such shares are eligible for sale without restriction pursuant to Rule 144 under the Securities Act and (ii) GECC and its affiliates when such holder holds less than 3% of the then outstanding shares covered by the agreement and such shares are eligible for sale without restriction pursuant to Rule 144 under the Securities Act.

Tax Sharing and Separation Agreement

We will enter into the Tax Sharing and Separation Agreement with GE prior to the completion of this offering. We refer to this agreement in this prospectus as the “TSSA.” Among other things, the TSSA will govern the allocation between GE and us of the responsibility for the taxes of the GE group. The TSSA will also allocate rights, obligations and responsibilities in connection with certain administrative matters relating to the preparation of tax returns and control of tax audits and other proceedings relating to taxes.

Allocation of taxes

Under the TSSA, we will be responsible for all taxes attributable to us or our operations for taxable periods following the completion of this offering. To the extent we file tax returns on a consolidated basis with GE, we will be required to make tax sharing payments to GE in amounts equal to our separate company tax liability. Our separate company tax liability will generally be equal to the amount of taxes we would have paid had we been filing tax returns separately from GE, subject to certain adjustments, whether or not GE is actually required to pay such amounts to the taxing authorities. However, GE will be responsible for all income taxes imposed in the United States, Canada and Puerto Rico attributable to taxable periods prior to the completion of this offering. We will be responsible for all other taxes attributable to our businesses for taxable periods prior to the completion of this offering.

In addition, GE will be required to compensate us for the use by GE of any of our tax attributes that arise after the completion of this offering to reduce taxes that are otherwise the responsibility of GE under the TSSA. Similarly, we will be required to compensate GE for reductions in our tax liabilities to the extent that the reductions result from expenses economically borne by GE or from tax attributes created in certain transactions in which GE incurred a related tax liability, including for any reduction in our taxes resulting from tax elections described below that might be entered into in connection with GE’s disposition of its interest in us.

We will also be obligated to compensate GE for reductions in our taxes that are attributable to increases in our tax attributes resulting from a tax audit or filing of an amended tax return for periods prior to the closing of this offering if GE is responsible under the TSSA for any resulting increase in its taxes. Conversely, if resulting from a tax audit or filing an amended tax returns, GE will be required to compensate us for decreases in our tax attributes if GE receives a corresponding decrease in its taxes.

The TSSA will generally allocate the right to refunds of taxes to the party that would be liable under the TSSA for the underlying taxes that are refunded.

The TSSA will allocate between the parties the right to control, and to participate in, the preparation and filing of tax returns and defense of tax audits or other proceedings relating to taxes, and will require the parties to cooperate with each other in connection with preparing and filing tax returns and defending tax audits and other tax proceedings.

With the exception of the Bank Agreement (as defined below), upon entering into the TSSA, all other formal or informal tax sharing arrangements between GE and us will be terminated and the TSSA will generally govern all of our relationship with GE relating to tax returns and tax liabilities.

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Separation from GE

The TSSA will generally allocate to GE any income taxes incurred in connection with the failure to qualify for tax-free treatment of the Distribution and certain related preliminary internal transactions. However, under the TSSA such income taxes will be allocated to us if the failure to qualify for tax-free treatment results from any action or inaction after the Distribution that is within our control or if the failure results from any direct or indirect transfer of our stock. The TSSA will include a provision generally prohibiting us after the Distribution from taking any action or failing to take action within our control that would cause the failure of such tax-free treatment.

The TSSA will also provide GE with the right to make certain tax elections to treat solely for tax purposes its disposition of our stock as a transfer of our assets in a manner that would result in us having a new cost tax basis in our assets. Any taxes resulting from such election will be allocated to GE subject, as discussed above, to our obligation to compensate GE for reductions in our tax liability arising from the resulting new cost tax basis in our assets.

GE intends to make these tax elections, on a protective basis, to treat the Distribution as a taxable transfer of our assets. Those elections would be effective only if the IRS were to successfully assert that, notwithstanding the IRS private letter ruling and opinion of tax counsel, the Distribution is taxable. However, if, as is expected consistent with the IRS private letter ruling and the opinion of tax counsel, the Distribution is in fact tax-free, then these elections will have no effect.

Employee Matters Agreement

We will enter into an agreement with GE and GECC prior to the completion of this offering relating to certain employee, compensation and benefits matters. We refer to this agreement in this prospectus as the "Employee Matters Agreement." Under the Employee Matters Agreement, we will generally assume or retain liabilities relating to the employment or services of any person with respect to our business before or after the completion of this offering. We will only be responsible for liabilities under GE benefit plans to the extent described in the Employee Matters Agreement.

Employment

After the completion of this offering, we will continue to employ the employees of our business.

Continuation on GE payroll and in GE plans

Prior to this offering, employees of our business have been paid through GE's payroll system. In addition, these employees have been covered under GE benefit plans. These employees generally will continue to be paid through GE's payroll system and be eligible to participate in GE benefit plans for so long as GE owns at least 50% of our outstanding common stock. These GE benefit plans include: (i) retirement benefits, (ii) health, life and disability insurance benefits, severance, (iii) stock options, RSUs and long-term performance awards under the GE 2007 Long-Term Incentive Plan (but only for awards granted prior to this offering) and (iv) annual incentive compensation under the GECC Executive Incentive Compensation Plan. Certain of our non-U.S. employees will continue on GE's payroll and in GE plans for up to one year following the date that GE ceases to own at least 50% of our outstanding common stock.

Compensation

From the completion of this offering until at least one year after the date that GE ceases to own at least 50% of our outstanding common stock, our employees will receive at least the same salary, wages, incentive compensation, and bonus opportunities and at least the same (on an aggregate basis) other material terms and conditions of employment as were provided to such employees prior to the completion of this offering.

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Transition to our benefit plans.

Effective no later than the date on which GE ceases to own at least 50% of our outstanding common stock, our applicable U.S. employees will cease to participate in GE benefit plans and will participate in employee benefit plans established and maintained by us. For at least one year following the date that GE ceases to own at least 50% of our outstanding common stock, we will maintain plans that will provide our employees with benefits that are comparable in the aggregate to the value of those benefits provided by GE benefit plans immediately prior to the date that GE ceases to own at least 50% of our outstanding common stock, excluding nonqualified defined benefit pension plans, retiree medical benefits, stock options, other equity awards and certain executive fringe benefits. Our plans will include retirement benefits, health, life and disability insurance benefits, and severance. We will recognize prior GE service for purposes of eligibility, vesting or calculation of vacation, sick days, severance, layoff and similar benefits under our new plans and programs to the same extent such service is recognized under corresponding GE plans.

We will also establish new benefit plans for our non-U.S. employees that, together with any benefit plans we assume or continue, will provide such non-U.S. employees with benefits that are comparable in the aggregate to the value of those benefits provided by the benefit plans in effect immediately prior to the date on which GE ceases to own at least 50% of our outstanding common stock. We will maintain these existing or new plans for our non-U.S. employees for a period of at least one year following the benefit transition date (or such longer period required by applicable law).

As described under “Management—Compensation Plans Following This Offering—Synchrony 2014 Long-Term Incentive Plan,” prior to completion of this offering, we will establish, adopt and maintain plans for our selected employees providing for stock options, SARs, restricted stock, RSUs, performance awards (stock or cash-based) and other stock-based awards. However, we expect that certain of our employees will continue to participate in the GECC Executive Incentive Compensation Plan until the date that GE ceases to own at least 50% of our outstanding common stock. We expect that our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own at least 50% of our outstanding common stock.

Treatment of our U.S. employees under certain GE plans.

Effective as of the date that GE ceases to own at least 50% of our outstanding common stock: (i) our employees will cease to accrue any benefits under the GE retirement plans and (ii) our employees will fully vest in the GE retirement plans. However, with respect to the GE Supplementary Pension Plan and the GE Excess Benefit Plan, only those employees who have at least ten years of qualified pension service as of the date that GE ceases to own at least 50% of our outstanding common stock will vest in such plan. GE will be responsible for paying directly to our eligible employees (including their surviving spouses and beneficiaries) any vested benefits to which they are entitled under the GE retirement plans when eligible under the terms of such plans to receive such payments. We will have certain reimbursement obligations to GE.

GE generally will remain obligated to provide post-retirement welfare benefits under the GE Health Choice, consistent with the terms of the plan as in effect from time to time, to our employees and their eligible dependents who, as of the date GE ceases to own at least 50% of our outstanding common stock, are participants in such plan and either (i) have completed 25 years of eligible service with us, our affiliates and their respective predecessors or (ii) have attained at least 60 years of age and have completed at least ten years of eligible service, in either case upon such employee’s election to participate in the GE Health Choice. Participation by our employees will be under circumstances and at the applicable contribution levels entitling them to receive such benefits pursuant to the terms of the GE Health Choice. GE will be responsible for paying directly to our eligible employees and their eligible dependents any post-retirement welfare benefits pursuant to such coverage. We will have certain reimbursement obligations to GE.

GE generally will retain responsibility under the GE benefit plans that are welfare benefit plans in which our employees participate with respect to all amounts that are payable by reason of, or in connection with, any and all

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welfare benefit claims made by such employees and their eligible dependents to the extent the claims were incurred prior to the date that GE ceases to own at least 50% of our outstanding common stock. We will have certain reimbursement obligations to GE.

As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest and all unexercised GE stock options will remain exercisable in accordance with their terms and the GE 2007 Long-Term Incentive Plan. Each such GE stock option permits the holder, generally for a period of ten years from the date of grant or, if earlier, five years from the date that GE ceases to own at least 50% of our outstanding common stock, to purchase one share of GE stock from GE at the market price of GE stock on the date of grant. GE will remain responsible for the GE stock options of our employees that are vested on the date GE ceases to own at least 50% of our outstanding common stock. We will have no obligations with respect to those options.

Agreements not to solicit or hire GE's or our employees.

We will agree with GE that for so long as GE beneficially owns at least 50% of our outstanding common stock, and for a certain period of time after GE ceases to beneficially own at least 50% of our outstanding common stock, neither of us will, directly or indirectly, solicit or hire for employment certain of each other's employees.

Intellectual Property Arrangements

Prior to the completion of this offering, we will enter into the following intellectual property license agreements with GE, GECC and/or their affiliates:

- a Transitional Trademark License Agreement; and
- an Intellectual Property Cross License Agreement.

Transitional Trademark License Agreement

Pursuant to the Transitional Trademark License Agreement, GE will grant us a limited, non-exclusive, royalty-free, non-transferable license (with no right to sublicense) to use certain "GE," "GE Capital," "GE Capital Retail Bank," "GE Money" and "GECAP" marks and related logos and the GE monogram in connection with our products and services until such time as GE ceases to beneficially own more than 50% of our outstanding common stock, subject to certain exceptions (e.g., we will generally have a right to use those marks and related logos and the monogram on our credit cards for a period of three and a half years after the completion of this offering). The Transitional Trademark License Agreement automatically terminates in the event of our merger or consolidation with, or sale of substantially all of our assets to, an unrelated third person, or our change of control whereby an unrelated third person acquires control over us. GE also retains the right to terminate the Transitional Trademark License Agreement in the event we materially breach its provisions. In addition, the Transitional Trademark License Agreement automatically terminates in the event of our bankruptcy, insolvency, liquidation, dissolution or similar event. The Transitional Trademark License Agreement also automatically terminates with respect to any of our subsidiaries in the event of such subsidiary's merger or consolidation with, or sale of substantially all of its assets to, an unrelated third person, or its change of control whereby an unrelated third person acquires control over it, or upon such subsidiary's bankruptcy, insolvency, liquidation, dissolution or similar event.

Intellectual Property Cross License Agreement

Pursuant to the Intellectual Property Cross License Agreement, we and GE will grant each other a non-exclusive, irrevocable, royalty-free, fully paid-up, worldwide, perpetual license under certain intellectual property rights that we each own or license. The intellectual property rights being licensed (with no rights to sublicense except as described below) under the Intellectual Property Cross License Agreement are patents, patent applications, statutory invention registrations, copyrights, mask work rights, trade secrets and other intellectual property rights

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arising from or in respect of technology (but not including trademarks, service marks, trade dress, logos, other source identifiers or domain names). The intellectual property rights being licensed under the Intellectual Property Cross License Agreement also must be those that we and GE have the right to license and that are used, held for use or contemplated to be used by the licensee generally prior to the completion of this offering. In addition, with respect to any third-party intellectual property licensed under the Intellectual Property Cross License Agreement, we and GE will only grant each other sublicenses to the extent each has the right to do so under the applicable third-party intellectual property licenses. The license allows us and GE to make, have made, use, sell, have sold, import and otherwise commercialize certain products and services, and to use and practice the licensed intellectual property rights for internal purposes. Each party will only be able to sublicense its license rights to acquirors of its businesses, operations or assets, and only assign its license rights to an acquiror of all or substantially of its assets or equity or the surviving entity in its merger, consolidation, equity exchange or reorganization. Each party will own any modifications, derivative works and improvements it creates. The Intellectual Property Cross License Agreement will be perpetual and may not be terminated, even upon material breach, except upon mutual written agreement by us and GE.

Other Related Party Transactions

Formation of Synchrony

Between April 1, 2013 and October 15, 2013: (i) GECFI contributed the stock of the Bank to us as a capital contribution and (ii) in exchange for all of our outstanding common stock (other than the shares issued in connection with our formation in 2003 for nominal consideration) and approximately \$1.6 billion, we acquired from GE its interests in RFS Holding, Inc., GEC RF Global Services Philippines, Inc., Retail Finance International Holdings, Inc., CareCredit LLC and GE Global Servicing Private Limited, as well as certain receivables and other tangible and intangible assets related to the North American retail finance business. The remaining assets and operations of the North American retail finance business have been or will be transferred to us prior to the completion of this offering.

Funding Provided by GECC

GECC historically has provided funding to us pursuant to various intercompany funding arrangements. Of the amounts outstanding under these arrangements upon the completion of this offering (the Outstanding Related Party Debt), \$ billion will be repaid at that time. For information on these arrangements as reflected in our combined historical financial statements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity—Funding Sources,” for a description of funding to be provided by GECC in connection with this offering, see “Description of Certain Indebtedness—New GECC Term Loan Facility” and for information on the use of proceeds, see “Use of Proceeds.”

Securitized Financings

For information regarding GECC’s roles as servicer and servicer performance guarantor in connection with certain of our securitizations, see “Management’s Discussion and Analysis of Financial Condition and Liquidity and Capital Resources—Funding Sources—Securitized Financings” and “Description of Certain Indebtedness—Securitized Financings.”

GECC serves as servicer performance guarantor for the Bank as servicer of SFT (the “SFT Servicer”) and for the Bank as servicer of GMT (the “GMT Servicer”). Pursuant to the servicer performance guarantees, GECC has guaranteed the performance by the SFT Servicer and the GMT Servicer of their respective obligations under the securitization documents. We have not compensated GECC for providing either of these guarantees and GECC has not been required to undertake any performance with respect to the guarantees. Prior to the completion of this offering, we expect to have entered into amendments to the documents governing each SFT series and the sole GMT series pursuant to which the note holders will release GECC from its obligations as servicer performance guarantor.

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We have entered into contribution agreements with GECC pursuant to which GECC has agreed that in the event of certain indemnity claims against us relating to our securitized financings and under certain other circumstances, it will make contributions to us to the extent required for us to make any required indemnity payments. We have not compensated GECC for entering into these contribution agreements and GECC has not been required to make any payments with respect to these agreements. Prior to the completion of this offering, we expect to terminate these contribution agreements with GECC.

Support Servicing

We are party to certain servicing agreements and subservicing agreements with GECC with respect to, among other things, a broad range of servicing and administrative services relating to loan receivables owned by the Bank, MNT, SFT and GMT. For certain of these arrangements, the part of GECC providing and receiving services was historically managed as part of our business and therefore related payments have been eliminated in our combined financial statements. On a legal entity basis (without regards to elimination in our combined financial statements), for the years ended December 31, 2013, 2012 and 2011, we incurred servicing expenses of \$874 million, \$849 million and \$1,200 million, respectively, and we received subservicing income of \$783 million, \$528 million and \$618 million, respectively.

MNT Notes Owned by GECC

GECC purchased \$202 million, \$627 million and \$516 million aggregate principal amount of subordinated classes of MNT notes from us in the years ended December 31, 2013, 2012, and 2011, respectively, at an aggregate purchase price of slightly less than par. GECC owned \$1,312 million, \$1,424 million and \$1,873 million aggregate principal amount of subordinated classes of MNT notes as of December 31, 2013, 2012 and 2011, respectively (representing MNT notes purchased during and prior to those periods). GECC recognized \$39 million, \$71 million and \$113 million of interest income, and received \$314 million, \$751 million and \$536 million of principal payments from MNT in the years ended December 31, 2013, 2012, and 2011, respectively. Most of these notes were owned by parts of GECC that historically were managed as part of our business and therefore the notes have been eliminated in our combined financial statements. We expect that all of these notes will be transferred to us prior to the completion of this offering.

Credit Agreement Guarantees by GE

We are a party to revolving credit agreements with two banks, each of which provides a revolving line of credit of up to \$500 million. GE has guaranteed our payment obligations under the agreements. We have agreed to pay GE a fee based on market rates and amounts outstanding under the agreements. No amounts have been borrowed under the agreements in the years ended December 31, 2013, 2012 and 2011, and therefore no fees have been paid to GE for the guarantees. We currently anticipate that these agreements and the guarantees will be terminated in connection with or shortly after the completion of the Transactions.

Other Services Provided by GE

We also receive services provided by GE under other arrangements where our business is only a recipient of services. For the years ended December 31, 2013, 2012 and 2011, we incurred \$437 million, \$390 million and \$364 million of expenses relating to services provided by GE in our Combined Statements of Earnings, respectively. For a description of those cases where we are only a recipient of services and the associated historical costs, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Separation from GE and Related Financial Arrangement.” GE will continue to provide us with many support services on a transitional basis pursuant to the agreements described under “—Relationship with GE and GECC—Transitional Services Agreement.”

We also make payments to GE for use of certain intellectual property, and we incurred \$20.0 million, \$15.6 million and \$12.4 million of expenses in the years ended December 31, 2013, 2012 and 2011, respectively, for use of this intellectual property.

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CALMA

In connection with the OCC's December 12, 2012 approval of the Bank's assumption of certain deposits and related liabilities of MetLife and acquisition of certain assets of MetLife, the Bank entered into the CALMA with GECC, GECFI and the Company, dated as of January 11, 2013. The CALMA will remain in effect after the completion of this offering. For information regarding the CALMA, see "Regulation—Savings Association Regulation." We have not compensated GECC for entering into the CALMA, and it has not been required to make any payments under this agreement.

Support Agreement Related to Purchased Receivables

On December 30, 2008, the Bank acquired approximately \$5.5 billion of loan receivables from GE, and the Bank, GECC and GECFI entered into a Parental Support Agreement (the "PSA"), pursuant to which, among other things: (i) GECFI agreed to purchase from the Bank any transferred receivables that became "low-quality assets" and reimburse the Bank for any losses incurred on these receivables, (ii) GECFI and GECC committed to provide capital if the Bank was unable to maintain specified capital requirements until December 31, 2010, (iii) GECC waived its right to terminate or restrict the Bank's access under certain funding arrangements with GECC and (iv) GECFI was required to pledge certain assets to the Bank to support GECFI's and GECC's obligations under the PSA. GECC and GECFI's obligations under the PSA terminated as of December 30, 2013. The aggregate payments made by GECFI to the Bank to repurchase loans and reimburse for losses pursuant to the PSA was \$27 million, \$45 million and \$88 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Commercial Credit Support by GE and Other Arrangements

In the ordinary course of our business, GE has provided payment and performance guarantees with respect to certain of our obligations under a limited number of partner program agreements. We have not compensated GE for providing any of these guarantees and GE has not been required to make any payments or undertake any performance with respect to the guarantees. In the event a guarantee cannot be replaced prior to the completion of this offering, we intend to replace such guarantee as soon as practicable, but we have agreed that, until we do so, we will be liable to GE for certain costs, fees and indemnification and reimbursement obligations relating to such guarantee. See "Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Master Agreement—Credit Support Obligations."

GECC and the Bank are both creditors of one of our former partners and have entered into an intercreditor agreement that defines their relative rights with respect to payments received after the occurrence of certain specified events. To date the agreement has not affected any payments otherwise payable to the Bank.

In connection with the extension of one of our program agreements, GE agreed not to pursue certain intellectual property claims against the partner so long as the program agreement remains in effect. The partner has the right to terminate the program agreement if GE pursues those claims. We paid GE an immaterial amount for GE's agreement not to pursue its claims.

GE Appliances Program Agreements

We entered into a program agreement with GE that provides consumer financing to qualified customers purchasing appliances on an online store operated by GE's Home & Business Solutions division ("GEHB"). We also entered into a program agreement with GEHB under which credit-based promotions may be provided to qualified customers of participating dealers with whom we have a consumer financing program and who are part of GEHB's dealer network when such customers purchase specially-designated GE products. Customers can use the participating dealer financing program to purchase both GE and non-GE products from the dealers but the credit-based promotions apply only when purchasing such designated GE products. The terms of these programs (including the fees paid by GE to us and by us to GE) are generally comparable to those offered to unrelated

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parties for similar programs. The aggregate payments made by GE to us under these programs was \$1.1 million, \$2.2 million and \$2.8 million for the years ended December 31, 2013, 2012 and 2011, respectively. The aggregate payments by us to GE under these programs were \$0.2 million, \$0.3 million and \$0.4 million for the years ended December 31, 2013, 2012 and 2011, respectively.

GECC Deposit in the Bank

From time to time, the Bank extends credit to its customers in transactions where the transaction proceeds are used for the benefit of, or are otherwise transferred to, GE or one of its subsidiaries (a "Covered Transaction"). To ensure the Bank's compliance with applicable laws relating to Covered Transactions (including Federal Reserve Board Regulation W), GECC has, from time to time, deposited funds with the Bank as collateral for the Covered Transactions (the "Segregated Deposit"). The deposit earns interest at market rates and the aggregate interest expense in respect of the Segregated Deposit was \$2.0 million, \$1.9 million and \$1.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. At December 31, 2013, 2012 and 2011, the balance of the Segregated Deposit was \$651 million, \$301 million and \$251 million, respectively. In connection with the completion of this offering, GECC intends to withdraw this deposit, and we will replace the deposited funds with a deposit in a similar amount from Synchrony. The GECC deposit has been eliminated in the combined financial statements.

Tax Allocation Agreement

GECC and the Bank are parties to a tax allocation agreement. The amount payable by the Bank under the tax allocation agreement in respect of U.S. federal, state and local income taxes is generally calculated to be the amount that the Bank would have to pay if it were paying its taxes on a "stand alone" basis as if the Bank filed tax returns separate from GE and its subsidiaries. The Bank made tax payments for the years ended December 31, 2013, 2012 and 2011 of \$1,188 million, \$1,359 million and \$355 million, respectively, in respect of U.S. federal, state and local income taxes under the tax allocation agreement. This tax allocation agreement between GECC and the Bank will be terminated prior to the completion of this offering. It will be replaced with an agreement between the Bank and Synchrony (the "Bank Agreement"). We expect that GE will also be a party to the Bank Agreement for the limited purpose of agreeing to hold certain tax refunds allocable to the Bank in trust for the benefit of the Bank and to otherwise act as an agent for the Bank in its dealings with taxing authorities on the Bank's behalf.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Prior to the completion of this offering, all shares of our common stock were owned by GE Consumer Finance Inc., an indirect subsidiary of GE. Upon completion of this offering, we will have _____ shares of common stock issued and outstanding, assuming the underwriters' option to purchase additional shares of common stock from us is not exercised, and _____ shares, if it is exercised in full. Upon the completion of this offering, GE (through GE Consumer Finance Inc.) will beneficially own approximately _____ % of our outstanding common stock, assuming the underwriters' option to purchase additional shares of common stock from us is not exercised, and _____ %, if it is exercised in full.

The following table sets forth information at _____, 2014 regarding the beneficial ownership of our common stock by:

- all persons known by us to own beneficially more than 5% of our common stock, including GE Consumer Finance Inc.;
- our chief executive officer and each of our NEOs;
- each of our directors and director nominees; and
- all directors, director nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed to be issued and outstanding. These shares, however, are not deemed outstanding for purposes of computing percentage ownership of each other stockholder.

Name and Address of Beneficial Owner ⁽¹⁾	Beneficial Ownership Prior to the Completion of this Offering		Number of Shares to be Sold in this Offering	Beneficial Ownership After the Completion of this Offering	
	Number	Percentage		Number	Percentage
GE Consumer Finance, Inc.		100%	0		
Margaret M. Keane	0	0%	0	0	0%
Brian D. Doubles	0	0%	0	0	0%
Jonathan S. Mothner	0	0%	0	0	0%
Thomas M. Quindlen	0	0%	0	0	0%
Glenn P. Marino	0	0%	0	0	0%
William H. Cary	0	0%	0	0	0%
Daniel O. Colao	0	0%	0	0	0%
Alexander Dimitrief	0	0%	0	0	0%
Anne Kennelly Kratky	0	0%	0	0	0%
Dmitri L. Stockton	0	0%	0	0	0%
Roy A. Guthrie	0	0%	0	0	0%
Richard C. Hartnack	0	0%	0	0	0%
Jeffrey G. Naylor	0	0%	0	0	0%
All directors, director nominees and executive officers as a group (16 persons)	0	0%	0	0	0%

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* Less than 1%.

- (1) The address for GE Consumer Finance Inc. is 777 Long Ridge Rd., Stamford, Connecticut 06902. The address for all other persons is c/o Synchrony Financial, 777 Long Ridge Rd., Stamford, Connecticut 06902. GE, as the ultimate parent of GE Consumer Finance Inc., beneficially owns all shares of our common stock owned of record by GE Consumer Finance Inc. The address for GE is 3135 Easton Turnpike, Fairfield, Connecticut 06828.

Potential Future Sale or Distribution of Common Stock Held by GE

For a discussion of the potential future sales or distribution of common stock held by GE, see “Shares Eligible for Future Sale.”

DESCRIPTION OF CAPITAL STOCK

We were incorporated in Delaware on September 12, 2003. The following information reflects our amended and restated certificate of incorporation and amended and restated bylaws as these documents will be in effect upon the completion of this offering. Our amended and restated certificate of incorporation and amended and restated bylaws have been filed as exhibits to the registration statement of which this prospectus forms a part, and we refer to them in this prospectus as the certificate of incorporation and bylaws, respectively. The following descriptions are summaries of the material terms of these documents and relevant sections of the DGCL and Federal Reserve Board regulations and are qualified in their entirety by reference to the full text of the documents.

References in this section to “we,” “us” and “our” refer to SYNCHRONY FINANCIAL and not to any of its subsidiaries.

General

Our authorized capital stock will consist of _____ shares of common stock, par value \$0.001 per share, and _____ shares of preferred stock, par value \$ _____ per share. Prior to this offering, there were _____ shares of common stock outstanding, all of which were held by GEFCF. Immediately after the completion of this offering, _____ shares of common stock will be outstanding, assuming the underwriters’ option to purchase additional shares of common stock from us is not exercised, and no shares of preferred stock will be outstanding.

Common Stock

Voting Rights

Holders of common stock will be entitled to one vote per share with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote except as described in the following paragraph. Holders of the common stock will not have cumulative voting rights in the election of directors.

We and each of our current parent companies, including GE and GECC, are grandfathered unitary savings and loan holding companies. As such, none of us is subject to the activity restrictions imposed generally on savings and loan holding companies and each of us is therefore permitted to engage in non-financial activities that would otherwise be prohibited. See “Regulation—Savings and Loan Holding Company Regulation—Activities.” In an effort to ensure that each of us preserves our status as a grandfathered unitary savings and loan holding company following this offering, our certificate of incorporation will provide that, until the earlier to occur of (i) such time as is immediately prior to the Split-off and (ii) the GE SLHC Deregistration, no stockholder or group (other than GE or its affiliates and certain other exempt persons) shall have the right to vote more than 4.99% of our capital stock entitled to vote generally in the election of directors.

Rights to Dividends

Subject to the prior rights of holders of preferred stock, if any, holders of common stock will be entitled to receive, on a pro rata basis, such dividends and distributions, if any, as may be lawfully declared from time to time by our board of directors. Declaration and payment of dividends will be subject to the discretion of our board of directors and, under the Master Agreement, until the GE SLHC Deregistration, will require the prior written approval of GECC.

Other Rights

Upon any liquidation, dissolution or winding up of our company, whether voluntary or involuntary, holders of common stock will be entitled to receive such assets as are available for distribution to stockholders after there will have been paid or set apart for payment of the full amounts necessary to satisfy any preferential or

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participating rights to which the holders of any outstanding series of preferred stock are entitled by the express terms of such series. The common stock sold in this offering will not have any preemptive, subscription, redemption, sinking fund or conversion rights. The outstanding shares of our common stock are, and the shares of common stock being offered hereby will be, upon payment for such shares, validly issued, fully paid and non-assessable. Our board of directors will have the authority to issue additional shares of authorized common stock, without stockholder approval, except as may be required by applicable stock exchange requirements.

Listing

We will apply to have the common stock listed on the NYSE under the symbol "SYF."

Preferred Stock

Our board of directors will have the authority, without stockholder approval, to issue preferred stock in one or more series and to fix the preferences, limitations and rights of the shares of each series, including:

- the designation of the series;
- the number of shares constituting the series;
- dividend rights;
- conversion or exchange rights; and
- the terms of redemption and liquidation preferences.

Under the Master Agreement, until such time as GE's beneficial ownership of our common stock decreases below 20%, the issuance of preferred stock will be subject to the prior written approval of GECC.

Anti-Takeover Effects of Provisions of the DGCL, Federal Reserve Board Regulations and Our Certificate of Incorporation and Bylaws

The DGCL, Federal Reserve Board regulations and our certificate of incorporation and bylaws contain provisions that may delay, deter, prevent or render more difficult a takeover attempt that our stockholders might consider to be in their best interests. Even in the absence of a takeover attempt, these provisions may also adversely affect the prevailing market price for our common stock if they are viewed as limiting the liquidity of our common stock or discouraging takeover attempts in the future.

Under the Master Agreement, until the GE SLHC Deregistration occurs, we may not adopt a shareholder rights plan or similar defensive measure, or amend our certificate of incorporation or bylaws, without GECC's prior written approval.

Federal Reserve Board Requirements

Under Federal Reserve Board regulations, takeover attempts, business combinations and certain acquisitions of our common stock may require the prior approval of or notice to the Federal Reserve Board. If a company seeks to acquire, either acting alone or in concert with others, 25% or more of any class of our voting stock, acquire control of the election or appointment of a majority of the directors on our board of directors, or exercise a controlling influence over our management or policies, it would be required to obtain the prior approval of the Federal Reserve Board. In addition, if any individual seeks to acquire, either acting alone or in concert with others, 25% or more of any class of our voting stock, the individual generally is required to provide 60 days' prior notice to the Federal Reserve Board. An individual (and also a company not otherwise required to obtain Federal Reserve Board approval to control us) is presumed to control us, and therefore generally required to provide 60 days' prior notice to the Federal Reserve Board, if the individual (or such company) acquires 10% or more of any class of our voting stock, although the individual (or such company) may seek to rebut the presumption of control based on the facts.

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Limitation on Voting of Common Stock

In an effort to ensure that each of us, GE and GECC preserves our status as a grandfathered unitary savings and loan holding company following this offering, our certificate of incorporation will provide that, until the earlier to occur of (i) such time as is immediately prior to the Split-off and (ii) the GE SLHC Deregistration, no stockholder or group (other than GE or its affiliates and certain other exempt persons) shall have the right to vote more than 4.99% of our capital stock entitled to vote generally in the election of directors.

Authorized but Unissued Common and Preferred Stock

The existence of authorized and unissued common and preferred stock may enable our board of directors to issue shares to persons friendly to current management, which could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and could thereby protect the continuity of our management and possibly deprive stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices. Under the Master Agreement, until such time as GE's beneficial ownership of our common stock decreases below 20%, we may not issue any common or preferred stock without GECC's prior written approval.

Board of Directors

Under the Master Agreement, until GE's beneficial ownership of our common stock decreases below 20%, the size of our nine-member board of directors may not be changed without the prior written approval of GECC.

Vacancies and newly-created directorships resulting from an increase (with GE's approval) in the number of directors will be filled by the vote of a majority of the directors, subject to GE's right under the Master Agreement to designate a certain number of persons for nomination for election as directors.

Our certificate of incorporation will provide that any director may be removed with or without cause by the affirmative vote of the holders of a majority in voting power of our outstanding common stock entitled to vote thereon (and any series of preferred stock entitled to vote in the election of directors).

Stockholder action

Our certificate of incorporation will provide that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Our certificate of incorporation will also provide that, except as required by law and subject to the rights of any holders of preferred stock, special meetings of our stockholders for any purpose or purposes may be called only: (i) by or at the direction of the board of directors, any committee of the board of directors, the Chairman of the board of directors or the Chief Executive Officer, (ii) by the secretary of the Company upon the written request of holders of a majority of our issued and outstanding common stock or (iii) by the secretary of the Company upon the written request of GE or any of its affiliates, provided that GE or any of its affiliates is a holder of our common stock and the GE SLHC Deregistration shall not have occurred. No business other than that stated in the notice will be transacted at any special meeting. These provisions may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance notice requirements for nominations of directors or other stockholder proposals

Our bylaws will require stockholders seeking to nominate persons for election as directors at an annual or special meeting of stockholders (other than GE exercising its right under the Master Agreement to designate persons for nomination), or to bring other business before an annual or special meeting (other than a matter brought under Rule 14a-8 under the Exchange Act), to provide timely notice in writing. To be timely, a stockholder's notice generally must be received by our corporate secretary, in the case of an annual meeting, no

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later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding annual meeting of stockholders. However, in the case of the annual meeting of stockholders to be held in 2015, or if the annual meeting is called for a date that is more than 30 days before or more than 70 days after that anniversary date, or in the case of a special meeting, to be timely a stockholder's notice must be received by our corporate secretary no earlier than the close of business on the 120th day prior to such meeting and not later than the close of business on the later of the 90th day prior to such meeting or the tenth day following the day on which public announcement is first made by us of the date of such meeting.

A stockholder's notice to our corporate secretary must be in proper written form and must set forth information related to the stockholder giving the notice and the beneficial owner (if any) on whose behalf the nomination is made, including:

- the name and record address of the stockholder and the beneficial owner;
- information as to the ownership by the stockholder and the beneficial owner of our capital stock, derivative instruments, short positions and related information;
- a representation that the stockholder is a holder of record of our stock entitled to vote at that meeting and that the stockholder intends to appear in person or by proxy at the meeting to propose such nomination or business; and
- a representation whether the stockholder or the beneficial owner intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding capital stock required to elect the nominee, or otherwise to solicit proxies from stockholders in support of such nomination or proposal.

As to each person whom the stockholder proposes to nominate for election as a director, the notice shall include, among other information, the following:

- all information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election contest, or otherwise required, pursuant to the Exchange Act;
- the person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;
- the person's written representation and agreement that: (i) except as has been disclosed to us, such person is not and will not become a party to any voting commitment or compensation, reimbursement or indemnification arrangement in connection with service as a director and (ii) such person would, if elected as a director, comply with all of our corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to our directors; and
- such other information as we request.

As to any other business that the stockholder proposes to bring before the meeting, the notice shall include, among other information, the following:

- a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions or bylaw amendment proposed for consideration), the reasons for conducting the business at the meeting and any material interest in such business of such stockholder and beneficial owner on whose behalf the proposal is made; and
- a description of all agreements, arrangements and understandings between the stockholder and beneficial owner and any other person or persons acting in concert with them in connection with the proposal.

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Exclusive forum

Our certificate of incorporation will provide that, unless we consent in writing to the selection of another forum, the Court of Chancery of the State of Delaware shall be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or employee to us or our stockholders, (iii) any action asserting a claim pursuant to the DGCL or (iv) any action asserting a claim governed by the internal affairs doctrine. Our certificate of incorporation will further provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to this provision. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable in such action.

Amendments to our governing documents

Under the Master Agreement, until the GE SLHC Deregistration, GECC's prior written approval is required for amendments to our certificate of incorporation and bylaws. Subject to GECC's approval (and any series of preferred stock entitled to vote thereon), our certificate of incorporation may be amended by the affirmative vote of majority of our board of directors and the holders of a majority of our outstanding common stock entitled to vote. Subject to GECC's approval, our bylaws may be amended by the affirmative vote of either a majority of our board of directors or holders of a majority of our outstanding common stock entitled to vote.

Provisions of Our Certificate of Incorporation Relating to Corporate Opportunities

In order to address potential conflicts of interest between GE and us, our certificate of incorporation will contain provisions regulating and defining the conduct of our affairs as they may involve GE and its officers, directors and/or employees, and our powers, rights, duties and liabilities and those of our officers, directors and stockholders in connection with our relationship with GE. In general, these provisions will recognize that we and GE may engage in the same or similar business activities and lines of business, have an interest in the same areas of corporate opportunities and will continue to have contractual and business relations with each other, including directors, officers and/or employees of GE serving as our directors or officers.

Our certificate of incorporation will provide that, subject to any written agreement to the contrary (including the Master Agreement), GE will have no duty to refrain from:

- engaging in the same or similar business activities or lines of business as us; or
- doing business with any of our clients, customers or vendors.

In addition, we may enter into and perform agreements with GE pursuant to which we and GE agree to engage in transactions, compete, refrain from competing or allocate opportunities and, subject to the provisions described below, no such agreement will be considered contrary to any fiduciary duty that GE may have to us or that any director or officer of the Company who is also a director, officer or employee of GE may have.

Our certificate of incorporation will provide that, except as otherwise agreed in writing between GE and us, if GE acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both us and GE, such corporate opportunity will belong to GE unless the corporate opportunity was expressly offered to GE in its capacity as a stockholder of us. GE will to the fullest extent permitted by law have satisfied its fiduciary duty with respect to such a corporate opportunity and will not be liable to us or our stockholders for breach of any fiduciary duty as our stockholder by reason of the fact that GE acquires or seeks the corporate opportunity for itself, directs that corporate opportunity to another person or does not otherwise communicate information regarding that corporate opportunity to us.

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If one of our directors and/or officers who is also a director, officer and/or employee of GE learns of a potential transaction or matter that may be a corporate opportunity for both us and GE, our certificate of incorporation will provide that, except as otherwise agreed in writing between GE and us, the director and/or officer will have satisfied his or her fiduciary duties to us and our stockholders with respect to the corporate opportunity, and we will have renounced our interest or expectancy in the corporate opportunity and waived any claim that such business opportunity constituted a corporate opportunity that should have been presented to us, if the director and/or officer acts in a manner consistent with the following policy:

- such a corporate opportunity offered to any of our directors who is not one of our officers and who is also a director, officer and/or employee of GE will belong to us only if that opportunity is expressly offered to that person solely in his or her capacity as our director, and otherwise will belong to GE; and
- such a corporate opportunity offered to any of our officers who is also a director, officer and/or employee of GE will belong to us, unless that opportunity is expressly offered to that person solely in his or her capacity as a director, officer and/or employee of GE, in which case that opportunity will belong to GE.

Except as otherwise agreed in writing between GE and us, if one of our officers and/or directors, who also serves as a director, officer and/or employee of GE, learns of a potential transaction or matter that may be a corporate opportunity for both us and GE in any manner not addressed above, our certificate of incorporation provides that the director and/or officer will have no duty to communicate or present that corporate opportunity to us and will not be liable to us or our stockholders for breach of fiduciary duty by reason of GE's actions with respect to that corporate opportunity and we will have renounced our interest or expectancy in the corporate opportunity and waived any claim that such business opportunity constituted a corporate opportunity that should have been presented to us.

For purposes of our certificate of incorporation, "corporate opportunities" will include, but are not limited to, business opportunities that we are financially able to undertake, that are, from their nature, in our line of business, are of practical advantage to us and are ones in which we would have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of GE or its officers, directors and/or employees will be brought into conflict with our self-interest.

By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our certificate of incorporation related to corporate opportunities that are described above.

Limitation of Liability and Indemnification Matters

Our certificate of incorporation will provide that, to the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director. Under the DGCL as it now reads, such limitation of liability is not permitted:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for payments of unlawful dividends or unlawful stock purchases or redemptions under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, that are incurred in connection with various actions, suits or proceedings, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, known as a derivative

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action, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification if the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our certificate of incorporation provides that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of us, or has or had agreed to become a director of us, or, while a director or officer of us, is or was serving at our request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, whether the basis of such proceeding is the alleged action of such person in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by us to the fullest extent authorized by the DGCL against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith. Our certificate of incorporation also provides that we will pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the provisions of the DGCL. These rights are not exclusive of any other right that any person may have or acquire under any statute, provision of our certificate of incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of these provisions will in any way diminish or adversely affect the rights of any director or officer of us under our certificate of incorporation in respect of any occurrence or matter arising prior to any such repeal or modification. Our certificate of incorporation also specifically authorizes us to grant similar indemnification rights to our employees or agents and our bylaws authorize us to maintain insurance on behalf of any person who is an officer, director, employee or agent.

The Master Agreement also provides for indemnification by us of GE and its directors, officers and employees for specified liabilities, including certain liabilities under the Securities Act.

In addition, GE maintains liability insurance for its directors and officers and for the directors and officers of its majority-owned subsidiaries, including us. This insurance provides for coverage, subject to certain exceptions, against non-indemnifiable loss from claims made against directors and officers in their capacity as such, including claims under the federal securities laws. Prior to the completion of this offering, we intend to obtain additional liability insurance for our directors and officers.

Prior to the completion of this offering, we expect to enter into an indemnification agreement with each of our directors and executive officers. The indemnification agreement will provide our directors and executive officers with contractual rights to indemnification and expense advancement rights under our bylaws, as well as contractual rights to additional indemnification as provided in the indemnification agreement.

Delaware Business Combination Statute

Our certificate of incorporation will contain a provision by which we expressly elect not to be governed by Section 203 of the DGCL, which is described below, until the moment in time, if ever, immediately following the time at which both of the following conditions exist: (i) Section 203 by its terms would, but for the terms of our certificate of incorporation, apply to us and (ii) there occurs a transaction following consummation of which GE no longer owns at least 15% of the voting power of our outstanding shares of voting stock. Our certificate of incorporation will provide that, at such time, we will automatically become subject to Section 203 of the DGCL. However, any person that acquires 15% or more of the voting power of our outstanding shares of voting stock in the same transaction in which GE ceases to own at least 15% of the voting power of our outstanding shares of voting stock will not be an interested stockholder under Section 203 as a result of that transaction.

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Section 203 of the DGCL provides that, subject to exceptions set forth therein, an interested stockholder of a Delaware corporation shall not engage in any business combination, including mergers or consolidations or acquisitions of additional shares of the corporation from the corporation, with the corporation for a three-year period following the time that such stockholder became an interested stockholder unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an “interested stockholder,” the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or
- at or subsequent to such time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise set forth in Section 203, an interested stockholder is defined to include:

- any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and
- the affiliates and associates of any such person.

Our election to not initially be subject to Section 203 may have positive or negative consequences, depending on the circumstances. Being subject to Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with us for a three-year period. Section 203 also may have the effect of preventing changes in our management. Section 203 also could make it more difficult to accomplish transactions which our stockholders may otherwise deem to be in their best interests. If the provisions of Section 203 were applicable, they may cause persons interested in acquiring us to negotiate in advance with our board of directors. In addition, because we did not elect to be initially subject to Section 203, GE, as a controlling stockholder, may find it easier to sell its controlling interest to a third party because Section 203 would not apply to such third party. The restrictions on business combinations set forth in Section 203 would not have been applicable to GE.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be .

DESCRIPTION OF CERTAIN INDEBTEDNESS

New Bank Term Loan Facility

Prior to the completion of this offering, we will enter into the New Bank Term Loan Facility with third party lenders that will provide \$ billion principal amount of unsecured term loans maturing in 2019. We expect to borrow the full amount available under the New Bank Term Loan Facility concurrent with the closing of this offering.

New GECC Term Loan Facility

Prior to the completion of this offering we will enter into the New GECC Term Loan Facility with GECC that will provide \$ billion principal amount of unsecured term loans maturing in 2019. We expect to borrow the full amount available under the New GECC Term Loan Facility concurrent with the closing of this offering.

New Senior Notes

We currently intend to issue approximately \$ billion of senior unsecured debt securities in one or more series shortly after the completion of this offering. The senior unsecured debt securities offering will be made pursuant to a separate prospectus. We cannot assure you that this offering will be completed or, if completed, on what terms it will be completed. The closing of this offering is not conditioned upon the closing of the Planned Debt Offering.

Securitized Financings

A significant portion of our funding historically has, and in the future is expected to, come from the securitization of credit card receivables and other loans generated by us in the ordinary course of business. The securitization of receivables is accomplished by a series of transfers of the receivables to be securitized to a trust, which in turn issues to third-party investors asset-backed securities that are collateralized by the receivables in the securitization trust. The proceeds from issuance are distributed to us through wholly owned indirect subsidiaries of Synchrony. The balance of our outstanding asset-backed securities held by unrelated third parties was \$15.4 billion at December 31, 2013 and \$17.2 billion at December 31, 2012. We currently have three securitization trusts, each of which has issued one or more series of asset-backed securities that remains outstanding: MNT, SFT, and GMT. For a discussion of our securitization activities, including contractual maturities and average excess spreads, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Funding Sources—Securitized Financings” and Note 8. *Deposits and Borrowings* to our combined financial statements.

Future Securitization Offerings

We currently expect to maintain the aggregate outstanding (e.g. drawn) balance of SFT, MNT and GMT asset-backed securities near current levels by extending series with private lenders prior to their maturities and/or issuing additional privately placed and, with respect to MNT publicly registered, asset-backed securities as existing series mature. In addition, for MNT and SFT, prior to the completion of this offering, we plan to enter into agreements securing commitments from private lenders to increase the amount of their asset-backed securities upon receipt of a draw request from us by an aggregate of approximately \$ billion, which will be accomplished through the issuance of new series of asset-backed securities and the amendment of certain existing series in MNT and SFT. The ability to draw on such commitments will be subject to the satisfaction of certain conditions, including the applicable securitization trust having sufficient collateral to support the asset-backed securities issuance and the absence of an early amortization event.

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Securitization Trusts

GE Capital Credit Card Master Note Trust

MNT was established in 2003 by RFS Holding, L.L.C, a subsidiary of RFS Holding, Inc., which is a wholly-owned subsidiary of Synchrony. At December 31, 2013, MNT held \$19.9 billion of Retail Card receivables originated by the Bank. At December 31, 2013, MNT had 20 series of asset-backed securities outstanding with an aggregate outstanding balance of \$13.0 billion. 13 MNT series were issued pursuant to public offerings and 7 were issued in private offerings to financial institutions and commercial paper conduits. Each of the outstanding publicly registered series of MNT asset-backed securities are rated by one or more of Moody's, S&P and/or Fitch. At December 31, 2013, there were no undrawn amounts with respect to any series (i.e., all series were currently drawn to their committed capacity).

GE Sales Finance Master Trust

SFT was established in 2012 by GE Sales Finance Holding, L.L.C., which is a wholly-owned indirect subsidiary of the Bank, to add securitization to the business's range of funding options for assets held on the Bank's consolidated balance sheet. At December 31, 2013, SFT held \$5.3 billion of Payment Solutions and CareCredit receivables originated by the Bank. At December 31, 2013, SFT had 4 series of asset-backed securities outstanding with an aggregate outstanding balance of \$2.0 billion. All of the series were issued pursuant to private offerings to financial institutions and commercial paper conduits. None of the outstanding series are rated by any rating agency. At December 31, 2013, there were no undrawn amounts with respect to any series.

GE Money Master Trust

GMT was established in 2007 as a subsidiary of GEM Holding, LLC, which is a subsidiary RFS Holding, Inc. (which is a wholly-owned subsidiary of Synchrony). At December 31, 2013, GMT held \$0.9 billion of Payment Solutions and CareCredit receivables originated by the Bank. At December 31, 2013, GMT had one series of asset-backed securities outstanding with an aggregate outstanding note balance of \$350 million. This series was issued in a private offering to a financial institution. At December 31, 2013, there were no undrawn amounts with respect to the sole series in GMT.

GECC as Servicer and Servicer Performance Guarantor

GECC currently acts as servicer with respect to MNT and its related series of asset-backed securities. If GECC defaults in its servicing obligations, an early amortization event could occur with respect to our MNT asset-backed securities and/or GECC could be replaced as servicer. Servicer defaults include, without limitation, the failure of the servicer to make any payment, transfer or deposit in accordance with the securitization documents, a material breach by the servicer of its representations, warranties or agreements made by the servicer under the securitization documents, the delegation by the servicer of its duties contrary to the securitization documents and the occurrence of certain insolvency events with respect to the servicer.

We currently perform substantially all of the servicing functions with respect to MNT pursuant to a sub-servicing arrangement with GECC. We expect that GECC will resign and assign its servicing obligations for MNT to us at the earlier of: (i) when all asset-backed securities that were outstanding as of the date of the amendment to the MNT program documents that enables the transfer of servicing to us is executed have been paid in full (which is expected to occur no later than 2019), or have been prepaid or redeemed, and (ii) the Expected GECC Servicer Assignment Date. Until the Expected GECC Servicer Assignment Date, our ability to service MNT's assets pursuant to the sub-servicing arrangement with GECC will be dependent on GECC not being terminated as servicer for a servicer default specified in the MNT program documents.

GECC currently acts as servicer performance guarantor for the Bank as servicer of SFT (in such capacity, the "SFT Servicer") and for the Bank as servicer of GMT (in such capacity, the "GMT Servicer"). Pursuant to the

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servicer performance guaranties for SFT and GMT, GECC has agreed to cause the due performance and observance by the SFT Servicer and the GMT Servicer (for so long as the SFT Servicer or the GMT Servicer, as applicable, or any affiliate of GECC is the servicer under the securitization documents) of all of the terms, covenants, conditions, agreements and undertakings of the SFT Servicer or the GMT Servicer, as applicable under the program agreements. Prior to the completion of this offering we expect to have entered into amendments to the documents governing each SFT series and the sole GMT series pursuant to which the noteholders will release GECC from its obligations as servicer performance guarantor and waive the related amortization event that would otherwise occur when the servicer performance guaranty is no longer in effect.

Early Amortization Events

All of our securitized financings include early repayment triggers, referred to as early amortization events, including events related to material breaches of representations, warranties or covenants, inability or failure of the Bank to transfer loans to the trusts as required under the securitization documents, failure to make required payments or deposits pursuant to the securitization documents, and certain insolvency-related events with respect to the related securitization depositor, GECC (solely with respect to MNT) or the Bank. In addition, an early amortization event will occur with respect to a series if the excess spread for such series falls below a specified minimum level. Excess spread is generally the amount by which income received by a trust during a collection period (including interest collections, fees and interchange proceeds) exceeds the fees and expenses of the trust during such collection period (including interest expense, servicing fees and charged-off receivables). An early amortization event would occur if excess spread falls below the specified minimum level because income on the trust's assets is too low and/or defaults and other expenses are too high. Following an early amortization event, principal collections on the loans in our trusts are applied to repay principal of the asset-backed securities rather than being available on a revolving basis to fund the origination activities of our business. The occurrence of an early amortization event also would limit or terminate our ability to issue future series out of the trust in which the early amortization event occurred. No early amortization event has occurred with respect to any of the securitized financings in MNT, SFT or GMT.

Existing Unsecured Credit Lines

On June 23, 2013, the Bank entered into a revolving credit agreement with Mizuho Corporate Bank, Ltd. (the "Mizuho Credit Agreement"), pursuant to which the Bank may borrow up to \$500 million (subject to satisfaction of customary borrowing conditions). Borrowings under the Mizuho Credit Agreement bear interest at a floating rate. The Mizuho Credit Agreement provides a 364-day revolving credit facility, which matures on June 22, 2014, but may be extended for 364 day periods upon the Bank's request and at Mizuho's sole discretion. The Mizuho Credit Agreement is unsecured and guaranteed by GECC and there were no borrowings outstanding under this agreement at December 31, 2013.

On February 26, 2013, the Bank entered into a revolving credit agreement with Sumitomo Mitsui Banking Corporation (the "Sumitomo Credit Agreement"), pursuant to which the Bank may borrow up to \$500 million (subject to satisfaction of customary borrowing conditions). Borrowings under the Sumitomo Credit Agreement bear interest at a floating rate. The Sumitomo Credit Agreement provides a 364-day revolving credit facility, which initially matured on February 25, 2014 but was extended by 364 days pursuant to its terms and is now subject to further extensions for 364-day periods upon the Bank's request and at Sumitomo's sole discretion. The Sumitomo Credit Agreement is unsecured and guaranteed by GECC and there were no borrowings outstanding under this agreement at December 31, 2013.

We currently anticipate that these agreements will be terminated in connection with or shortly after the completion of the Transactions.

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of our common stock in the public market or the exchange of our shares held by GE for shares of GE common stock in the Split-off after our initial public offering or the perception that such sales or exchange could occur could adversely affect the market price of our common stock and our ability to raise equity capital in the future on terms favorable to us (if needed). We cannot predict with certainty whether or when the Split-off will occur or if GE will otherwise dispose of its remaining shares of our common stock. We can make no prediction as to the effect, if any, that market sales of shares of common stock, or the Split-off or the availability of shares of common stock for sale or the exchange will have on the market price prevailing from time to time. We will apply to list our shares of common stock on the NYSE under the symbol “SYF.”

Sale of Restricted Shares

Upon completion of this offering, we will have outstanding _____ million shares of common stock, assuming the underwriters’ option to purchase additional shares of common stock from us is not exercised. All the shares of common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by or owned by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. As defined in Rule 144, an affiliate of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the issuer. Shares held by affiliates may not be resold in the absence of registration under the Securities Act or pursuant to an exemption from registration, including, among others, the exemption provided by Rule 144 under the Securities Act. At such time as these restricted shares become unrestricted and available for sale, the sale of these restricted shares, whether pursuant to Rule 144 or otherwise, may have a negative effect on the price of our common stock. Approximately _____ shares of our common stock will be beneficially owned by our officers, directors and other affiliates immediately after the completion of this offering.

Potential Future Sale or Distribution of Common Stock Held by GE

After the completion of this offering, GE will beneficially own _____ % of our outstanding common stock, assuming the underwriters’ option to purchase additional shares of common stock from us is exercised. GE has indicated that after this offering it currently is targeting to complete its exit from our business in 2015 through the Split-off and may exit our business through another Separation transaction. The Separation would be subject to various conditions, including receipt of any necessary bank regulatory and other approvals, the existence of satisfactory market conditions, and, in the case of a tax-free transaction, a private letter ruling from the IRS as to certain issues relating to, and an opinion of counsel confirming, the tax-free treatment of the transaction to GE and its shareholders. The conditions to any transaction involved in the Separation may not be satisfied in 2015 or thereafter, or GE may decide for any reason not to consummate the Separation in 2015 or thereafter.

See “Risk Factors—Risks Relating to Our Separation from GE—GE may not complete the Separation as planned or at all.”

We are unable to predict whether significant numbers of shares will be sold in the open market or otherwise in anticipation of or following any exchange, distribution or sales of our shares by GE.

Registration Statement on Form S-8

In addition to the issued and outstanding shares of our common stock, we intend to file a registration statement on Form S-8 to register an aggregate of approximately _____ shares of common stock reserved for issuance under our incentive programs. That registration statement will become effective upon filing and shares of common stock covered by such registration statement are eligible for sale in the public market immediately after the effective date of such registration statement (unless held by affiliates), subject to the lock-up agreements.

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Rule 144

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders), will be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year will be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the then-outstanding shares of our common stock, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume of our common during the four calendar weeks preceding such sale.

These sales are also subject to certain manner of sales provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, an employee, consultant or advisor who purchases shares of our common stock from us in connection with a compensatory stock or option plan or other written agreement is eligible to resell those shares 90 days after the effective date of the registration statement of which this prospectus forms a part in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period restriction, contained in Rule 144.

Lock-up Agreements

We, our executive officers and directors and GECCI have agreed with the underwriters pursuant to lock-up agreements that, subject to limited exceptions described in “Underwriters,” for a period of 180 days after the date of this prospectus, we and they will not, without the prior written consent of , on behalf of the underwriters, offer, pledge, sell, contract to sell, sell any option or contract to purchase or otherwise dispose of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, or in any manner transfer all or a portion of the economic consequences associated with the ownership of shares of common stock, or cause a registration statement covering any shares of common stock to be filed, without the prior written consent of the representatives of the underwriters. See “Underwriters.” The underwriters do not have any present intention or arrangement to release any shares of common stock subject to lock-up agreements prior to the expiration of the lock-up period.

Registration Rights

As described in “Arrangements Among GE, GECC and Our Company—Relationship with GE and GECC—Registration Rights Agreement,” we will enter into a registration rights agreement with GECC. We do not have any other contractual obligations to register our common stock.

CERTAIN U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion describes U.S. federal income and, to a limited extent, certain estate tax consequences to Non-U.S. Holders (as defined below) of ownership and disposition of our common stock. This discussion is limited to Non-U.S. Holders who hold our common stock as capital assets within the meaning of Section 1221 of the Code. This description is based on the Code, administrative pronouncements, judicial decisions and existing and proposed Treasury regulations, and interpretations of the foregoing, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. The description does not discuss all of the tax consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances. Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to you in light of your particular circumstances, nor does it discuss special tax provisions, which may apply to you and holders of your equity, if applicable, if you are subject to special treatment under U.S. federal income tax laws, such as for certain financial institutions or financial services entities, insurance companies, tax-exempt entities, dealers in securities or currencies, entities that are treated as partnerships for U.S. federal income tax purposes, “controlled foreign corporations,” “passive foreign investment companies,” former U.S. citizens or long-term residents, persons deemed to sell common stock under the constructive sale provisions of the Code, and persons that hold common stock as part of a straddle, conversion transaction, or other integrated investment. In addition, this discussion does not address the Medicare tax on certain investment income, any state, local or foreign tax laws or any U.S. federal tax law other than U.S. federal income tax law (such as gift tax laws).

You are urged to consult with your own tax advisor concerning the U.S. federal income tax consequences of acquiring, owning and disposing of our common stock, as well as the application of any state, local, and foreign income and other tax laws.

As used in this section, a “Non-U.S. Holder” is a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- any individual who is a citizen or resident of the United States,
- a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any State thereof or the District of Columbia,
- any estate the income of which is subject to U.S. federal income taxation regardless of its source, or
- any trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If you are an individual, you may, in certain cases, be deemed to be a resident alien, as opposed to a nonresident alien, by virtue of being present in the United States (i) for at least 183 days during the calendar year, or (ii) for at least 31 days in the calendar year and for an aggregate of at least 183 days during the three-year period ending in the current calendar year. For purposes of (ii), all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Resident aliens are subject to U.S. federal income tax as if they were U.S. citizens.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes is a beneficial owner of our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Special rules may apply if a Non-U.S. Holder is a “controlled foreign corporation” or “passive foreign investment company,” as defined under the Code, and to certain expatriates or former long-term residents of the United States. If you fall within any of the foregoing categories, you should consult with your own tax advisor about the tax consequences of acquiring, holding, and disposing of our common stock.

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U.S. Trade or Business Income

For purposes of the discussion below, dividends and gains on the sale, exchange or other disposition of our common stock will be considered to be “U.S. trade or business income” if such income or gain is:

- effectively connected with the Non-U.S. Holder’s conduct of a U.S. trade or business, and
- in the case of a treaty resident, attributable to a permanent establishment (or, in the case of an individual, a fixed base) maintained by the Non-U.S. Holder in the United States, if required by the applicable treaty.

Generally, U.S. trade or business income is subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation also may, under specific circumstances, be subject to an additional “branch profits tax” at a 30% rate (or a lower rate that may be specified by an applicable tax treaty).

Distributions on Common Stock

Distributions paid on our common stock will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. If a distribution exceeds our current or accumulated earnings and profits, such excess will constitute a return of capital that reduces, but not below zero, a Non-U.S. Holder’s tax basis in our common stock. Any remainder will constitute gain from the sale or exchange of our common stock. Dividends, if any, that are paid to a Non-U.S. Holder of our common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. However, subject to the discussions below on backup withholding and other withholding requirements, dividends that are U.S. trade or business income are not subject to the withholding tax. To claim an exemption from withholding in the case of U.S. trade or business income, or to claim the benefits of an applicable tax treaty, a Non-U.S. Holder must provide the applicable withholding agent with a properly executed IRS Form W-8ECI (in the case of U.S. trade or business income) or IRS Form W-8BEN (in the case of a treaty), or any successor form that the IRS designates, as applicable, prior to the payment of the dividends. These IRS forms must be periodically updated.

Dispositions of Common Stock

Subject to the discussions below on backup withholding and other withholding requirements, gain realized by a Non-U.S. Holder on a sale, exchange or other disposition of our common stock generally will not be subject to U.S. federal income or withholding tax, unless:

- the gain is U.S. trade or business income,
- the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of such disposition and certain other conditions are met, or
- we are, or have been, a U.S. real property holding corporation (a “USRPHC”) for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of our common stock and the Non-U.S. Holder’s holding period for our common stock.

Generally, a corporation is a USRPHC if the fair market value of its “United States real property interests” equals 50% or more of the sum of the fair market value of: (i) its worldwide real property interests and (ii) its other assets used or held for use in a trade or business. The tax relating to stock in a USRPHC does not apply to a Non-U.S. Holder whose holdings, actual and constructive, amount to 5% or less of our common stock at all times during the applicable period, provided that our common stock is regularly traded on an established securities market. We believe we are not currently a USRPHC, and do not anticipate being a USRPHC in the future. No assurance can be given, however, that we will not be a USRPHC or that our common stock will be considered regularly traded on an established securities market when a Non-U.S. Holder disposes of shares of our common stock. Non-U.S. Holders should consult with their tax advisors about the tax consequences that could result if we are, or become, a USRPHC.

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Federal Estate Taxes

Individual Non-U.S. Holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, the common stock will be treated as U.S. situs property subject to U.S. federal estate tax.

Backup Withholding and Information Reporting

Any dividends that are paid to a Non-U.S. Holder must be reported annually to the IRS and to the Non-U.S. Holder. Copies of these information returns also may be made available to the tax authorities of the country in which the Non-U.S. Holder resides under the provisions of various treaties or agreements for the exchange of information. Unless the Non-U.S. Holder is an exempt recipient, dividends paid on our common stock and the gross proceeds from a taxable disposition of our common stock may be subject to additional information reporting and may also be subject to U.S. federal backup withholding (at a rate of 28%) if such Non-U.S. Holder fails to comply with applicable U.S. information reporting and certification requirements. Provision of any IRS Form W-8 appropriate to the Non-U.S. Holder's circumstances will generally satisfy the certification requirements necessary to avoid the backup withholding tax as well.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules will be refunded by the IRS or credited against the Non-U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Other Withholding Requirements

Non-U.S. Holders of our common stock may be subject to U.S. withholding tax at a rate of 30% under Sections 1471 through 1474 of the Code (commonly referred to as "FATCA"). This withholding tax may apply if a Non-U.S. Holder (or any foreign intermediary that receives a payment on a Non-U.S. Holder's behalf) does not comply with certain U.S. informational reporting requirements. The payments potentially subject to this withholding tax include dividends on, and gross proceeds from the sale or other disposition of, our common stock. If FATCA is not complied with, the withholding tax described above will apply to dividends paid on or after July 1, 2014, and to gross proceeds from the sale or other disposition of our common stock on or after January 1, 2017. Non-U.S. Holders should consult their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

You should consult your own tax advisor as to particular tax consequences to you of acquiring, holding, and disposing of our common stock, including the applicability and effect of other U.S. federal, state, local or foreign tax laws, and of any proposed changes in applicable law.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom are acting as representatives, have severally agreed to purchase, and Synchrony has agreed to sell to them, severally, the number of shares of our common stock indicated below:

<u>Name</u>	<u>Number of Shares</u>
Goldman, Sachs & Co.	
J.P. Morgan Securities LLC	
Citigroup Global Markets Inc.	
Morgan Stanley & Co. LLC	
Barclays Capital Inc.	
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	

Goldman, Sachs & Co., J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are the joint book-running managers of this offering.

The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of our common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or this offering may be terminated.

The underwriters initially propose to offer part of the shares of our common stock directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of \$ a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of \$ a share to other underwriters or to certain dealers. After the initial offering of the shares of our common stock, the offering price and other selling terms may from time to time be varied by the representatives. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional shares of our common stock at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of our common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of our common stock listed next to the names of all underwriters in the preceding table.

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The underwriting discounts and commissions will be determined by negotiations among us and the representatives and are a percentage of the offering price to the public. Among the factors to be considered in determining the discounts and commissions will be the size of this offering, the nature of the security to be offered and the discounts and commissions charged in comparable transactions.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	<u>No Exercise</u>	<u>Full Exercise</u>
Per Share	\$	\$
Total	\$	\$

The estimated offering expenses are approximately \$, which includes legal, accounting and printing costs and various other fees associated with registering and listing our common stock. All offering expenses will be payable by us. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, Inc. of \$.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of shares of common stock offered by them.

We intend to apply to list our shares of common stock on the NYSE under the symbol "SYF." In order to meet one of the requirements for listing our common stock on the NYSE, the underwriters have undertaken to sell lots of 100 or more shares of common stock to a minimum of 400 beneficial holders.

A prospectus in electronic format may be made available on web sites maintained by one or more underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the joint book-running managers to underwriters that may make Internet distributions on the same basis as other allocations.

Each of the Company, its directors and executive officers, and GECFI has agreed that, subject to certain exceptions, without the prior written consent of , on behalf of the underwriters, it will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;
- file or cause to be filed any registration statement with the SEC relating to this offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock or such other securities,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

The 180-day restricted period described above is subject to extension such that, in the event that either (i) during the last 17 days of the 180-day restricted period, we issue an earnings release or material news or a material event relating to us occurs or (ii) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the "lock-up" restrictions described above subject to limited exceptions, will continue to apply until the expiration of

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the 18-day period beginning on the earnings release or the occurrence of the material news or material event. , in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate this offering of common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale or position may be either “covered” or “naked.” A short sale is covered if the aggregate short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares described above. The underwriters can close out a covered short sale by exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option to purchase additional shares described above. The underwriters may also sell shares in excess of their option to purchase additional shares, creating a naked short position to the extent of the excess. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in this offering, if the syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Restrictions with Respect to Investors Owning or Controlling More than 4.99% of Our Voting Stock

We and each of our current parent companies, including GE and GECC, are a grandfathered unitary savings and loan holding company. As such we are not subject to the activity restrictions imposed generally on savings and loan holding companies and are therefore permitted to engage in non-financial activities that would otherwise be prohibited. See “Regulation—Savings and Loan Holding Company Regulation—Activities.” In an effort to ensure that we preserve our status as a grandfathered unitary savings and loan holding company following this offering, we and the underwriters have agreed that we and the underwriters will not knowingly make a stock allocation in this offering to any investor (including any known subsidiary and affiliate) that results in an investor owning or controlling more than 4.99% of our capital stock entitled to vote generally in the election of directors that is outstanding following this offering. Further, our certificate of incorporation will provide that, until the earlier to occur of: (i) the time immediately prior to the Split-off and (ii) the GE SLHC Deregistration, no stockholder or group (other than GE or its affiliates and certain other exempt persons) shall have the right to vote more than 4.99% of our capital stock entitled to vote generally in the election of directors.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this

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prospectus comes are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), from and including the date on which the European Union Prospectus Directive (the “EU Prospectus Directive”) was implemented in that Relevant Member State (the “Relevant Implementation Date”) an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which 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 EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the EU Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an “offer of securities to the public” in relation to any securities 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 securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression “EU Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each underwriter 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 Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

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Hong Kong

The shares of common stock may not be offered or sold by means of any document other than: (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, (b) where no consideration is given for the transfer or (c) by operation of law.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”) and each underwriter has agreed that it will not offer or sell any shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (“Corporations Act”)) in relation to the common stock has been or will be lodged with the Australian Securities & Investments Commission (“ASIC”). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

- (i) a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- (ii) a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- (iii) a person associated with the company under section 708(12) of the Corporations Act; or
- (iv) a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the common stock for resale in Australia within 12 months of that common stock being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares of our common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

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Relationships with Underwriters

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and our affiliates, including GE and GECC, for which they received or will receive customary fees and expenses.

The underwriters in this offering are also lenders under the New Bank Term Loan and we expect that certain underwriters in this offering will participate in the Planned Debt Offering shortly after the completion of this offering.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) of ours and/or our affiliates, including GE and GECC. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price will be determined by negotiations among us and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price will be our future prospects and our industry in general, our net interest income and net earnings, and certain of our other financial operating information in recent periods, and the price-earnings ratios, price-to-book-value ratios, market prices of comparable companies and certain financial and operating information of companies engaged in activities similar to us. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The combined financial statements for Synchrony Financial and combined affiliates at December 31, 2013 and 2012, and for each of the years in the three-year period ended December 31, 2013 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to the common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits that are part of the registration statement. For further information with respect to us and our common stock, reference is made to the registration statement and exhibits thereto. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available for inspection and copying at the SEC's public reference rooms and the website of the SEC referred to above.

Neither we nor any of the underwriters has authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we may have referred you in connection with this offering. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Neither we nor any of the underwriters is making an offer to sell or seeking offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus and the information in any free writing prospectus that we may provide you in connection with this offering is accurate only as of the date of that free writing prospectus. Our business, financial condition, results of operations and future growth prospects may have changed since those dates.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Synchrony Financial:

We have audited the accompanying Combined Statements of Financial Position of Synchrony Financial and combined affiliates (“Synchrony”) as of December 31, 2013 and 2012, and the related Combined Statements of Earnings, Comprehensive Income, Changes in Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2013. These combined financial statements are the responsibility of Synchrony’s management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Synchrony as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Stamford, Connecticut
March 12, 2014

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Synchrony Financial and combined affiliates

Combined Statements of Earnings

For the years ended December 31 (\$ in millions)

	2013	2012	2011
Interest income:			
Interest and fees on loans (Note 5)	\$11,295	\$10,300	\$ 9,134
Interest on investment securities	18	9	7
Total interest income	<u>11,313</u>	<u>10,309</u>	<u>9,141</u>
Interest expense:			
Interest on deposits	374	362	351
Interest on borrowings of consolidated securitization entities	211	228	248
Interest on related party debt (Note 14)	157	155	333
Total interest expense	<u>742</u>	<u>745</u>	<u>932</u>
Net interest income	10,571	9,564	8,209
Retailer share arrangements	<u>(2,362)</u>	<u>(1,975)</u>	<u>(1,430)</u>
Net interest income, after retailer share arrangements	8,209	7,589	6,779
Provision for loan losses (Note 5)	<u>3,072</u>	<u>2,565</u>	<u>2,258</u>
Net interest income, after retailer share arrangements and provision for loan losses	<u>5,137</u>	<u>5,024</u>	<u>4,521</u>
Other income:			
Interchange revenue	325	288	237
Debt cancellation fees	324	309	319
Loyalty programs	(213)	(199)	(198)
Other	52	75	140
Total other income	<u>488</u>	<u>473</u>	<u>498</u>
Other expense:			
Employee costs	698	620	596
Professional fees	485	450	431
Marketing and business development	208	155	164
Information processing	193	165	157
Other	899	731	661
Total other expense	<u>2,483</u>	<u>2,121</u>	<u>2,009</u>
Earnings before provision for income taxes	3,142	3,376	3,010
Provision for income taxes (Note 13)	<u>(1,163)</u>	<u>(1,257)</u>	<u>(1,120)</u>
Net earnings	<u>\$ 1,979</u>	<u>\$ 2,119</u>	<u>\$ 1,890</u>

See accompanying notes.

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Synchrony Financial and combined affiliates

Combined Statements of Comprehensive Income

<i>For the years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net earnings	<u>\$1,979</u>	<u>\$2,119</u>	<u>\$1,890</u>
Other comprehensive income (loss)			
Investment securities	(10)	2	3
Currency translation adjustments	(4)	2	35
Other	(1)	—	1
Other comprehensive income (loss)	<u>(15)</u>	<u>4</u>	<u>39</u>
Comprehensive income	<u>\$1,964</u>	<u>\$2,123</u>	<u>\$1,929</u>

Amounts presented net of taxes.

See accompanying notes.

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Synchrony Financial and combined affiliates

Combined Statements of Financial Position

At December 31 (\$ in millions)

	2013	2012
Assets		
Cash and equivalents	\$ 2,319	\$ 1,334
Investment securities (Note 4)	236	193
Loan receivables: (Notes 5 and 6)		
Unsecuritized loans held for investment	31,183	26,938
Restricted loans of consolidated securitization entities	26,071	25,375
Total loan receivables	57,254	52,313
Less: Allowance for loan losses	(2,892)	(2,274)
Loan receivables, net	54,362	50,039
Goodwill (Note 7)	949	936
Intangible assets, net (Note 7)	300	255
Other assets ^(a)	919	705
Total assets	<u>\$59,085</u>	<u>\$53,462</u>
Liabilities and Equity		
Deposits: (Note 8)		
Interest bearing deposit accounts	\$25,360	\$18,398
Non-interest bearing deposit accounts	359	406
Total deposits	25,719	18,804
Borrowings: (Notes 6 and 8)		
Borrowings of consolidated securitization entities	15,362	17,208
Related party debt (Note 14)	8,959	10,607
Total borrowings	24,321	27,815
Accrued expenses and other liabilities	3,085	2,261
Total liabilities	<u>\$53,125</u>	<u>\$48,880</u>
Equity:		
Parent's net investment	\$ 5,973	\$ 4,580
Accumulated other comprehensive income:		
Investment securities	(9)	1
Currency translation adjustments	(3)	1
Other	(1)	—
Total equity	<u>5,960</u>	<u>4,582</u>
Total liabilities and equity	<u>\$59,085</u>	<u>\$53,462</u>

(a) Other assets include restricted cash of \$76 million and \$56 million at December 31, 2013 and 2012, respectively.

See accompanying notes.

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Synchrony Financial and combined affiliates

Combined Statements of Changes in Equity

<i>(\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Beginning balance at January 1	\$4,582	\$ 4,328	\$ 4,306
Increases from net earnings	1,979	2,119	1,890
Change in Parent's net investment	(586)	(1,869)	(1,907)
Other comprehensive income (loss)	(15)	4	39
Total equity balance at December 31	<u>\$5,960</u>	<u>\$ 4,582</u>	<u>\$ 4,328</u>

See accompanying notes.

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Synchrony Financial and combined affiliates

Combined Statements of Cash Flows

For the years ended December 31 (\$ in millions)

	2013	2012	2011
Cash flows—operating activities			
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
Adjustments to reconcile net earnings to cash provided from operating activities			
Provision for loan losses	3,072	2,565	2,258
Deferred income taxes	(237)	(18)	128
Depreciation and amortization	104	83	96
Increase in interest and fee receivable	(152)	(541)	(392)
Decrease in other assets	40	1,180	1,045
Increase in accrued expenses and other liabilities	810	189	561
All other operating activities	63	60	(70)
Cash from operating activities	<u>5,679</u>	<u>5,637</u>	<u>5,516</u>
Cash flows—investing activities			
Maturity and redemption of investment securities	40	40	17
Purchases of investment securities	(100)	(31)	(94)
Acquisitions of loan receivables	(206)	(815)	(822)
Net cash from principal business purchased (Note 3)	6,393	—	—
Net (increase) decrease in restricted cash	(20)	(17)	48
Net increase in loans held for investment	(7,355)	(5,902)	(5,666)
Proceeds from sale of loan receivables	289	379	1,810
Proceeds from sale of business	—	—	1,378
Proceeds from sale of discontinued business	—	—	1,775
All other investing activities	(107)	(106)	(16)
Cash used for investing activities	<u>(1,066)</u>	<u>(6,452)</u>	<u>(1,570)</u>
Cash flows—financing activities			
Increase in borrowings of consolidated securitization entities			
Proceeds from issuance of securitized debt	866	7,799	3,958
Maturities and repayment of securitized debt	(2,708)	(4,775)	(2,599)
Net decrease in related party debt	(1,649)	(1,099)	(6,405)
Net increase in deposits	481	972	4,034
Net transfers to Parent	(586)	(1,869)	(1,907)
All other financing activities	(32)	(66)	(59)
Cash (used for) from financing activities	<u>(3,628)</u>	<u>962</u>	<u>(2,978)</u>
Increase in cash and equivalents	985	147	968
Cash and equivalents at beginning of year	1,334	1,187	219
Cash and equivalents at end of year	<u>\$ 2,319</u>	<u>\$ 1,334</u>	<u>\$ 1,187</u>
Supplemental disclosure of cash flow information			
Cash paid during the year for interest ^(a)	\$ (729)	\$ (736)	\$ (930)
Cash paid during the year for income taxes	(1,183)	(228)	(101)

(a) Assumes all interest expense accrued on related party debt was paid during the year.

See accompanying notes.

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Synchrony Financial and combined affiliates

Notes to Combined Financial Statements

NOTE 1. FORMATION OF THE COMPANY

Synchrony Financial (the “Company”) provides a range of credit products through programs it has established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers. The Company is a holding company for the legal entities that historically conducted General Electric Company’s (“GE”) North American retail finance business. The Company was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013, conducted no business. During the period from April 1, 2013 to September 30, 2013, substantially all of the assets and operations of GE’s North American retail finance business, including GE Capital Retail Bank (the “Bank”), were transferred to the Company. The remaining assets and operations of that business have been or will be transferred to the Company prior to the completion of the Company’s proposed initial public offering of its common stock (the “IPO”).

On April 1, 2013, the Company became the new parent holding company of the Bank as a result of a contribution of the Bank’s shares by its immediate parent company, GE Consumer Finance, Inc. (“GECFI”). Between April 1, 2013 and October 15, 2013, (i) GECFI contributed the stock of RFS Holding, Inc., GEC RF Global Services Philippines, Inc. and Retail Finance International Holdings, Inc. to the Company, (ii) the Company formed Retail Finance Credit Services LLC and Retail Finance Servicing LLC and (iii) the Company and its subsidiaries acquired from affiliates of GE their interests in CareCredit LLC, GE Global Servicing Private Limited, as well as certain receivables and other tangible and intangible assets related to the North American retail finance business. Our financial statements combine all of the Company’s subsidiaries and certain accounts of other GECC subsidiaries that were historically managed as part of the Company’s business.

The Company was originally incorporated under the name “GESF-E Inc.,” and has changed its name several times, most recently in March 2014 to Synchrony Financial. References to the Company, “we,” “us” and “our” are to Synchrony Financial and its combined subsidiaries unless the context otherwise requires.

The Company currently is wholly-owned by GECFI, which is wholly-owned by General Electric Capital Corporation (“GECC”), and all of the common stock of GECC in turn is owned by GE.

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The accompanying combined financial statements were prepared in conformity with U.S. generally accepted accounting principles (“GAAP”).

Basis of Presentation

The accompanying combined financial statements were prepared in connection with the proposed IPO. These financial statements present the combined results of operations, financial condition and cash flows of the Company, which is under the control of GECC. The Combined Statements of Earnings reflect intercompany expense allocations made to us by GE and GECC for certain corporate functions and for shared services historically provided by GE and GECC. Where possible, these allocations were made on a specific identification basis, and in other cases these expenses were allocated by GE and GECC based on relative percentages of net operating costs or some other basis depending on the nature of the allocated cost. See Note 14. *Related Party Transactions and Parent’s Net Investment* for further information on expenses allocated by GE and GECC.

The historical financial results in the combined financial statements presented may not be indicative of the results that would have been achieved had we operated as a separate, stand-alone entity during those periods. The

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combined financial statements presented do not reflect any changes that may occur in our financing and operations in connection with or as a result of the IPO. Management has not provided an estimate of the costs that would have been incurred had the Company been independent of GE and GECC because it is impracticable to do so. We believe that the combined financial statements include all adjustments necessary for a fair presentation of the business. Unless otherwise indicated, information in these combined financial statements relates to continuing operations.

We conduct our operations within the United States and Canada. Substantially all of our revenues are from U.S. customers. The operating activities conducted by our non-U.S. affiliates use the local currency as their functional currency. The effects of translating the financial statements of these non-U.S. affiliates to U.S. dollars are included in equity. Asset and liability accounts are translated at year-end exchange rates, while revenues and expenses are translated at average rates for the respective periods.

Preparing financial statements in conformity with U.S. GAAP requires us to make estimates based on assumptions about current, and for some estimates future, economic and market conditions (for example, unemployment, housing, interest rates and market liquidity) which affect reported amounts and related disclosures in our combined financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, as appropriate, it is reasonably possible that actual conditions could be different than anticipated in those estimates, which could materially affect our results of operations and financial position. Among other effects, such changes could result in future impairments of investment securities, goodwill, intangible assets and long-lived assets, incremental losses on loan receivables, increases in reserves for contingencies, establishment of valuation allowances on deferred tax assets and increased tax liabilities.

Combined Financial Statements

Our financial statements combine all of our subsidiaries (i.e., entities in which we have a controlling financial interest (typically because we hold a majority voting interest)) and certain accounts of other GECC subsidiaries that were historically managed as part of our business.

To determine if we hold a controlling financial interest in an entity, we first evaluate if we are required to apply the variable interest entity (“VIE”) model to the entity, otherwise the entity is evaluated under the voting interest model. Where we hold current or potential rights that give us the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance (“power”) combined with a variable interest that gives us the right to receive potentially significant benefits or the obligation to absorb potentially significant losses (“significant economics”), we have a controlling financial interest in that VIE. Rights held by others to remove the party with power over the VIE are not considered unless one party can exercise those rights unilaterally. We consolidate certain securitization entities under the VIE model because we have both power and significant economics. See Note 6. *Variable Interest Entities*.

Segment Reporting

We conduct our operations through a single business segment. Pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 280, *Segment Reporting*, operating segments represent components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in determining how to allocate resources and in assessing performance. The chief operating decision maker uses a variety of measures to assess the performance of the business as a whole, depending on the nature of the activity. Revenue activities are managed through three sales platforms (Retail Card, Payment Solutions and CareCredit). Those platforms are organized by the types of partners we work with to reach our customers, with success principally measured based on revenues, new accounts and other cardholder sales metrics. Detailed profitability information of the nature that could be used to allocate resources and assess the performance and operations for each sales platform individually, however, is not used by our chief operating decision maker. Expense activities, including funding costs, loan losses and operating expenses, are not measured for each platform but instead are managed for the Company as a whole.

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Cash and Equivalents

Debt securities, money market instruments and bank deposits with original maturities of three months or less are included in cash equivalents unless designated as available-for-sale and classified as investment securities.

Restricted Cash

Restricted cash represents cash and equivalents that are not available to us due to restrictions related to its use. The Bank is required to maintain reserves against its deposit liabilities in the form of vault cash and/or balances with the Federal Reserve Bank. In addition, under certain circumstances, our securitization entities are required to fund segregated accounts that may only be used for certain purposes, including repayment of maturing debt. We include our restricted cash in other assets in our Combined Statements of Financial Position.

Investment Securities

We report investments in debt and marketable equity securities at fair value. See Note 9 *Fair Value Measurements* for further information on fair value. Unrealized gains and losses on these investment securities, which are classified as available-for-sale, are included in equity, net of applicable taxes. We regularly review investment securities for impairment using both quantitative and qualitative criteria.

For debt securities, if we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate other qualitative criteria to determine whether we do not expect to recover the amortized cost basis of the security, such as the financial health of and specific prospects for the issuer, including whether the issuer is in compliance with the terms and covenants of the security. We also evaluate quantitative criteria including determining whether there has been an adverse change in expected future cash flows. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to be other-than-temporarily impaired, and we record the difference between the security's amortized cost basis and its recoverable amount in earnings and the difference between the security's recoverable amount and fair value in other comprehensive income. If we intend to sell the security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, the security is also considered other-than-temporarily impaired and we recognize the entire difference between the security's amortized cost basis and its fair value in earnings. For equity securities, we consider the length of time and magnitude of the amount that each security is in an unrealized loss position. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to be other-than-temporarily impaired, and we record the difference between the security's amortized cost basis and its fair value in earnings.

Realized gains and losses are accounted for on the specific identification method.

Loan Receivables

Loan receivables primarily consist of open-end consumer revolving credit card accounts, closed-end consumer installment loans, and open-end commercial revolving credit card accounts. Loan receivables are reported at the amounts due from customers, including unpaid interest and fees.

Allowance for Loan Losses

Losses on loan receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. The method for calculating the best estimate of probable losses takes into account our historical experience adjusted for current conditions with each product and customer type and our judgment concerning the probable effects of relevant observable data, trends and market factors.

We evaluate each portfolio for impairment quarterly. For credit card receivables, our estimation process includes analysis of historical data, and there is a significant amount of judgment applied in selecting inputs and analyzing

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the results produced by the models to determine the allowance. We use a migration analysis to estimate the likelihood that a loan will progress through the various stages of delinquency. The migration analysis considers uncollectible principal, interest and fees reflected in the loan receivables. We use other analyses to estimate losses incurred on non-delinquent accounts. The considerations in these analyses include past performance, risk management techniques applied to various accounts, historical behavior of different account vintages, current economic conditions, recent trends in delinquencies, bankruptcy filings, account collection management, policy changes, account seasoning, loan volume and amounts, payment rates, forecasting uncertainties, and a qualitative assessment of the adequacy of the allowance for losses, which compares this allowance for losses to projected net charge-offs over the next twelve months, in a manner consistent with regulatory guidance. We regularly review our collection experience (including delinquencies and net charge-offs) in determining our allowance for loan losses. We also consider our historical loss experience to date based on actual defaulted loans and overall portfolio indicators including delinquent and non-accrual loans, trends in loan volume and lending terms, credit policies and other observable environmental factors such as unemployment and home price indices.

The underlying assumptions, estimates and assessments we use to provide for losses are updated periodically to reflect our view of current conditions and are subject to the regulatory examination process, which can result in changes to our assumptions. Changes in such estimates can significantly affect the allowance and provision for losses. It is possible that we will experience credit losses that are different from our current estimates. Charge-offs are deducted from the allowance for losses when we judge the principal to be uncollectible and subsequent recoveries are added to the allowance at the time cash is received on a charged-off account.

Delinquent receivables are those that are 30 days or more past due based on their contractual payments. "Non-accrual" loan receivables are those on which we have stopped accruing interest. We continue to accrue interest until the earlier of the time at which collection of an account becomes doubtful or the account becomes 180 days past due, with the exception of non-credit card accounts, for which we stop accruing interest in the period that the account becomes 90 days past due.

Beginning in the fourth quarter of 2013, we revised our methods of classifying loan receivables as non-accrual to more closely align with regulatory guidance. As a result we continue to accrue interest on credit card balances until they reach 180 days past due. Previously, we stopped accruing interest on credit cards when the accounts became 90 days past due. As a result of this revision, credit card receivables of \$949 million that were previously classified as non-accrual were returned to accrual status in the fourth quarter of 2013. This revision did not have a material effect on earnings for the year ended December 31, 2013.

"Impaired" loans represent restructured loans for which it is probable that we will be unable to collect all amounts due according to the original contractual terms of the loan agreement and meeting the definition of a troubled debt restructuring ("TDR"). TDRs are those loans for which we have granted a concession to a borrower experiencing financial difficulties where we do not receive adequate compensation.

The same loan receivable may meet more than one of the definitions above. Accordingly, these categories are not mutually exclusive and it is possible for a particular loan to meet the definitions of a TDR, impaired loan and non-accrual loan and be included in each of these categories. The categorization of a particular loan also may not be indicative of the potential for loss.

Loan Modifications and Restructurings

Our loss mitigation strategy is intended to minimize economic loss and, at times, can result in rate reductions, principal forgiveness, extensions or other actions, which may cause the related loan to be classified as a TDR and also as impaired. We utilize short-term (3 to 12 months) or long term (12 to 60 months) modification programs to borrowers experiencing financial difficulty as a loss mitigation strategy to improve long-term collectability of the loans that are classified as TDRs. For our credit card customers, the short term program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no longer than 12 months. The long term program involves changing the structure of the loan to a fixed payment loan with a maturity no longer

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than 60 months and reducing the interest rate on the loan. The long term program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for customers who request financial assistance through external sources, such as a consumer credit counseling agency program. The loans that are modified typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The determination of whether these changes to the terms and conditions meet the TDR criteria includes our consideration of all relevant facts and circumstances. See Note 5. *Loan Receivables and Allowance for Loan Losses* for additional information on our loan modifications and restructurings.

Our allowance for loan losses on TDRs is generally measured based on the difference between the recorded loan receivable and the present value of the expected future cash flows, discounted at the original effective interest rate of the loan. If the loan is collateral dependent, we measure impairment based upon the fair value of the underlying collateral less estimated selling costs.

Data related to redefault experience is also considered in our overall reserve adequacy review. Once the loan has been modified, it returns to current status (re-aged) only after three consecutive minimum monthly payments are received post modification date, subject to a re-aging limitation of once a year, or twice in a five-year period in accordance with the Federal Financial Institutions Examination Council ("FFIEC") guidelines on Uniform Retail Credit Classification and Account Management policy issued in June 2000. We believe that the allowance for loan losses would not be materially different had we not re-aged these accounts.

Charge-Offs

Net charge-offs consist of the unpaid principal balance of loans held for investment that we determine are uncollectible, net of recovered amounts. We exclude accrued and unpaid finance charges, fees and third party fraud losses from charge-offs. Charged-off and recovered accrued and unpaid finance charges and fees are included in interest and fees on loans while fraud losses are included in other expense. Charge-offs are recorded as a reduction to the allowance for loan losses and subsequent recoveries of previously charged-off amounts are credited to the allowance for loan losses. Costs incurred to recover charged-off loans are recorded as collection expense and are included in other expense in our Combined Statements of Earnings.

We charge-off unsecured closed-end consumer installment loans and loans secured by collateral when they are 120 days contractually past due and unsecured open-ended revolving loans at 180 days contractually past due. Unsecured consumer loans in bankruptcy are charged-off within 60 days of notification of filing by the bankruptcy court or within contractual charge-off periods, whichever occurs earlier. Credit card loans of deceased account holders are charged-off within 60 days of receipt of notification.

Goodwill and Intangible Assets

We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is defined under GAAP as the operating segment, or one level below that operating segment (the component level) if discrete financial information is prepared and regularly reviewed by segment management. Our operating segment comprises a single reporting unit, based on the level at which segment management regularly reviews and measures the business operating results.

Goodwill impairment risk is first assessed under FASB Accounting Standards Update ("ASU") No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment* by performing a qualitative review of entity-specific, industry, market and general economic factors for our reporting unit. If potential goodwill impairment risk exists that indicates that it is more likely than not that the carrying value of our reporting unit exceeds its fair value, we apply a two-step quantitative test. The first step compares the reporting unit's estimated fair value with its carrying value. If the carrying value of our reporting unit's net assets exceeds its fair value, the second step is applied to measure the difference between the carrying value and implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, the goodwill is considered

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impaired and reduced to its implied fair value. The qualitative assessment for each period presented in the combined financial statements was performed without hindsight, assuming only factors and market conditions existing as of those dates, and resulted in no potential goodwill impairment risk for our reporting unit. Consequently, goodwill was not deemed to be impaired for any of the periods presented.

Definite-lived intangible assets principally consist of customer-related assets including contract acquisitions and purchased credit card relationships. These assets are amortized over their estimated useful lives and evaluated for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The evaluation compares the cash inflows expected to be generated from each intangible asset to its carrying value. If cash flows attributable to the intangible asset are less than the carrying value, the asset is considered impaired and written down to its estimated fair value. No impairments of definite-lived intangible assets have been recognized in the periods presented in the combined financial statements.

Revenue Recognition

Interest and Fees on Loans

We use the effective interest method to recognize income on loans. Interest on loans is comprised largely of interest and late fees on credit card and other loans. Interest income is recognized based upon the amount of loans outstanding and their contractual interest rate. Late fees are recognized when billable to the customer. We continue to accrue interest and fees on credit cards until the accounts are charged-off in the period the account becomes 180 days past due. For non-credit card loans, we stop accruing interest and fees when the account becomes 90 days past due. Previously recognized interest income that was accrued but not collected from the customer is reversed. Although we stop accruing interest in advance of payments, we recognize interest income as cash is collected when appropriate, provided the amount does not exceed that which would have been earned at the historical effective interest rate; otherwise, payments received are applied to reduce the principal balance of the loan.

We resume accruing interest on non-credit card loans when the customer's account is less than 90 days past due and collection of such amounts is probable. Interest accruals on modified loans that are not considered to be TDRs may return to current status (re-aged) only after receipt of at least three consecutive minimum monthly payments subject to a re-aging limitation of once a year, or twice in a five-year period.

Direct loan origination costs on credit card loans are deferred and amortized on a straight-line basis over a one-year period, or the life of the loan for other loan receivables, and are included in interest and fees on loans in our Combined Statements of Earnings. See Note 5. *Loan Receivables and Allowance for Loan Losses* for further detail.

Other loan fees including returned check, cash advance and other miscellaneous fees are recognized net of waivers and charge-offs when the related transaction or service is provided, and are included in other income in our Combined Statements of Earnings.

Promotional Financing

Loans originated with promotional financing may include deferred interest (interest accrues during a promotional period and becomes payable if the full purchase amount is not paid off during the promotional period), no interest (no interest accrues during a promotional period but begins to accrue thereafter on any outstanding amounts at the end of the promotional period) and reduced interest (interest accrues monthly at a promotional interest rate during the promotional period). For deferred interest financing, we bill interest to the borrower, retroactive to the inception of the loan, if the loan is not repaid prior to the specified date. Income is recognized on such loans when it is billable. In almost all cases, our retail partner will pay an upfront fee or reimburse us to compensate us for all or part of the costs associated with providing the promotional financing. Upfront fees are deferred and accreted to income over the promotional period. Reimbursements are estimated and accrued as income over the promotional period.

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Purchased Loans

Loans acquired by purchase are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the acquired loans. As a result, the allowance for losses is not carried over at acquisition. For loans acquired with evidence of credit deterioration, the excess of cash flows expected at acquisition over the initial acquisition cost is recognized into interest income over their remaining lives using the effective interest method. Subsequent decreases to the expected cash flows for these loans require us to evaluate the need for an allowance for credit losses. Subsequent improvements in expected cash flows are recognized into interest income prospectively. For other acquired loans, the excess of contractually required cash flows over the initial acquisition cost is recognized into interest income over the remaining lives using the effective interest method. Subsequent increases in incurred losses for these loans require us to evaluate the need for an allowance for credit losses. Our evaluation of the amount of future cash flows expected to be collected is performed in a similar manner as that used to determine our allowance for loan losses.

Retailer Share Arrangements

Most of our Retail Card program agreements and certain other program agreements contain retailer share arrangements that provide for payments to our partners if the economic performance of the program exceeds a contractually defined threshold. Although the share arrangements vary by partner, these arrangements are generally structured to measure the economic performance of the program, based typically on agreed upon program revenues (including interest income and certain other income) less agreed upon program expenses (including interest expense, provision for credit losses, retailer payments and operating expenses), and share portions of this amount above a negotiated threshold. These thresholds and the economic performance of a program are based on, among other things, agreed upon measures of program expenses. On a quarterly basis, we make a judgment as to whether it is probable that the performance threshold will be met under a particular retail partner's retailer share arrangement. The current period's estimated contribution to that ultimate expected payment is recorded as a liability. To the extent facts and circumstances change and the cumulative probable payment for prior months has changed, a cumulative adjustment is made to align the retailer share arrangement liability balance with the amount considered probable of being paid relating to past periods.

Loyalty Programs

Our loyalty programs are designed to generate increased purchase volume per customer while reinforcing the value of our credit cards and strengthening cardholder loyalty. These programs typically provide cardholders with rewards in the form of merchandise discounts that are earned by achieving a pre-set spending level on their private label or Dual Card. Other programs provide cashback or reward points, which are redeemable for a variety of products or awards. These programs are primarily in our Retail Card platform. We establish a rewards liability based on points and merchandise discounts earned that are ultimately expected to be redeemed and the average cost per point redemption. The rewards liability is included in accrued expenses and other liabilities in our Combined Statements of Financial Position. Cash rebates are earned based on a tiered percentage of purchase volume. As points and discounts are redeemed or cash rebates are issued, the rewards liability is relieved. The estimated cost of loyalty programs is classified as a reduction to other income in our Combined Statements of Earnings.

Fraud Losses

We experience third party fraud losses from the unauthorized use of credit cards and when loans are obtained through fraudulent means. Transactions suspected of third party fraud are included as a charge within other expense in our Combined Statements of Earnings, after the investigation period has completed, net of recoveries.

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Income Taxes

We are included in the consolidated U.S. federal and state income tax returns of GE, where applicable, but also file certain separate state and foreign income tax returns. The tax provision and current and deferred tax balances have been presented on a separate company basis as if we were a separate filer. The effects of tax adjustments and settlements from taxing authorities are presented in our financial statements in the period to which they relate as if we were a separate filer. Our current obligations for taxes are settled with our parent on an estimated basis and adjusted in later periods as appropriate and are reflected in our financial statements in the periods in which those settlements occur. We recognize the current and deferred tax consequences of all transactions that have been recognized in the financial statements using the provisions of the enacted tax laws. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse. We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. See Note 13. *Income Taxes* for additional detail.

Fair Value Measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- Level 1— Quoted prices for identical instruments in active markets.
- Level 2— Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3— Significant inputs to the valuation model are unobservable.

We maintain policies and procedures to value instruments using the best and most relevant data available. In addition, we have risk management teams that review valuation, including independent price validation for certain instruments. We use non-binding broker quotes and other third-party pricing services as our primary basis for valuation when there is limited or no relevant market activity for a specific instrument or for other instruments that share similar characteristics. We have not adjusted prices we have obtained.

As is the case with our primary pricing vendor, third party brokers and other third party pricing services do not provide us access to their proprietary valuation models, inputs and assumptions. Accordingly, our risk management personnel conduct reviews of these brokers and services, as applicable, similar to the reviews performed of our primary pricing vendor. In addition, we conduct internal reviews of pricing for all investment securities on a quarterly basis to ensure reasonableness of valuations used in the combined financial statements. These reviews are designed to identify prices that appear stale, those that have changed significantly from prior valuations, and other anomalies that may indicate that a price may not be accurate. Based on the information available, we believe that the fair values provided by the primary pricing vendor, third party brokers and other third-party pricing services are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy.

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Recurring Fair Value Measurements

Our investments in debt and equity securities are measured at fair value every reporting period on a recurring basis.

Non-Recurring Fair Value Measurements

Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an on-going basis but are subject to fair value adjustments only in certain circumstances. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs.

Repossessed assets and cost method investments are currently the only significant categories of assets which are accounted for at fair value on a non-recurring basis.

Financial Instruments Carried at Other than Fair Value

The following paragraph describes the valuation methodologies we use to measure our financial instruments carried at other than fair value.

When available, we use observable market data, including pricing on recent closed market transactions, to value loan receivables that are included in Level 2. When this data is unobservable, we use valuation methodologies using current market interest rate data adjusted for inherent credit risk, and such loan receivables are included in Level 3. When appropriate, loan receivables may be valued using collateral values.

Accounting Changes

On January 1, 2012, we adopted FASB ASU 2011-05, an amendment to ASC 220, *Comprehensive Income*. This ASU introduced a new statement, the Consolidated Statement of Comprehensive Income. The amendments affect only the display of those components of equity categorized as other comprehensive income and do not change existing recognition and measurement requirements that determine net earnings.

On January 1, 2012, we adopted FASB ASU 2011-04, an amendment to ASC 820, *Fair Value Measurements*. This ASU clarifies or changes the application of existing fair value measurements, including: (i) that the highest and best use valuation premise in a fair value measurement is relevant only when measuring the fair value of nonfinancial assets, (ii) that a reporting entity should measure the fair value of its own equity instrument from the perspective of a market participant that holds that instrument as an asset, (iii) to permit an entity to measure the fair value of certain financial instruments on a net basis rather than based on its gross exposure when the reporting entity manages its financial instruments on the basis of such net exposure, (iv) that in the absence of a Level 1 input, a reporting entity should apply premiums and discounts when market participants would do so when pricing the asset or liability consistent with the unit of account and (v) that premiums and discounts related to size as a characteristic of the reporting entity's holding are not permitted in a fair value measurement. Adopting these amendments had no effect on our combined financial statements.

On July 1, 2011, we adopted FASB ASU 2011-02, an amendment to ASC 310, *Receivables*. This ASU provides guidance for determining whether the restructuring of a debt constitutes a TDR and requires that such actions be classified as a TDR when there is both a concession and the debtor is experiencing financial difficulties. The amendment also clarifies guidance on a creditor's evaluation of whether it has granted a concession. The amendment applies to restructurings that have occurred subsequent to January 1, 2011. As a result of adopting these amendments on July 1, 2011, we have classified an additional \$218 million of financing receivables as TDRs and have recorded an increase of \$71 million to our allowance for losses on financing receivables. See Note 5. *Loan Receivables and Allowance for Loan Losses*.

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NOTE 3. ACQUISITIONS AND DISPOSITIONS

Acquisitions

Effective January 11, 2013, we acquired the deposit business of MetLife Bank, N.A. in a transaction that was accounted for using the acquisition method of accounting. In exchange for assuming \$6,441 million of deposit liabilities we received assets that included \$6,393 million of cash, \$19 million of core deposit intangibles, \$8 million of other intangibles and \$8 million of deferred tax assets. The \$13 million excess of the fair value of the consideration conveyed to the seller over the fair value of the net assets acquired was recognized as goodwill. See Note 7. *Goodwill and Other Intangible Assets* for further detail pertaining to goodwill associated with this transaction. During 2013, we recognized interest expense on deposits and operating costs related to the acquired deposit taking operations of \$66 million and \$60 million, respectively. Comparable pro forma interest expense and operating costs prepared as if the acquisition occurred at the beginning of 2012 was deemed impracticable to produce because estimating such amounts would entail significant assumptions about management’s intent during 2012 which cannot be independently substantiated, including assumptions of how our funding strategy would have incorporated the alternative sources of funding from the acquired deposit business and the associated costs of that strategy.

When we establish new relationships with retail partners we may also acquire the customer accounts for that partner’s existing credit card financing programs. During the three years ended December 31, 2013, transactions where we have acquired significant receivable balances include: Phillips 66 (\$206 million, effective June 28, 2013), Toys “R” Us, Inc. (\$815 million, effective June 21, 2012), The TJX Companies, Inc. (\$328 million, effective June 15, 2011) and Ashley HomeStores, Ltd. (\$494 million, effective January 11, 2011).

Dispositions

In January 2011, we completed the sale of a credit card portfolio and certain related business operations and recorded a pre-tax gain of \$30 million. Cash proceeds of \$1,378 million were received in 2011 and are presented in our Combined Statements of Cash Flows as proceeds from the sale of business.

In January 2011, we completed the sale of the net assets of a recreational vehicle lending operation that had been discontinued in 2010. Cash proceeds of \$1,775 million were received in 2011 and therefore have been presented in our Combined Statements of Cash Flows as proceeds from sale of discontinued business. The sale had no effect on 2011 earnings as the net assets of the business were previously written down to the amount of the expected sale proceeds.

NOTE 4. INVESTMENT SECURITIES

All of our investment securities are classified as available-for-sale and are primarily held to comply with the Community Reinvestment Act (“CRA”). Our investment securities consist of the following:

	2013				2012			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
<i>At December 31 (\$ in millions)</i>								
Debt								
State and municipal	\$ 53	\$ —	\$ (7)	\$ 46	\$ 42	\$ 1	\$ (4)	\$ 39
Residential mortgage-backed ^(a)	183	1	(9)	175	144	5	—	149
Equity	15	—	—	15	5	—	—	5
Total	\$ 251	\$ 1	\$ (16)	\$ 236	\$ 191	\$ 6	\$ (4)	\$ 193

(a) At December 31, 2013 and 2012 all of our residential mortgage-backed securities relate to securities issued by government-sponsored entities and are pledged by the Bank as collateral to the Federal Reserve to secure Federal Reserve Discount Window advances. All residential mortgage-backed securities are collateralized by U.S. mortgages.

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The following table presents the estimated fair values and gross unrealized losses of our available-for-sale investment securities:

At December 31 (\$ in millions)	In loss position for			
	Less than 12 months		12 months or more	
	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses
2013				
Debt				
State and municipal	\$ 23	\$ (2)	\$ 20	\$ (5)
Residential mortgage-backed	127	(7)	20	(2)
Equity	14	—	—	—
Total	<u>\$ 164</u>	<u>\$ (9)</u>	<u>\$ 40</u>	<u>\$ (7)</u>
2012				
Debt				
State and municipal	\$ —	\$ —	\$ 21	\$ (4)
Residential mortgage-backed	25	—	—	—
Equity	1	—	—	—
Total	<u>\$ 26</u>	<u>\$ —</u>	<u>\$ 21</u>	<u>\$ (4)</u>

We regularly review investment securities for impairment using both qualitative and quantitative criteria. We presently do not intend to sell our debt securities that are in an unrealized loss position and believe that it is not more likely than not that we will be required to sell these securities before recovery of our amortized cost. Our equity securities had gross unrealized losses of less than \$1 million at December 31, 2013 and 2012. We believe that these unrealized losses associated with our equity securities will be recovered within the foreseeable future.

There were no other-than-temporary impairments recognized for each of the three years ended December 31, 2013.

Contractual Maturities of Investment in Available-for-Sale Debt Securities (Excluding Residential Mortgage-Backed Securities)

At December 31, 2013 (\$ in millions)	Amortized cost	Estimated fair value
Due in		
Within one year	\$ —	\$ —
After one year through five years	\$ 1	\$ 1
After five years through ten years	\$ 1	\$ 1
After ten years	\$ 51	\$ 44

We expect actual maturities to differ from contractual maturities because borrowers have the right to prepay certain obligations.

There were insignificant realized gains recognized for each of the three years ended December 31, 2013.

Although we generally do not have the intent to sell any specific securities at the end of the period, in the ordinary course of managing our investment securities portfolio, we may sell securities prior to their maturities for a variety of reasons, including diversification, credit quality, yield, liquidity requirements and funding obligations.

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NOTE 5. LOAN RECEIVABLES AND ALLOWANCE FOR LOAN LOSSES

<i>At December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>
Credit cards	\$54,958	\$49,572
Consumer installment loans	965	1,424
Commercial credit products	1,317	1,307
Other	14	10
Total loan receivables, before allowance for losses(a)	<u>\$57,254</u>	<u>\$52,313</u>

(a) Total loan receivables include \$26,071 million and \$25,375 million of restricted loans of consolidated securitization entities at December 31, 2013 and 2012, respectively. See Note 6. *Variable Interest Entities* for further information on these restricted loans.

At December 31, 2013, loan receivables included deferred expense of \$8 million. At December 31, 2012, loan receivables were net of deferred income of \$42 million.

Loan receivables also included \$3 million and \$28 million at December 31, 2013 and 2012, respectively, relating to loans that had been acquired but have been subject to credit deterioration, above the original estimate, since origination.

Allowance for Loan Losses

<i>(\$ in millions)</i>	Balance at January 1, 2013	Provision charged to operations	Other(a)	Gross charge-offs(b)	Recoveries(b)	Balance at December 31, 2013
Credit cards	\$ 2,185	\$ 2,970	\$ —	\$ (2,847)	\$ 530	\$ 2,838
Consumer installment loans	61	49	—	(111)	19	18
Commercial credit products	28	53	—	(53)	8	36
Other	—	—	—	—	—	—
Total	<u>\$ 2,274</u>	<u>\$ 3,072</u>	<u>\$ —</u>	<u>\$ (3,011)</u>	<u>\$ 557</u>	<u>\$ 2,892</u>

<i>(\$ in millions)</i>	Balance at January 1, 2012	Provision charged to operations	Other(a)	Gross charge-offs(b)	Recoveries(b)	Balance at December 31, 2012
Credit cards	\$ 1,913	\$ 2,438	\$ —	\$ (2,680)	\$ 514	\$ 2,185
Consumer installment loans	112	54	—	(130)	25	61
Commercial credit products	27	69	—	(76)	8	28
Other	—	4	—	(4)	—	—
Total	<u>\$ 2,052</u>	<u>\$ 2,565</u>	<u>\$ —</u>	<u>\$ (2,890)</u>	<u>\$ 547</u>	<u>\$ 2,274</u>

<i>(\$ in millions)</i>	Balance at January 1, 2011	Provision charged to operations	Other(a)	Gross charge-offs(b)	Recoveries(b)	Balance at December 31, 2011
Credit cards	\$ 2,148	\$ 2,130	\$ (8)	\$ (2,850)	\$ 493	\$ 1,913
Consumer installment loans	175	54	—	(151)	34	112
Commercial credit products	39	74	—	(99)	13	27
Other	—	—	—	—	—	—
Total	<u>\$ 2,362</u>	<u>\$ 2,258</u>	<u>\$ (8)</u>	<u>\$ (3,100)</u>	<u>\$ 540</u>	<u>\$ 2,052</u>

(a) Other includes the effects of foreign currency exchange.

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- (b) Net charge-offs (gross charge-offs less recoveries) in certain portfolios may exceed the beginning allowance for loan losses as our revolving credit portfolios turn over more than once per year or, in all portfolios, can reflect losses that are incurred subsequent to the beginning of the year due to information becoming available during the year, which may identify further deterioration of existing loan receivables.

Information related to the delinquencies and net charge-offs in our loan portfolio, which excludes loans held for sale, is shown below by each class of loan receivables.

Delinquent and Non-accrual Loans

	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing(a)	Total non-accruing(a)
<i>At December 31, 2013 (\$ in millions)</i>					
Credit cards	\$ 1,327	\$ 1,105	\$ 2,432	\$ 1,105	\$ —
Consumer installment loans	12	2	14	—	2
Commercial credit products	28	14	42	14	—
Other	—	—	—	—	—
Total delinquent loans	\$ 1,367	\$ 1,121	\$ 2,488	\$ 1,119	\$ 2
Percentage of total loan receivables(b)	2.4%	2.0%	4.3%	2.0%	0.0%
	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing(a)	Total non-accruing(a)
<i>At December 31, 2012 (\$ in millions)</i>					
Credit cards	\$ 1,287	\$ 1,038	\$ 2,325	\$ 15	\$ 1,023
Consumer installment loans	21	4	25	—	4
Commercial credit products	31	15	46	—	15
Other	—	—	—	—	—
Total delinquent loans	\$ 1,339	\$ 1,057	\$ 2,396	\$ 15	\$ 1,042
Percentage of total loan receivables(b)	2.6%	2.0%	4.6%	0.0%	2.0%

- (a) Beginning in the fourth quarter of 2013 we revised our methods for classifying loan receivables as non-accrual to more closely align with regulatory guidance. As a result we continue to accrue interest on credit card balances until they reach 180 days past due. For further information see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.

- (b) Percentages are calculated based on period end balances.

Impaired Loans and Troubled Debt Restructurings

Most of our non-accrual loan receivables are smaller balance loans evaluated collectively, by portfolio, for impairment and therefore are outside the scope of the disclosure requirements for impaired loans. Accordingly, impaired loans represent restructured smaller balance homogeneous loans meeting the definition of a TDR. We use certain loan modification programs for borrowers experiencing financial difficulties. These loan modification programs include interest rate reductions and payment deferrals in excess of three months, which were not part of the terms of the original contract.

We have both internal and external loan modification programs. The internal loan modification programs include both temporary and permanent programs. For our credit card customers, the temporary hardship program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no

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longer than 12 months. The permanent workout program involves changing the structure of the loan to a fixed payment loan with a maturity no longer than 60 months and reducing the interest rate on the loan. The permanent program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for customers who request financial assistance through external sources, such as a consumer credit counseling agency programs. These loans typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The following table provides information on loans that entered a loan modification program during the period:

<i>For the years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>
Credit cards	\$506	\$565
Consumer installment loans	26	45
Commercial credit products	7	13
Other	—	—
Total	<u>\$539</u>	<u>\$623</u>

Loans classified as TDRs are recorded at their present value with impairment measured as the difference between the loan balance and the discounted present value of cash flows expected to be collected. Consistent with our measurement of impairment of modified loans on a collective basis, the discount rate used for credit card loans is the original effective interest rate. Interest income from loans accounted for as TDRs is accounted for in the same manner as other accruing loans.

The following table provides information about loans classified as TDRs and specific reserves. We do not evaluate credit card loans for impairment on an individual basis, but instead estimate an allowance for loan losses on a collective basis. As a result, there are no impaired loans for which there is no allowance.

<i>At December 31, 2013 (\$ in millions)</i>	<u>Total recorded investment</u>	<u>Related allowance</u>	<u>Net recorded investment</u>	<u>Unpaid principal balance</u>	<u>Average recorded investment</u>
Credit cards	\$ 799	\$ (246)	\$ 553	\$ 692	\$ 890
Consumer installment loans	—	—	—	—	—
Commercial credit products	12	(5)	7	12	12
Total	<u>\$ 811</u>	<u>\$ (251)</u>	<u>\$ 560</u>	<u>\$ 704</u>	<u>\$ 902</u>

<i>At December 31, 2012 (\$ in millions)</i>	<u>Total recorded investment</u>	<u>Related allowance</u>	<u>Net recorded investment</u>	<u>Unpaid principal balance</u>	<u>Average recorded investment</u>
Credit cards	\$ 852	\$ (268)	\$ 584	\$ 768	\$ 908
Consumer installment loans	62	(30)	32	62	80
Commercial credit products	5	(1)	4	5	5
Total	<u>\$ 919</u>	<u>\$ (299)</u>	<u>\$ 620</u>	<u>\$ 835</u>	<u>\$ 993</u>

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Financial Effects of TDRs

As part of our loan modifications for borrowers experiencing financial difficulty, we may provide multiple concessions to minimize our economic loss and improve long-term loan performance and collectability. The following tables present the types and financial effects of loans modified and accounted for as TDRs during the period:

For the years ended December 31,

	2013		2012		2011	
	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms
<i>(\$ in millions)</i>						
Credit cards	\$ 79	\$ 175	\$ 75	\$ 173	\$ 88	\$ 197
Consumer installment loans	1	3	1	4	1	6
Commercial credit products	1	2	1	3	1	4
Total	\$ 81	\$ 180	\$ 77	\$ 180	\$ 90	\$ 207

Payment Defaults

The following table presents the type, number and amount of loans accounted for as TDRs that enrolled in a modification plan and experienced a payment default during the period. A customer defaults from a modification program after two consecutive missed payments.

For the years ended December 31, (\$ in millions)

	2013		2012		2011	
	Accounts defaulted	Loans defaulted	Accounts defaulted	Loans defaulted	Accounts defaulted	Loans defaulted
Credit cards	30,640	\$ 56	43,609	\$ 82	75,454	\$ 152
Consumer installment loans	98	3	129	4	226	7
Commercial credit products	42	—	95	—	227	1
Total	30,780	\$ 59	43,833	\$ 86	75,907	\$ 160

Credit Quality Indicators

Our loan receivables portfolio includes both secured and unsecured loans. Secured loan receivables are largely comprised of consumer installment loans secured by equipment. Unsecured loan receivables are largely comprised of our open-ended revolving credit card and commercial loans. As part of our credit risk management activities, on an ongoing basis we assess overall credit quality by reviewing information related to the performance of a customer's account with us as well as information from credit bureaus, such as a Fair Isaac Corporation ("FICO") or other credit scores, relating to the customer's broader credit performance. FICO scores are generally obtained at origination of the account and are refreshed, at a minimum quarterly, but could be as often as weekly, to assist in predicting customer behavior. These credit scores are categorized into three credit score categories, including: (i) 671 or higher, which are considered the strongest credits, (ii) 626 to 670, considered moderate credit risk and (iii) 625 or less, which are considered weaker credits. There are certain customer accounts for which a FICO score is not available where we use alternative sources to assess their credit and predict behavior. The following table provides the most recent FICO scores available for our customers at December 31, 2013 and 2012, as a percentage of each class of loan receivable. The table below excludes 1.1%

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and 1.0% of our total loan receivables balance at December 31, 2013 and 2012 respectively, which represents those customer accounts for which a FICO score is not available.

At December 31,

	2013			2012		
	671 or higher	626 to 670	625 or less	671 or higher	626 to 670	625 or less
Credit cards	66.2%	19.8%	14.0%	65.7%	19.1%	15.2%
Consumer installment loans	73.9%	15.6%	10.5%	70.4%	15.5%	14.1%
Commercial credit products	82.3%	9.5%	8.2%	83.4%	9.4%	7.2%

Unfunded Lending Commitments

We manage the potential risk in credit commitments by limiting the total amount of credit, both by individual customer and in total, by monitoring the size and maturity of our portfolios and by applying the same credit standards for all of our credit products. Unused credit card lines available to our customers totaled \$277 billion and \$256 billion at December 31, 2013 and 2012, respectively. While these amounts represented the total available unused credit card lines, we have not experienced and do not anticipate that all of our customers will access their entire available line at any given point in time.

Interest Income by Product

The following table provides additional information about our interest and fees on loans from our loan receivables:

<i>For the years ended December 31, (\$ in millions)</i>	2013	2012	2011
Credit cards	\$11,015	\$ 9,967	\$8,720
Consumer installment loans	129	176	245
Commercial credit products	150	156	168
Other	1	1	1
Total	<u>\$11,295</u>	<u>\$10,300</u>	<u>\$9,134</u>

NOTE 6. VARIABLE INTEREST ENTITIES

We use variable interest entities to securitize loans and arrange asset-backed financing in the ordinary course of business. Investors in these entities only have recourse to the assets owned by the entity and not to our general credit. We do not have implicit support arrangements with any VIE and we did not provide non-contractual support for previously transferred loan receivables to any VIE in 2013 or 2012. Our VIEs are able to accept new loan receivables and arrange new asset-backed financings, consistent with the requirements and limitations on such activities placed on the VIE by existing investors. Once an account has been designated to a VIE, the contractual arrangements we have require all existing and future loans originated under such account to be transferred to the VIE. The amount of loan receivables held by our VIEs in excess of the minimum amount required under the asset-backed financing arrangements with investors may be removed by us under random removal of accounts provisions. All loan receivables held by a VIE are subject to claims of third-party investors.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

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In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, as well as any other contractual arrangements that might exist that could have potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

We consolidate our VIEs because we have the power to direct the activities that significantly affect the VIEs economic performance, typically because of our role as either servicer or manager for the VIE. The power to direct exists because of our role in the design and conduct of the servicing of the VIE's assets as well as directing certain affairs of the VIE, including determining whether and on what terms debt of the VIE will be issued.

The loan receivables in these entities have risks and characteristics similar to our other financing receivables and were underwritten to the same standard. Accordingly, the performance of these assets has been similar to our other comparable loan receivables; however, the blended performance of the pools of receivables in these entities reflects the eligibility criteria that we apply to determine which receivables are selected for transfer. Contractually the cash flows from these financing receivables must first be used to pay third-party debt holders as well as other expense of the entity. Excess cash flows are available to us. The creditors of these entities have no claim on our other assets.

The table below summarizes the assets and liabilities of our consolidated securitization VIEs described above.

<i>At December 31, (\$ in millions)</i>	2013	2012
Assets		
Loans receivables, net ^(a)	\$ 24,766	\$ 24,180
Other assets	20	29
Total	<u>\$ 24,786</u>	<u>\$ 24,209</u>
Liabilities		
Borrowings	\$ 15,362	\$ 17,208
Other liabilities	228	157
Total	<u>\$ 15,590</u>	<u>\$ 17,365</u>

- (a) Includes \$1,305 million and \$1,195 million of related allowance for loan losses resulting in gross restricted loans of \$26,071 million and \$25,375 million for the years ending December 31, 2013 and 2012, respectively.

The balances presented above are net of intercompany balances and transactions that are eliminated in our combined financial statements.

We provide servicing to these VIEs and are contractually permitted to commingle cash collected from customers on loan receivables owned by the VIEs with our own cash prior to payment to a VIE, provided GECC's short-term credit rating does not fall below A-1/P-1. These VIEs also owe us amounts for purchased loan receivables and amounts due to us under the equity and other interests we have in the VIEs. At December 31, 2013 and 2012, the amounts of commingled cash owed to these VIEs were \$4,071 million and \$4,268 million, respectively, and the amounts owed to us by the VIEs were \$3,341 million and \$4,230 million, respectively.

Income (principally, interest and fees on loans) earned by our consolidated VIEs were \$5,301 million, \$4,839 million and \$4,223 million in 2013, 2012 and 2011, respectively. Related expenses consisted primarily of provisions for loan losses of \$1,219 million, \$1,334 million and \$1,125 million in 2013, 2012 and 2011,

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respectively, and interest expense of \$211 million, \$228 million and \$248 million in 2013, 2012 and 2011, respectively. These amounts do not include intercompany transactions, principally fees and interest, which are eliminated in our combined financial statements.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

<i>(\$ in millions)</i>	2013	2012
Balance at January 1	\$936	\$936
Acquisitions	13	—
Balance at December 31	<u>\$949</u>	<u>\$936</u>

The increase in goodwill during 2013 relates to the acquisition of the MetLife Bank, N.A deposit business. See Note 3. *Acquisitions and Dispositions*.

Intangible Assets Subject to Amortization

<i>At December 31, (\$ in millions)</i>	2013			2012		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Customer-related	\$ 586	\$ (312)	\$274	\$ 504	\$ (266)	\$238
Capitalized software	55	(29)	26	39	(22)	17
Total	<u>\$ 641</u>	<u>\$ (341)</u>	<u>\$300</u>	<u>\$ 543</u>	<u>\$ (288)</u>	<u>\$255</u>

During 2013, we recorded additions to intangible assets subject to amortization of \$128 million primarily related to payments made to acquire customer relationships or extend retail partner relationships.

The components of definite-lived intangible assets acquired during 2013 and their respective weighted-average amortizable periods are: \$108 million—Customer-related (6 years) and \$9 million—Capitalized software (5 years) (excludes internally developed software of \$11 million).

Amortization expense related to intangible assets was \$83 million, \$68 million and \$71 million for the years ended December 31, 2013, 2012 and 2011, respectively, and is included in other expense in our Combined Statements of Earnings. We estimate annual pre-tax amortization for existing intangible assets over the next five calendar years to be as follows: 2014 - \$77 million, 2015 - \$70 million, 2016 - \$61 million, 2017 - \$41 million and 2018 - \$17 million.

NOTE 8. DEPOSITS AND BORROWINGS

The tables below summarize the components of our deposits, borrowings of consolidated securitization entities and related party debt at December 31, 2013 and 2012. The amounts presented for outstanding borrowings include unamortized debt premiums and discounts.

<i>At December 31, (\$ in millions)</i>	2013		2012	
	Amount	Average rate (a)	Amount	Average rate (a)
Interest bearing deposits ^{(b)(c)}	\$25,360	1.7%	\$18,398	2.1%
Non-interest bearing deposits	359	—	406	—
Total deposits	<u>\$25,719</u>		<u>\$18,804</u>	

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Borrowings	Maturities	2013		2012	
		Amount	Average rate (a)	Amount	Average rate (a)
<i>At December 31, (\$ in millions)</i>					
Borrowings of consolidated securitization entities(c)	2014 - 2019	\$15,362	1.3%	\$17,208	1.5%
Related party debt(d)	2014 - 2017	8,959	1.7%	10,607	1.5%
Total borrowings		<u>\$24,321</u>		<u>\$27,815</u>	

Liquidity

At December 31, 2013, interest-bearing time deposits and borrowings maturing over the next five years were as follows:

<i>(\$ in millions)</i>	2014	2015	2016	2017	2018
Deposits(f)	\$8,765	\$4,711	\$1,953	\$1,641	\$1,469
Borrowings of consolidated securitization entities(c)	\$5,143	\$5,279	\$1,144	\$1,834	\$ 800
Related party debt(d)	\$ 22	\$ 105	\$ —	\$ 68	\$ —

- (a) Based on interest expense for the year and average deposits and borrowings balances.
- (b) At December 31, 2013 and 2012, interest bearing deposits included \$5,695 million and \$447 million, respectively, which represented large denomination certificates of \$100,000 or more.
- (c) We securitize credit card receivables as an additional source of funding. During 2013 and 2012, we completed new debt issuances with proceeds of \$866 million and \$7,799 million, respectively. During 2013, we amended the terms of \$400 million of debt, primarily to extend maturities and revise terms to current market pricing. See Note 6. *Variable Interest Entities*.
- (d) At December 31, 2013 and 2012, \$195 million and \$391 million, respectively, of debt issued by one of our securitization entities was held by a GECC affiliate, of which \$22 million and \$136 million, respectively, was repayable within 12 months of the respective period end. The remaining balance of related party debt is classified as long-term debt on the basis that there are no stated repayment terms. See Note 14. *Related Party Transactions and Parent's Net Investment* for information about related party debt.
- (e) At December 31, 2013 and 2012, \$651 million and \$301 million, respectively, of deposits issued by the Bank were held by GECC and have been reflected as being held by our company and therefore eliminated in our combined financial statements in accordance with the basis of presentation described in Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.
- (f) In addition to interest-bearing time deposits, at December 31, 2013 we had \$2,618 million of broker network deposit sweeps procured through a program arranger who channels brokerage account deposits to us. Unless extended, those contracts will terminate in 2014 and 2015, representing \$262 million and \$2,356 million, respectively.

In addition, the Bank is a party to two separate revolving credit agreements, each with a different lender, and each of which provides us with an unsecured revolving line of credit of up to \$500 million. GECC has guaranteed our payment obligations under these agreements. There were no borrowings under these agreements for the periods presented.

NOTE 9. FAIR VALUE MEASUREMENTS

For a description of how we estimate fair value, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.

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The following tables present our assets and liabilities measured at fair value on a recurring basis. Included in the tables are debt and equity securities.

Recurring Fair Value Measurements

The following tables present our assets measured at fair value on a recurring basis.

<i>At December 31, 2013 (\$ in millions)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investment securities				
Debt				
State and municipal	\$ —	\$ —	\$ 46	\$ 46
Residential mortgage-backed	—	175	—	175
Equity	15	—	—	15
Total	<u>\$ 15</u>	<u>\$ 175</u>	<u>\$ 46</u>	<u>\$236</u>

<i>At December 31, 2012 (\$ in millions)</i>				
Assets				
Investment securities				
Debt				
State and municipal	\$ —	\$ —	\$ 39	\$ 39
Residential mortgage-backed	—	149	—	149
Equity	5	—	—	5
Total	<u>\$ 5</u>	<u>\$ 149</u>	<u>\$ 39</u>	<u>\$193</u>

For the years ended December 31, 2013 and 2012, there were no securities transferred between Level 1 and Level 2. At December 31, 2013 and 2012, we did not have any liabilities measured at fair value on a recurring basis.

The following tables present the changes in Level 3 instruments measured on a recurring basis for the years ended December 31, 2013 and 2012, respectively. All of our Level 3 balances consist of investment securities classified as available-for-sale with changes in fair value included in equity.

Changes in Level 3 Instruments for the Year Ended December 31, 2013

<i>(\$ in millions)</i>	Balance at January 1, 2013	Net realized/ unrealized gains (losses) included in earnings	Net realized/ unrealized gains (losses) included in accumulated other comprehensive income	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31, 2013	Net change in unrealized gains (losses) relating to instruments still held at December 31, 2013
Investment securities										
Debt										
State and municipal	\$ 39	\$ —	\$ (4)	\$ 16	\$—	\$ (5)	\$ —	\$ —	\$ 46	\$ (4)
Residential mortgage-backed	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—
Total	<u>\$ 39</u>	<u>\$ —</u>	<u>\$ (4)</u>	<u>\$ 16</u>	<u>\$—</u>	<u>\$ (5)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 46</u>	<u>\$ (4)</u>

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Changes in Level 3 Instruments for the Year Ended December 31, 2012

<i>(\$ in millions)</i>	Balance at January 1, 2012	Net realized/ unrealized gains (losses) included in earnings	Net realized/ unrealized/ gains (losses) included in accumulated other comprehensive income	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31, 2012	Net change in unrealized gains (losses) relating to instruments still held at December 31, 2012
Investment securities										
Debt										
State and municipal	\$ 32	\$ —	\$ 4	\$ 4	—	\$ (1)	\$ —	\$ —	\$ 39	\$ 4
Residential mortgage- backed	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—
Total	\$ 32	\$ —	\$ 4	\$ 4	—	\$ (1)	\$ —	\$ —	\$ 39	\$ 4

Non-Recurring Fair Value Measurements

The following table represents non-recurring fair value amounts (as measured at the time of the adjustment) for those assets remeasured to fair value on a non-recurring basis during the year and held at December 31, 2013 and 2012. These assets can include repossessed assets and cost method investments that are written down to fair value when they are impaired. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs. At December 31, 2013 we had an insignificant balance of loans held-for-sale which was remeasured at fair value on a non-recurring basis. At December 31, 2012, we had no loans held-for-sale.

<i>(\$ in millions)</i>	Remeasured during the years ended December 31,			
	2013		2012	
	Level 2	Level 3	Level 2	Level 3
Repossessed assets	\$ —	\$ 1	\$ —	\$ 2
Cost method investments	—	4	—	—
Total	\$ —	\$ 5	\$ —	\$ 2

The following table represents the fair value adjustments to assets measured at fair value on a non-recurring basis and held at December 31, 2013 and 2012.

<i>Years ended December 31 (\$ in millions)</i>	2013	2012
Repossessed assets	\$ (1)	\$ —
Cost method investments(a)	—	—
Total	\$ (1)	\$ —

(a) Adjustments relating to cost method investments were less than \$1 million for the year ended December 31, 2013.

Level 3 Measurements

Our Level 3 non-recurring fair value measurements include repossessed assets of \$1 million and \$2 million at December 31, 2013 and 2012, respectively, and cost method investments of \$4 million at December 31, 2013.

The significant unobservable inputs used to estimate the non-recurring fair value measurement of repossessed assets include recovery rates that are calculated as net repossessed asset sale proceeds divided by the unpaid principal balance. The range (weighted average) of these inputs for the year ended December 31, 2013 was 24% - 52% (51%) and for the year ended December 31, 2012 was 22% - 56% (53%).

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Cost method investments are valued based on the net asset value that represents the sum of individual portfolio investment values as reported by each investment fund.

Other Level 3 recurring fair value measurements include state and municipal debt instruments of \$46 million and \$39 million at December 31, 2013 and 2012, respectively, are valued using non-binding broker quotes or other third-party sources. For a description of our process to evaluate third-party pricing servicers, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.

Financial Assets and Financial Liabilities Carried at Other than Fair Value

At December 31, 2013 (\$ in millions)	Carrying value	Corresponding fair value amount			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 2,319	\$ 2,319	\$2,319	\$ —	\$ —
Other assets(a)	\$ 76	\$ 76	\$ 76	\$ —	\$ —
Financial assets carried at other than fair value:					
Loan receivables, net	\$54,362	\$60,344	\$ —	\$ —	\$60,344
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$25,719	\$25,994	\$ —	\$25,994	\$ —
Borrowings of consolidated securitization entities	\$15,362	\$15,308	\$ —	\$ 8,206	\$ 7,102
Related party debt(b)	\$ 8,959	\$ 209	\$ —	\$ 209	\$ —
At December 31, 2012 (\$ in millions)					
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 1,334	\$ 1,334	\$1,334	\$ —	\$ —
Other assets(a)	\$ 56	\$ 56	\$ 56	\$ —	\$ —
Financial assets carried at other than fair value:					
Loan receivables, net	\$50,039	\$54,980	\$ —	\$ —	\$54,980
Cost method investments	\$ 3	\$ 4	\$ —	\$ —	\$ 4
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$18,804	\$19,067	\$ —	\$19,067	\$ —
Borrowings of consolidated securitization entities	\$17,208	\$17,405	\$ —	\$ 9,279	\$ 8,126
Related party debt(b)	\$10,607	\$ 422	\$ —	\$ 422	\$ —

(a) This balance relates to restricted cash which is included in other assets.

(b) The fair value of the related party debt relates to the \$195 million and \$391 million at December 31, 2013 and 2012, respectively, of debt issued by one of our securitization entities which was held by a GECC affiliate. With respect to the remaining balance of related party debt, as there are no stated repayment terms or rates and the balance is an allocation of Parent's net investment, it is not meaningful to provide a corresponding fair value amount.

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The following is a description of how we estimate fair values:

Loan receivables, net

Loan receivables are recorded at historical cost, less reserves in our Combined Statements of Financial Position. In estimating the fair value for our loans we use a discounted future cash flow model. We use various inputs including estimated interest and fee income, payment rates, loss rates and discount rates (which consider current market interest rate data adjusted for credit risk and other factors) to estimate the fair values of loans.

Deposits

For demand deposits with no defined maturity and fixed-maturity certificates of deposit with one year or less remaining to maturity, carrying value approximates fair value due to the potentially liquid nature of these deposits. For fixed-maturity certificates of deposit with remaining maturities of more than one year, fair values are estimated by discounting expected future cash flows using market rates currently offered for deposits with similar remaining maturities.

Borrowings

Fair values of borrowings of consolidated securitization entities and related party debt issued by one of our securitization entities which was held by a GECC affiliate are based on valuation methodologies using current market interest rate data which are comparable to market quotes adjusted for our non-performance risk.

NOTE 10. REGULATORY AND CAPITAL ADEQUACY

As a savings and loan holding company, we are subject to extensive regulation, supervision and examination by the Federal Reserve Board. The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation, supervision and examination by the Office of the Comptroller of the Currency (“OCC”), which is its primary regulator, and by the Consumer Financial Protection Bureau (“CFPB”). In addition, the Bank, as an insured depository institution, is supervised by the Federal Deposit Insurance Corporation.

As a savings and loan holding company, we historically have not been required to maintain any specific amount of minimum capital. Beginning as early as 2015, however, we expect that we will be subject to capital requirements similar to those applicable to the Bank. These capital requirements have recently been substantially revised, including as a result of Basel III and the requirements of the Dodd-Frank Act. Moreover, these requirements are supplemented by outstanding regulatory proposals by the federal banking agencies, based on, and in addition to, changes recently adopted by the Basel Committee to increase the amount and scope of a supplemental leverage capital requirement that will be applicable to larger savings and loan holding companies, like GECC, by increasing the assets included in the denominator of the leverage ratio calculation.

When we become subject to capital requirements, we will also be required to conduct stress tests on an annual basis. Under the Federal Reserve Board’s stress test regulations, we will be required to utilize stress-testing methodologies providing for results under at least three different sets of conditions, including baseline, adverse and severely adverse conditions. In addition, as part of meeting our minimum capital requirements, we may be required to comply with the Federal Reserve Board’s Comprehensive Capital Analysis and Review (“CCAR”) process, or some modified version of the CCAR process, which would measure our minimum capital requirement levels under various stress scenarios. In connection with such a process, we may be required to develop for the Federal Reserve Board’s review and approval a capital plan that will include how we will meet our minimum capital requirements under specified stress scenarios.

Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could limit our business activities and have a material adverse effect on our financial statements. Under capital adequacy guidelines, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank’s assets, liabilities, and certain off-balance-

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sheet items as calculated under regulatory accounting practices. The Bank’s capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to average assets (as defined).

At December 31, 2013 and 2012, the Bank met all applicable requirements to be deemed well-capitalized pursuant to OCC regulations and for purposes of the Federal Deposit Insurance Act. To be categorized as well-capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and leverage ratios as set forth in the following table. There are no conditions or events subsequent to that date that management believes have changed the Bank’s capital category.

The actual capital amounts and ratios and the required minimums of the Bank are as follows:

At December 31, 2013 (\$ in millions)	Actual		Minimum for capital adequacy purposes		Minimum to be well-capitalized under prompt corrective action provisions	
	Amount	Ratio(a)	Amount	Ratio	Amount	Ratio
Total risk-based capital	\$ 6,010	17.3%	\$ 2,784	8.0%	\$ 3,480	10.0%
Tier 1 risk-based capital	\$ 5,559	16.0%	\$ 1,392	4.0%	\$ 2,088	6.0%
Tier 1 leverage	\$ 5,559	14.9%	\$ 1,495	4.0%	\$ 1,869	5.0%

At December 31, 2012 (\$ in millions)	Actual		Minimum for capital adequacy purposes		Minimum to be well-capitalized under prompt corrective action provisions	
	Amount	Ratio(a)	Amount	Ratio	Amount	Ratio
Total risk-based capital	\$ 5,608	15.1%	\$ 2,980	8.0%	\$ 3,725	10.0%
Tier 1 risk-based capital	\$ 5,134	13.8%	\$ 1,490	4.0%	\$ 2,235	6.0%
Tier 1 leverage	\$ 5,134	17.2%	\$ 1,193	4.0%	\$ 1,492	5.0%

(a) Represent Basel I capital ratios calculated for the Bank.

The Bank may pay dividends on its stock, with consent or non-objection from the OCC and the Federal Reserve Board, if, among other things, its regulatory capital would not thereby be reduced below the amount then required by the applicable regulatory capital requirements. Throughout the three years ended December 31, 2013, the Bank met all regulatory capital adequacy requirements to which it was subject. Due to this restriction on the payment of dividends, we have included parent company financial statements in accordance with Regulation S-X of the SEC. See Note 15. *Parent Company Financial Information*.

NOTE 11. EMPLOYEE BENEFIT PLANS

Historically, we have reimbursed GE for benefits provided to our employees under various U.S. GE employee benefit plans, including costs associated with our participation in GE’s retirement plans (pension, retiree health and life insurance, and savings benefit plans) and active health and life insurance benefit plans.

Certain of our employees participate in GE’s primary retirement pension plan (the “GE Pension Plan”), a defined benefit pension plan. Our participation in that plan is accounted for as a participant in a multi-employer plan, and therefore, we record expense only to the extent that we are required to fund that plan. We have not been required to fund that plan, beyond the service costs for active participating employees. As such, we have not recorded any liability associated with our participation in this plan in our Combined Statements of Financial Position at December 31, 2013 and 2012.

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In addition to the GE Pension Plan, certain of our employees are also covered under the GE Supplementary Pension Plan and the GE Retirement Savings Plan. The GE Supplementary Pension Plan is a pension plan providing retirement benefits primarily to higher-level, long service U.S. employees. Our employees are also eligible to participate in the GE Retirement Savings Plan, a defined contribution savings plan that allows an employee to contribute a portion of their pay on a pre-tax basis. GE matches 50% of these contributions up to a maximum of 8% of the employee's pay. Employees who commence service after January 1, 2011, receive a non-elective contribution into this plan in lieu of participating in the GE Pension Plan.

We incurred expenses associated with these plans of \$124 million, \$107 million and \$107 million for the years ended December 31, 2013, 2012 and 2011, respectively.

NOTE 12. STOCK RELATED INFORMATION

Certain of our employees have been granted GE stock options and restricted stock units ("RSUs") under GE's 2007 Long-Term Incentive Plan. Share requirements for all plans may be met by GE from either unissued or treasury shares of its stock. Stock options expire 10 years from the date they are granted and vest over service periods that range from one to five years. RSUs give the recipients the right to receive shares of GE stock upon the vesting of their related restrictions. Restrictions on RSUs vest in various increments and at various dates, beginning after one year from date of grant through grantee retirement. Each RSU is convertible into one share of GE stock. Although the plan permits GE to issue RSUs settleable in cash, GE has only issued RSUs settleable in shares of GE stock.

GE employees have routinely transferred employment between various GE subsidiaries, including to/from our company. Our combined financial statements include compensation expense related to these awards for the portion of an employee's vesting period that accrued during employment with us. The total compensation expense recorded for these awards was not material for all periods presented.

All unvested GE stock options that are held by our employees will vest as of the date GE ceases to own at least 50% of our outstanding common stock. At December 31, 2013, there was \$15 million of total unrecognized compensation cost related to non-vested stock options.

NOTE 13. INCOME TAXES

We are included in the consolidated U.S. federal and state income tax returns of GE where applicable, but also file certain separate state and foreign income tax returns. The tax provision and current and deferred tax balances have been presented on a separate company basis as if we were a separate filer. We recognize the current and deferred tax consequences of all transactions that have been recognized in the financial statements using the provisions of the enacted tax laws. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse. We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized.

The following table summarizes earnings before provision for income taxes.

<i>For the years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
U.S.	\$3,124	\$3,352	\$2,993
Non-U.S.	18	24	17
Earnings before provision for income taxes	<u>\$3,142</u>	<u>\$3,376</u>	<u>\$3,010</u>

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The significant components of the provision for income taxes included in the Combined Statements of Earnings were as follows for each of the years ended December 31, 2013, 2012 and 2011.

<i>(\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current provision for income taxes			
U.S. Federal	\$(1,280)	\$(1,152)	\$ (893)
Non-U.S.	(5)	(7)	(6)
U.S. state and local	(115)	(116)	(93)
Total current provision for income taxes	<u>(1,400)</u>	<u>(1,275)</u>	<u>(992)</u>
Deferred benefit (provision) for income taxes from temporary differences			
U.S. Federal	215	16	(120)
Non-U.S.	1	—	2
U.S. state and local	21	2	(10)
Deferred benefit (provision) for income taxes from temporary differences	<u>237</u>	<u>18</u>	<u>(128)</u>
Total provision for income taxes	<u><u>\$(1,163)</u></u>	<u><u>\$(1,257)</u></u>	<u><u>\$(1,120)</u></u>

Consistent with the provisions of ASC 740, *Income Taxes*, U.S. income taxes have not been provided on the undistributed earnings of certain non-U.S. subsidiaries, to the extent that such earnings have been reinvested abroad for an indefinite period of time. Based on our on-going review of the business requirements and capital needs of our non-U.S. subsidiaries, combined with the formation of specific strategies and steps taken to fulfill these requirements and needs, we have determined that the undistributed earnings of certain of our subsidiaries will be indefinitely reinvested to fund current and future growth of the related businesses. As management does not intend to use the earnings of these subsidiaries as a source of funding for its U.S. operations, such earnings will not be distributed to the U.S. The cumulative amounts of undistributed earnings with regards to which we have not provided U.S. income taxes were approximately \$20 million and \$16 million at December 31, 2013 and 2012 respectively. Any U.S. tax liability associated with these undistributed earnings would be immaterial to the financial statements.

The following table reconciles our effective tax rate to the U.S. federal statutory income tax rate:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
U.S. state and local income taxes, net of federal benefit	1.9	2.2	2.2
All other, net	0.1	—	—
Effective tax rate	<u><u>37.0%</u></u>	<u><u>37.2%</u></u>	<u><u>37.2%</u></u>

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when such differences are expected to reverse. Deferred tax assets are specific to the jurisdiction in which they arise, and are recognized subject to management's judgment that realization of those assets is "more likely than not." In making decisions regarding our ability to realize tax assets, we evaluate all positive and negative evidence, including projected future taxable income, taxable income in carryback periods, expected reversal of deferred tax liabilities and the implementation of available tax planning strategies.

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Significant components of our net deferred income taxes were as follows:

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets		
Loan losses	\$1,027	\$ 645
Reserves	34	38
Deferred expense	—	116
State and local income taxes, net of federal benefit	40	11
Other assets	55	24
Total deferred income tax assets	<u>1,156</u>	<u>834</u>
Liabilities		
Original issue discount	(508)	(454)
Deferred income	(2)	—
Goodwill and identifiable intangibles	(216)	(212)
Other liabilities	(22)	(2)
Total deferred income tax liabilities	<u>(748)</u>	<u>(668)</u>
Net deferred income tax assets	<u>\$ 408</u>	<u>\$ 166</u>

At December 31, 2013 and 2012, our unrecognized tax benefits, excluding related interest expense and penalties, were \$202 million and \$167 million respectively, of which \$131 million and \$110 million, respectively, if recognized, would reduce the annual effective rate. Included in the amount of unrecognized tax benefits are certain items that would not affect the effective tax rate if they were recognized in our Combined Statements of Earnings. These unrecognized items include the portion of gross state and local unrecognized tax benefits that would be offset by the benefit from associated U.S. federal income tax deductions. It is reasonably possible that the gross balance of unrecognized tax benefits may decrease by \$20 million within the next 12 months.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

<i>(\$ in millions)</i>	2013	2012
Balance at January 1	<u>\$167</u>	<u>\$118</u>
Additions for tax positions of the current year	59	56
Settlements with tax authorities	(4)	—
Expiration of the statute of limitations	(20)	(7)
Balance at December 31	<u>\$202</u>	<u>\$167</u>

We classify interest on tax deficiencies as interest expense and income tax penalties as provision for income taxes. For the years ended December 31, 2013, 2012 and 2011, \$5 million, \$3 million and \$2 million of interest expense related to income tax liabilities, respectively, and no penalties were recognized in our Combined Statements of Earnings. At December 31, 2013 and 2012, we had accrued \$17 million and \$12 million, respectively, for income tax related interest and penalties.

The Company is under continuous examination by the IRS and tax authorities for various states as part of their audit of GE's tax returns. During 2013, the IRS completed the audit of GE's consolidated U.S. income tax returns for 2008 and 2009, except for certain issues that remain under examination. During 2011, the IRS completed the audit of GE's consolidated U.S. income tax returns for 2006 and 2007, except for certain issues that remained under examination. At December 31, 2013, the IRS was auditing GE's consolidated U.S. income tax returns for 2010 and 2011. We are under examinations in various states as part of the GE filing group covering tax years 2006 to 2011 as part of the audit of GE's tax returns and in certain separate return states for tax years 2010 and 2011. We believe that there are no other jurisdictions in which the outcome of unresolved issues or claims is likely to be material to

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our results of operations, financial positions or cash flows. We further believe that we have made adequate provision for all income tax uncertainties that could result from such examinations.

NOTE 14. RELATED PARTY TRANSACTIONS AND PARENT'S NET INVESTMENT

GE and its subsidiaries, including GECC, historically have provided a variety of services and funding to us. The costs and expenses related to these services and funding provided by GE include: (i) direct costs associated with services provided directly to us, (ii) indirect costs related to GE corporate overhead allocation and assessments and (iii) interest expense for related party debt. The following table sets forth our direct costs, indirect costs, and interest expenses related to services and funding provided by GE for the periods indicated.

<i>For the years ended December 31, (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Direct costs ^(a)	\$207	\$184	\$181
Indirect costs ^(a)	230	206	183
Interest expense ^(b)	<u>157</u>	<u>155</u>	<u>333</u>
Total expenses for services and funding provided by GE	\$594	\$545	\$697

(a) Direct and indirect costs are included in other expense in our Combined Statements of Earnings.

(b) Included in interest expense in our Combined Statements of Earnings.

Direct Costs. Certain functions and services, such as employee benefits and insurance, are centralized at GE. In addition, certain third-party contracts for goods and services, such as technology licenses and telecommunication contracts, from which we benefit, are entered into by GE. GE allocates the costs associated with these goods and services to us using established allocation methodologies (e.g., pension costs are allocated using an actuarially determined percentage applied to the total compensation of employees who participate in such pension plans). For the years ended December 31, 2013, 2012 and 2011, we recorded \$207 million, \$184 million and \$181 million, respectively, related to these costs from GE. Below is a description of services resulting in direct costs:

- *Employee benefits and benefit administration.* Historically, we have reimbursed GE for benefits provided to our employees under various U.S. GE employee benefit plans, including costs associated with our participation in GE's retirement plans (pension, retiree health and life insurance, and savings benefit plans) and active health and life insurance benefit plans. We incurred expenses (including administrative costs) associated with these plans of \$129 million, \$110 million and \$110 million for the years ended December 31, 2013, 2012 and 2011, respectively. See Note 11. *Employee Benefit Plans.*
- *Information technology.* GE provides us with certain information technology infrastructure (e.g., data centers), applications and support services. We have incurred \$32 million, \$30 million and \$31 million for these services for the years ending December 31, 2013, 2012 and 2011, respectively.
- *Telecommunication costs.* GE provides us with telecommunication services. These third-party costs are allocated to our business based on number of phone lines used by our business. We have incurred \$33 million, \$34 million and \$33 million for this service for the years ending December 31, 2013, 2012 and 2011, respectively.
- *Other including leases for vehicles, equipment and facilities.* GE and GE affiliates provide us with certain vehicle and equipment leases. In addition, we have certain facilities shared with GE and GE affiliates for which we are allocated our share of the cost based on space occupied by our business and employees. We have incurred \$13 million, \$10 million and \$7 million for the years ending December 31, 2013, 2012 and 2011, respectively.

Indirect Costs. GE and GECC allocate costs to us related to corporate overhead that directly or indirectly benefits our business. These assessments relate to information technology, insurance coverage, tax services provided, executive incentive payments, advertising and branding and other functional support. These allocations are

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determined primarily using our percentage of GECC's relevant expenses. We have received allocations from GE of \$230 million, \$206 million and \$183 million for these services for the years ended December 31, 2013, 2012 and 2011, respectively.

Interest Expense. Historically, we have had access to funding provided by GE. We used this related party debt provided by GE to meet our funding requirements after taking into account deposits held at the Bank, funding from securitized financings and cash generated from our operations. GECC assesses us an interest cost on a portion of the Parent's total investment and we have reflected that portion as related party debt in the combined financial statements. Interest cost is assessed to us from GECC's centralized treasury function based on fixed and floating interest rates, plus funding related costs that include charges for liquidity and other treasury costs. We incurred borrowing costs for related party debt of \$157 million, \$155 million and \$333 million, for the years ended December 31, 2013, 2012 and 2011, respectively. Our average cost of funds for related party debt was 1.7%, 1.5% and 2.8% for the years ended December 31, 2013, 2012 and 2011, respectively.

Parent's Net Investment. The remainder of our Parent's total investment, in excess of our related party debt, includes balances due to and due from our Parent, and is reflected as equity under the caption, Parent's net investment on our Combined Statements of Financial Position.

Other. In addition to the related party activities described above, there are also a number of other transactions that take place between GE and us. These include:

- We use a centralized approach to cash management and financing of our operations. Most of our cash that is outside of the Bank is transferred to GECC on a daily basis and GECC subsequently funds the operating and investing activities as needed. These cash transfers in and out of GECC are included in Parent's net investment in our Combined Statements of Financial Position. This does not impact our Combined Statements of Earnings.
- In addition to the direct and indirect costs discussed above, GE makes payments for our payroll for our employees, corporate credit card bills and freight expenses through a centralized payment system and we reimburse GE in full for the amounts paid. Such expenses are included in other expense across the relevant categories in our Combined Statements of Earnings and are directly attributable to our business and our employees.

NOTE 15. PARENT COMPANY FINANCIAL INFORMATION

The following parent company financial statements for Synchrony Financial are provided in accordance with Regulation S-X of the SEC, which requires such disclosure when restricted net assets of consolidated subsidiaries exceed 25% of consolidated net assets. At December 31, 2013, restricted net assets of our subsidiaries were approximately \$5.8 billion.

Condensed Statements of Earnings

<i>For the years ended December 31 (\$ in millions)</i>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interest income from subsidiaries	\$ 143	\$ 154	\$ 333
Interest on related party debt	<u>(143)</u>	<u>(154)</u>	<u>(333)</u>
Net interest income	—	—	—
Dividends from subsidiaries	3,900	745	2,575
Other expense	<u>26</u>	<u>—</u>	<u>—</u>
Earnings before benefit from income taxes	3,874	745	2,575
Benefit for income taxes	7	—	—
Equity in undistributed net earnings of subsidiaries	<u>(1,902)</u>	<u>1,374</u>	<u>(685)</u>
Net earnings	<u>\$ 1,979</u>	<u>\$ 2,119</u>	<u>\$ 1,890</u>

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Condensed Statements of Financial Position

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets:		
Loan receivables from subsidiaries ^{(a)(b)}	\$ 8,764	\$10,216
Investments in subsidiaries	5,949	4,566
Goodwill	17	17
Other assets	8	—
Total assets	<u>\$14,738</u>	<u>\$14,799</u>
Liabilities and Equity:		
Related party debt ^(a)	\$ 8,764	\$10,216
Accrued expenses and other liabilities	14	1
Total liabilities	8,778	10,217
Equity:		
Total equity	5,960	4,582
Total liabilities and equity	<u>\$14,738</u>	<u>\$14,799</u>

- (a) As described in Note 8. *Deposits and Borrowings*, at December 31, 2013 and 2012, \$195 million and \$391 million, respectively, of related party debt was issued by a subsidiary of the Company. As described in Note 14. *Related Party Transactions and Parent's Net Investment*, the portion of our parent's total investment in our combined business on which we are assessed an interest cost is presented as related party debt. Except for the subsidiary-issued debt referred to above, we have reflected related party debt as loans to the Company at the parent level. This funding is used by our subsidiaries and is reflected above as interest-bearing loan receivables.
- (b) At December 31, 2013 and 2012, \$651 million and \$301 million, respectively, of deposits issued by the Bank were held by GECC and have been reflected as being held by our company. While these amounts have been eliminated in our combined financial statements, in accordance with the basis of presentation described in Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*, we have presented them above as loan receivables from subsidiaries.

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Condensed Statements of Cash Flows

For the years ended December 31 (\$ in millions)

	2013	2012	2011
Cash flows—operating activities			
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
Adjustments to reconcile net earnings to cash provided from operating activities	(8)	—	—
Increase in accrued expenses and other liabilities	13	—	1
Equity in undistributed net earnings of subsidiaries	1,902	(1,374)	685
Cash from operating activities	<u>3,886</u>	<u>745</u>	<u>2,576</u>
Cash flows—investing activities			
Net decrease in loan receivables from subsidiaries	1,452	1,490	6,405
Net decrease (increase) in investments in subsidiaries	(3,300)	1,124	(669)
Cash (used for) from investing activities	<u>(1,848)</u>	<u>2,614</u>	<u>5,736</u>
Cash flows—financing activities			
Net decrease in related party debt	(1,452)	(1,490)	(6,405)
Net transfers to Parent	(586)	(1,869)	(1,907)
Cash used for financing activities	<u>(2,038)</u>	<u>(3,359)</u>	<u>(8,312)</u>
Increase (decrease) in cash and equivalents	<u>—</u>	<u>—</u>	<u>—</u>
Cash and equivalents at beginning of year	—	—	—
Cash and equivalents at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTE 16. LEGAL PROCEEDINGS AND REGULATORY MATTERS

In the normal course of business, from time to time, we have been named as a defendant in various legal proceedings, including arbitrations, class actions and other litigation, arising in connection with our business activities. Certain of the legal actions include claims for substantial compensatory and/or punitive damages, or claims for indeterminate amounts of damages. We are also involved, from time to time, in reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our business (collectively, “regulatory matters”), which could subject us to significant fines, penalties, obligations to change our business practices or other requirements resulting in increased expenses, diminished income and damage to our reputation. We contest liability and/or the amount of damages as appropriate in each pending matter. In accordance with applicable accounting guidance, we establish an accrued liability for legal and regulatory matters when those matters present loss contingencies which are both probable and estimable.

Legal proceedings and regulatory matters are subject to many uncertain factors that generally cannot be predicted with assurance, however, and we may be exposed to losses in excess of any amounts accrued.

For some matters, we are able to determine that an estimated loss, while not probable, is reasonably possible. For other matters, including those that have not yet progressed through discovery and/or where important factual information and legal issues are unresolved, we are unable to make such an estimate. We currently estimate that the reasonably possible losses for legal proceedings and regulatory matters, whether in excess of a related accrued liability or where there is no accrued liability, and for which we are able to estimate a possible loss, are immaterial. This represents management’s estimate of possible loss with respect to these matters and is based on currently available information. This estimate of possible loss does not represent our maximum loss exposure. The legal proceedings and regulatory matters underlying the estimate will change from time to time and actual results may vary significantly from current estimates.

Our estimate of reasonably possible losses involves significant judgment, given the varying stages of the proceedings, the existence of numerous yet to be resolved issues, the breadth of the claims (often spanning

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multiple years), unspecified damages and/or the novelty of the legal issues presented. Based on our current knowledge, we do not believe that we are a party to any pending legal proceeding or regulatory matters that would have a material adverse effect on our combined financial condition or liquidity. However, in light of the uncertainties involved in such matters, the ultimate outcome of a particular matter could be material to our operating results for a particular period depending on, among other factors, the size of the loss or liability imposed and the level of our earnings for that period, and could adversely affect our business and reputation.

Below is a description of certain of our legal proceedings and regulatory matters.

CareCredit

On December 10, 2013, we entered into a Consent Order with the CFPB relating to our CareCredit platform, which requires us to pay up to \$34.1 million to qualifying customers, provide additional training and monitoring of our CareCredit partners, include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the business practice changes required by the Consent Order are similar to requirements in an Assurance of Discontinuance that we entered with the Attorney General for the State of New York on June 3, 2013.

Our settlements with the CFPB and the New York Attorney General do not preclude other regulators or state attorneys general from seeking additional monetary or injunctive relief with respect to CareCredit. In this regard, in 2010 and 2012, respectively, we received formal requests for information from the Attorneys General for the states of Minnesota and New Jersey. We have cooperated fully with these inquiries.

CFPB Matters

Starting in December 2012 and continuing into 2013, the CFPB conducted a review of the Bank's debt cancellation products and its marketing practices in its telesales channel related to those products. We are currently in discussions with the CFPB relating to this review. We cannot predict the final outcome of the discussions and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

In 2012, the Bank discovered through an audit of its collection operations, potential violations of the Equal Credit Opportunity Act where certain Spanish-speaking customers and customers residing in Puerto Rico were excluded from certain statement credit and settlement offers that were made to certain delinquent customers. We provided information to the CFPB in connection with this matter and have been in discussions with them. This matter has been referred to the Department of Justice, which has initiated a civil investigation. We cannot predict the final outcome of the discussions or the investigation, and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

Other Matters

On September 27, 2013, Secure Access LLC, filed a complaint against the Bank as well as other defendants in the U.S. District Court for the Eastern District of Texas, for patent infringement related to the Bank's alleged use of website authenticity technology referred to as "Safe Keys." The Complaint seeks unspecified damages.

The Bank is a defendant in two putative class actions alleging claims under the federal Telephone Consumer Protection Act ("TCPA"), where the plaintiffs assert that they received calls on their cellular telephones relating to accounts not belonging to them. One case (*Abdeljalil et al. v. GE Capital Retail Bank*) was filed on August 22,

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2012 in the U.S. District Court for the Southern District of California, originally naming GECC as the defendant. In August 2013, the Court denied without prejudice GECC's motion to dismiss the class allegations. GECC subsequently was dismissed and the plaintiffs amended the complaint to name the Bank as the defendant. The other case (*Travaglio et al. v. GE Capital Retail Bank and Allied Interstate LLC*) was filed on January 17, 2014 in the U.S. District Court for the Middle District of Florida. Both complaints allege that the Bank placed calls to consumers by an automated dialing system or using a pre-recorded message or automated voice without their consent, and seek up to \$1,500 for each violation. The amount of damages sought in the aggregate is unspecified.

Shares



Common Stock

Prospectus
, 2014

Through and including _____, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The expenses, other than underwriting commissions, expected to be incurred in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

Securities and Exchange Commission Registration Fee	\$12,880
FINRA Filing Fee	15,500
New York Stock Exchange Listing Fee	*
Printing and Engraving	*
Legal Fees and Expenses	*
Accounting Fees and Expenses	*
Miscellaneous	*
Total	<u>\$</u> *

* To be completed by amendment

Item 14. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the state of Delaware (“DGCL”) provides that a corporation may indemnify directors and officers, as well as employees and agents, against expenses, including attorneys’ fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of such corporation. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any certificate of incorporation, bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for payments of unlawful dividends or unlawful stock repurchases or (iv) for any transactions from which the director derived an improper personal benefit.

The certificate of incorporation of Synchrony (the “Registrant”) provides that the Registrant will indemnify its directors and officers to the fullest extent permitted by law and that, to the fullest extent permitted by the law, no director shall be liable for monetary damages to the Registrant or its stockholders for any breach of fiduciary duty as a director.

General Electric Company (“GE”), the ultimate parent of the Registrant, maintains liability insurance for its directors and officers and for the directors and officers of its majority-owned subsidiaries, including the Registrant. This insurance provides for coverage, subject to certain exceptions, against non-indemnifiable loss from claims made against directors and officers in their capacity as such, including claims under the federal securities laws. Prior to the completion of this offering, the Registrant intends to obtain additional liability insurance for its directors and officers.

Item 15. Recent Sales of Unregistered Securities

On August 2, 2013, the Registrant issued 99,000 shares of common stock to its sole shareholder GE Consumer Finance, Inc. (“GECFI”) as part of a recapitalization transaction whereby 99 shares of common stock were issued for every share of common stock then outstanding. On August 5, 2013, the Registrant issued 77,000 shares of common stock to General Electric Capital Corporation (“GECC”) as consideration for GECC’s contribution to the Registrant of

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100% of the outstanding stock of RFS Holding Inc. and its subsidiaries. On August 12, 2013, the Registrant issued 154 shares of common stock to GECFI as consideration for GECFI's contribution to the Registrant of substantially all outstanding stock of GECRF Global Services Philippines, Inc. On September 23, 2013, the Registrant issued 404 shares of common stock to GECFI's as consideration for GECFI's contribution to the Registrant of 4,040 shares of stock of Retail Finance International Holdings, Inc. ("RIH"). On September 23, 2013, the Registrant issued 88 shares of common stock to GECC as consideration for GECC's contribution to the Registrant of 875 shares of RIH, constituting all of the outstanding stock of RIH not already owned by the Registrant. Each of these issuances were made pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933.

Item 16. Exhibits

<u>Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of Synchrony
3.2**	Amended and Restated Bylaws of Synchrony
4.1*	Specimen Common Stock Certificate
5.1*	Opinion of Weil, Gotshal & Manges LLP
10.1*	Form of Master Agreement
10.2**	Form of Transitional Services Agreement
10.3**	Form of Registration Rights Agreement
10.4*	Form of Tax Sharing and Separation Agreement
10.5**	Form of Employee Matters Agreement
10.6**	Form of Transitional Trademark License Agreement
10.7**	Form of Intellectual Property Cross License Agreement
10.8*	Form of Credit Agreement with the Lenders named therein
10.9*	Form of Credit Agreement with GE and GECC
10.10*	Form of Synchrony 2014 Long-Term Incentive Plan
10.11*	Form of agreement for awards under Synchrony 2014 Long-Term Incentive Plan
10.12**	Form of Transaction Award Agreement, by and between GE Capital Retail Bank/GE Capital Retail Finance, Inc. and each of Margaret M. Keane, Brian D. Doubles, Jonathan S. Mothner, Thomas M. Quindlen and Glenn P. Marino
10.13**	Operating Agreement, dated as of January 11, 2013, between GE Capital Retail Bank and the Office of the Comptroller of the Currency
10.14**	Capital Assurance and Liquidity Maintenance Agreement, dated as of January 11, 2013, among GE Capital Retail Bank, General Electric Capital Corporation and GE Consumer Finance, Inc.
10.15	Master Indenture, dated as of September 25, 2003, between GE Capital Credit Card Master Note Trust, as Issuer and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.16	Omnibus Amendment No. 1 to Securitization Documents, dated as of February 9, 2004, among RFS Holding, L.L.C., RFS Funding Trust, GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia), GE Capital Credit Card Master Note Trust, Deutsche Bank Trust Company Delaware, as Trustee of RFS Funding Trust, RFS Holding, Inc. and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.16 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

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<u>Number</u>	<u>Description</u>
10.17	Second Amendment to Master Indenture, dated as of June 17, 2004, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.18	Third Amendment to Master Indenture, dated as of August 31, 2006, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.19	Fourth Amendment to Master Indenture, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 3, 2007)
10.20	Fifth Amendment to Master Indenture, dated as of May 22, 2008, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.21	Sixth Amendment to Master Indenture, dated as of August 7, 2009, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on August 7, 2009)
10.22	Seventh Amendment to Master Indenture, dated as of January 21, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on January 21, 2014)
10.23	Eighth Amendment to Master Indenture and Omnibus Supplement to Specified Indenture Supplements, dated as of March 11, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.24*	Form of VFN Indenture Supplement, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas
10.25*	Form of Loan Agreement (VFN Series, Class A), among GE Capital Credit Card Master Note Trust, the Lenders party thereto from time to time, and the Managing Agents party thereto from time to time
10.26	Trust Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and The Bank of New York (Delaware) (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.27	First Amendment to Trust Agreement, dated as of January 21, 2014, between RFS Holding, L.L.C. and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 4.2 of the current form 8-K filed by GE Capital Credit Master Note Trust and RFS Holding, L.L.C., on January 21, 2014)
10.28	Custody and Control Agreement, dated as of September 25, 2003 by and among Deutsche Bank Trust Company of Americas, in its capacity as Custodian and in its capacity as Indenture Trustee, and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.8 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.29	Receivables Sale Agreement, dated as of June 27, 2003, between GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.9 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

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<u>Number</u>	<u>Description</u>
10.30	RSA Assumption Agreement and Second Amendment to Receivables Sale Agreement, dated as of February 7, 2005, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.31	Third Amendment to Receivables Sale Agreement, dated as of December 21, 2006, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.32	Fourth Amendment to Receivables Sale Agreement, dated as of May 21, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.33	Designation of Removed Accounts and Fifth Amendment to Receivables Sale Agreement, dated as of December 29, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.34	Designation of Removed Accounts and Sixth Amendment to Receivables Sale Agreement, dated as of February 26, 2009, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.35	Seventh Amendment to Receivables Sale Agreement, dated as of November 23, 2010, between GE Capital Retail Bank (formerly known as GE Money Bank), and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2010)
10.36	Eighth Amendment to Receivables Sale Agreement, dated as of March 20, 2012, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.37	Ninth Amendment to Receivables Sale Agreement, dated as of March 11, 2014, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.38	Transfer Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.12 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.39	Second Amendment to Transfer Agreement, dated as of June 17, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.40	Third Amendment to Transfer Agreement, dated as of November 21, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2004)
10.41	Fourth Amendment to Transfer Agreement, dated as of August 31, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)

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<u>Number</u>	<u>Description</u>
10.42	Fifth Amendment to Transfer Agreement, dated as of December 21, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.43	Sixth Amendment to Transfer Agreement, dated as of May 21, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.44	Reassignment of Receivables in Removed Accounts and Seventh Amendment to Transfer Agreement, dated as of December 29, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.45	Reassignment No. 4 of Receivables in Removed Accounts and Eighth Amendment to Transfer Agreement, dated as of February 26, 2009, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.46	Ninth Amendment to Transfer Agreement, dated as of March 31, 2010, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 31, 2010)
10.47	Tenth Amendment to Transfer Agreement, dated as of March 20, 2012, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.48	Servicing Agreement, dated as of June 27, 2003, by and among RFS Funding Trust, GE Capital Credit Card Master Note Trust and General Electric Capital Corporation, successor to GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) (incorporated by reference to Exhibit 4.13 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.49	Servicing Assumption Agreement, dated as of February 7, 2005, by GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.50	First Amendment to Servicing Agreement, dated as of May 22, 2006, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 25, 2006)
10.51	Second Amendment to Servicing Agreement, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on June 28, 2007)
10.52	Instrument of Resignation, Appointment and Acceptance and Third Amendment to Servicing Agreement, dated as of May 22, 2008, by and among GE Capital Credit Card Master Note Trust, GE Capital Retail Bank (formerly known as GE Money Bank) and General Electric Capital Corporation (incorporated by reference to Exhibit 4.3 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.53	Administration Agreement, dated as of September 25, 2003, among GE Capital Credit Card Master Note Trust, General Electric Capital Corporation, as Administrator, and The Bank of New York (Delaware), not in its individual capacity but solely as Trustee (incorporated by reference to Exhibit 4.14 of Amendment No. 1 to Form S-3 Registration Statement filed on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

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<u>Number</u>	<u>Description</u>
10.54	First Amendment to Administration Agreement, dated as of May 4, 2009, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 6, 2009)
10.55**	Master Indenture, dated as of February 29, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.56**	Supplement No.1 to Master Indenture, dated as of September 19, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.57**	Supplement No.2 to Master Indenture, dated as of March 21, 2014, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.58*	Form of Indenture Supplement, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.59*	Form of Loan Agreement, among GE Sales Finance Master Trust, the Lenders party thereto from time to time, and the Lender Group Agents for the Lender Groups party thereto from time to time
10.60**	Amended and Restated Trust Agreement of GE Sales Finance Master Trust, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C and BNY Mellon Trust of Delaware
10.61**	Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GEMB Lending Inc.
10.62**	First Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 17, 2012, between GE Capital Retail Bank and GEMB Lending Inc.
10.63**	Second Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 5, 2013, between GE Capital Retail Bank and GEMB Lending Inc.
10.64**	Participation Interest Sale Agreement, dated as of February 29, 2012 between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.65**	First Amendment to Participation Interest Sale Agreement, dated as of September 19, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.66**	Second Amendment to Participation Interest Sale Agreement, dated as of March 21, 2014, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.67**	Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.68**	First Amendment to Transfer Agreement, dated as of September 19, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.69**	Second Amendment to Transfer Agreement, dated as of March 21, 2014, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.70**	Servicing Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GE Sales Finance Master Trust
10.71**	Administration Agreement, dated as of February 29, 2012, between GE Sales Finance Master Trust and GE Capital Retail Bank
21.1*	Subsidiaries of the Registrant
23.1**	Consent of KPMG LLP
23.2*	Consent of Weil, Gotshal & Manges LLP (included in Exhibit 5.1)
24.1*	Powers of Attorney (included on signature page)
99.1*	Consent of Roy A. Guthrie
99.2*	Consent of Richard C. Hartnack
99.3*	Consent of Jeffrey G. Naylor

* To be filed by amendment.

** Filed herewith.

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Item 17. Undertakings

The undersigned hereby undertakes as follows:

(a) to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act, and will be governed by the final adjudication of such issue.

(c)(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused its registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Stamford, Connecticut on April 25, 2014.

SYNCHRONY FINANCIAL

By: /s/ Margaret M. Keane

Name: Margaret M. Keane

Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on April 25, 2014:

<u>Signature</u>	<u>Title</u>
<u>/s/ Margaret M. Keane</u> Margaret M. Keane	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Brian D. Doubles</u> Brian D. Doubles	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
<u>/s/ David P. Melito</u> David P. Melito	Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
<u>*</u> Daniel O. Colao	Director
<u>*</u> William H. Cary	Director
<u>*</u> Alexander Dimitrief	Director
<u>*</u> Anne Kennelly Kratky	Director
<u>*</u> Dmitri L. Stockton	Director
<u>* /s/ Jonathan S. Mothner</u> Jonathan S. Mothner Attorney-in-fact	

INDEX TO EXHIBITS

<u>Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation of Synchrony
3.2**	Amended and Restated Bylaws of Synchrony
4.1*	Specimen Common Stock Certificate
5.1*	Opinion of Weil, Gotshal & Manges LLP
10.1*	Form of Master Agreement
10.2**	Form of Transitional Services Agreement
10.3**	Form of Registration Rights Agreement
10.4*	Form of Tax Sharing and Separation Agreement
10.5**	Form of Employee Matters Agreement
10.6**	Form of Transitional Trademark License Agreement
10.7**	Form of Intellectual Property Cross License Agreement
10.8*	Form of Credit Agreement with the Lenders named therein
10.9*	Form of Credit Agreement with GE and GECC
10.10*	Form of Synchrony 2014 Long-Term Incentive Plan
10.11*	Form of agreement for awards under Synchrony 2014 Long-Term Incentive Plan
10.12**	Form of Transaction Award Agreement, by and between GE Capital Retail Bank/GE Capital Retail Finance, Inc. and each of Margaret M. Keane, Brian D. Doubles, Jonathan S. Mothner, Thomas M. Quindlen, and Glenn P. Marino
10.13**	Operating Agreement, dated as of January 11, 2013, between GE Capital Retail Bank and the Office of the Comptroller of the Currency
10.14**	Capital Assurance and Liquidity Maintenance Agreement, dated as of January 11, 2013, among GE Capital Retail Bank, General Electric Capital Corporation and GE Consumer Finance, Inc.
10.15	Master Indenture, dated as of September 25, 2003, between GE Capital Credit Card Master Note Trust, as Issuer and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.16	Omnibus Amendment No. 1 to Securitization Documents, dated as of February 9, 2004, among RFS Holding, L.L.C., RFS Funding Trust, GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia), GE Capital Credit Card Master Note Trust, Deutsche Bank Trust Company Delaware, as Trustee of RFS Funding Trust, RFS Holding, Inc. and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.16 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.17	Second Amendment to Master Indenture, dated as of June 17, 2004, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.18	Third Amendment to Master Indenture, dated as of August 31, 2006, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.19	Fourth Amendment to Master Indenture, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 3, 2007)

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<u>Number</u>	<u>Description</u>
10.20	Fifth Amendment to Master Indenture, dated as of May 22, 2008, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.21	Sixth Amendment to Master Indenture, dated as of August 7, 2009, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on August 7, 2009)
10.22	Seventh Amendment to Master Indenture, dated as of January 21, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on January 21, 2014)
10.23	Eighth Amendment to Master Indenture and Omnibus Supplement to Specified Indenture Supplements, dated as of March 11, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.24*	Form of VFN Indenture Supplement, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas
10.25*	Form of Loan Agreement (VFN Series, Class A), among GE Capital Credit Card Master Note Trust, the Lenders party thereto from time to time, and the Managing Agents party thereto from time to time
10.26	Trust Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and The Bank of New York (Delaware) (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.27	First Amendment to Trust Agreement, dated as of January 21, 2014, between RFS Holding, L.L.C. and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 4.2 of the current form 8-K filed by GE Capital Credit Master Note Trust and RFS Holding, L.L.C., on January 21, 2014)
10.28	Custody and Control Agreement, dated as of September 25, 2003 by and among Deutsche Bank Trust Company of Americas, in its capacity as Custodian and in its capacity as Indenture Trustee, and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.8 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.29	Receivables Sale Agreement, dated as of June 27, 2003, between GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.9 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.30	RSA Assumption Agreement and Second Amendment to Receivables Sale Agreement, dated as of February 7, 2005, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.31	Third Amendment to Receivables Sale Agreement, dated as of December 21, 2006, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.32	Fourth Amendment to Receivables Sale Agreement, dated as of May 21, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)

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<u>Number</u>	<u>Description</u>
10.33	Designation of Removed Accounts and Fifth Amendment to Receivables Sale Agreement, dated as of December 29, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.34	Designation of Removed Accounts and Sixth Amendment to Receivables Sale Agreement, dated as of February 26, 2009, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.35	Seventh Amendment to Receivables Sale Agreement, dated as of November 23, 2010, between GE Capital Retail Bank (formerly known as GE Money Bank), and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2010)
10.36	Eighth Amendment to Receivables Sale Agreement, dated as of March 20, 2012, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.37	Ninth Amendment to Receivables Sale Agreement, dated as of March 11, 2014, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.38	Transfer Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.12 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.39	Second Amendment to Transfer Agreement, dated as of June 17, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.40	Third Amendment to Transfer Agreement, dated as of November 21, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2004)
10.41	Fourth Amendment to Transfer Agreement, dated as of August 31, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.42	Fifth Amendment to Transfer Agreement, dated as of December 21, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.43	Sixth Amendment to Transfer Agreement, dated as of May 21, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.44	Reassignment of Receivables in Removed Accounts and Seventh Amendment to Transfer Agreement, dated as of December 29, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.45	Reassignment No. 4 of Receivables in Removed Accounts and Eighth Amendment to Transfer Agreement, dated as of February 26, 2009, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)

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<u>Number</u>	<u>Description</u>
10.46	Ninth Amendment to Transfer Agreement, dated as of March 31, 2010, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 31, 2010)
10.47	Tenth Amendment to Transfer Agreement, dated as of March 20, 2012, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.48	Servicing Agreement, dated as of June 27, 2003, by and among RFS Funding Trust, GE Capital Credit Card Master Note Trust and General Electric Capital Corporation, successor to GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) (incorporated by reference to Exhibit 4.13 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.49	Servicing Assumption Agreement, dated as of February 7, 2005, by GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.50	First Amendment to Servicing Agreement, dated as of May 22, 2006, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 25, 2006)
10.51	Second Amendment to Servicing Agreement, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on June 28, 2007)
10.52	Instrument of Resignation, Appointment and Acceptance and Third Amendment to Servicing Agreement, dated as of May 22, 2008, by and among GE Capital Credit Card Master Note Trust, GE Capital Retail Bank (formerly known as GE Money Bank) and General Electric Capital Corporation (incorporated by reference to Exhibit 4.3 of the current report of Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.53	Administration Agreement, dated as of September 25, 2003, among GE Capital Credit Card Master Note Trust, General Electric Capital Corporation, as Administrator, and The Bank of New York (Delaware), not in its individual capacity but solely as Trustee (incorporated by reference to Exhibit 4.14 of Amendment No. 1 to Form S-3 Registration Statement filed on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.54	First Amendment to Administration Agreement, dated as of May 4, 2009, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 6, 2009)
10.55**	Master Indenture, dated as of February 29, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.56**	Supplement No.1 to Master Indenture, dated as of September 19, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.57**	Supplement No.2 to Master Indenture, dated as of March 21, 2014, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.58*	Form of Indenture Supplement, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.59*	Form of Loan Agreement, among GE Sales Finance Master Trust, the Lenders party thereto from time to time, and the Lender Group Agents for the Lender Groups party thereto from time to time

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<u>Number</u>	<u>Description</u>
10.60**	Amended and Restated Trust Agreement of GE Sales Finance Master Trust, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C and BNY Mellon Trust of Delaware
10.61**	Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GEMB Lending Inc.
10.62**	First Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 17, 2012, between GE Capital Retail Bank and GEMB Lending Inc.
10.63**	Second Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 5, 2013, between GE Capital Retail Bank and GEMB Lending Inc.
10.64**	Participation Interest Sale Agreement, dated as of February 29, 2012 between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.65**	First Amendment to Participation Interest Sale Agreement, dated as of September 19, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.66**	Second Amendment to Participation Interest Sale Agreement, dated as of March 21, 2014, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C.
10.67**	Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.68**	First Amendment to Transfer Agreement, dated as of September 19, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.69**	Second Amendment to Transfer Agreement, dated as of March 21, 2014, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust
10.70**	Servicing Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GE Sales Finance Master Trust
10.71**	Administration Agreement, dated as of February 29, 2012, between GE Sales Finance Master Trust and GE Capital Retail Bank
21.1*	Subsidiaries of the Registrant
23.1**	Consent of KPMG LLP
23.2*	Consent of Weil, Gotshal & Manges LLP (included in Exhibit 5.1)
24.1*	Powers of Attorney (included on signature page)
99.1*	Consent of Roy A. Guthrie
99.2*	Consent of Richard C. Hartnack
99.3*	Consent of Jeffrey G. Naylor

* To be filed by amendment.

** Filed herewith.

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
SYNCHRONY FINANCIAL**

SYNCHRONY FINANCIAL, a corporation organized and existing under the General Corporation Law of the State of Delaware (the “DGCL”), hereby certifies as follows:

1. The name of the corporation is SYNCHRONY FINANCIAL. The name under which the corporation was originally incorporated was GESF-E Inc. The date of the filing of its original certificate of incorporation with the Secretary of State of the State of Delaware was September 12, 2003.

2. This Amended and Restated Certificate of Incorporation, which restates, integrates and further amends the certificate of incorporation of the corporation as heretofore amended, has been duly adopted by the corporation in accordance with Sections 242 and 245 of the DGCL and has been adopted by the requisite vote of the stockholders of the corporation, acting by written consent in lieu of a meeting in accordance with Section 228 of the DGCL.

3. The certificate of incorporation is hereby amended and restated in its entirety to read as follows:

**ARTICLE I
NAME**

The name of the corporation is “SYNCHRONY FINANCIAL” (hereinafter called the “Corporation”).

**ARTICLE II
REGISTERED OFFICE AND AGENT**

The address of the Corporation’s registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is Corporation Trust Company.

**ARTICLE III
PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

**ARTICLE IV
CAPITAL STOCK**

(A) Classes of Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is \square shares, which shall be divided into two classes of stock designated as "Common Stock" and "Preferred Stock". The total number of shares of Common Stock that the Corporation is authorized to issue is \square shares, par value \$0.001 per share. The total number of shares of Preferred Stock that the Corporation is authorized to issue is \square shares, par value \$ \square per share. Subject to the rights of the holders of any series of Preferred Stock, the number of authorized shares of either the Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of either the Common Stock or Preferred Stock voting separately as a class shall be required therefor.

(B) Common Stock. The powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of the Common Stock, are as follows:

1. Ranking. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by such rights of the holders of the Preferred Stock of any series as may be designated by the Board of Directors of the Corporation (the "Board") upon any issuance of the Preferred Stock of any series.

2. Voting.

(a) General. Except as otherwise provided by law or by the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (as the same may be further amended and/or restated from time to time, including the terms of any Preferred Stock Designation (as defined below), this "Certificate of Incorporation") to the contrary, the holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any Preferred Stock Designation) or the DGCL. On each matter on which they are entitled to vote, the holders of the outstanding shares of Common Stock shall be entitled to one (1) vote for each share of Common Stock held by such stockholders, except as otherwise provided in section (B)(2)(b) of this Article IV.

(b) Voting Restriction.

(i) Definitions. For purposes of this section (B)(2)(b), the following definitions shall apply:

(aa) "Affiliate" shall mean any person who is either (x) an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations promulgated under the Securities Exchange Act of 1934, as amended ("Rule 12b-2"), or (y) an "affiliate" as defined in section 238.2(a) of title 12 of the Code of Federal Regulations.

(bb) "Associate" shall have the meaning ascribed thereto in Rule 12b-2.

(cc) "Acting in Concert" shall have the meaning ascribed thereto in section 238.31(b)(2) of title 12 of the Code of Federal Regulations.

(dd) A person shall be a "beneficial owner" of, and shall be deemed to "beneficially own," shares of Voting Stock: (x) which such person or any of its Affiliates or Associates, individually or Acting in Concert with any other person, beneficially owns, directly or indirectly; (y) which such person or any of its Affiliates or Associates, individually or Acting in Concert with any other person, has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or (z) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates, individually or Acting in Concert with any other person, has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any such shares of Voting Stock. Notwithstanding the foregoing: (x) no director, officer or employee of the Corporation or of any Subsidiary thereof (nor any Affiliate or Associate of any such director, officer or employee) shall, solely by reason of his or her capacity as such or solely by reason of any action taken by such director, officer or employee in such capacity, be deemed, for any purpose hereof, to be the beneficial owner of any Voting Stock beneficially owned by any other director, officer or employee (or any Affiliate or Associate thereof); and (y) in the case of any employee stock ownership or similar employee benefit plan of the Corporation or of any Subsidiary thereof, no such plan nor any trustee or any member of an administrative committee of such plan or other representative with respect thereto (nor any Affiliate or Associate of such trustee, member or other representative), solely by reason of such capacity of such trustee, member or other representative, shall be deemed, for any purposes hereof, to beneficially own any shares of Voting Stock held under any such plan.

(ee) "Excess Shares" shall mean shares of Voting Stock beneficially owned by a person (other than an Exempt Person) in excess of the Voting Threshold of the total number of outstanding shares of Voting Stock (or, in the case of the calculations

contemplated by clauses (y) and (z) of section B(2)(b)(i)(j) of this Article IV, in excess of the Voting Threshold of the total number of Initial Reduced Stock Outstanding, and in excess of the Voting Threshold of the total number of Further Reduced Stock Outstanding, respectively), as of any record date for the determination of stockholders entitled to vote in the election of directors or on any other matter.

(ff) "Excess Stockholder" shall mean any person (other than an Exempt Person) that beneficially owns Excess Shares, determined, unless otherwise provided herein, without giving effect to the limitation on voting power set forth in section (B)(2)(b)(ii) of this Article IV.

(gg) "Exempt Person" shall mean (x) GE (as such term is defined in Article XV) and its Affiliates and Subsidiaries, (y) a defined benefit or defined contribution employee benefit plan such as an employees' stock ownership plan, stock bonus plan, profit-sharing plan or other plan, which, with its related trust, meets the requirements to be "qualified" under Section 401 of the United States Internal Revenue Code of 1986, as amended (the "Code"), in any such case of an Exempt Person defined in clause (x) or (z) hereof, and (z) the Corporation and any Affiliate or Subsidiary thereof.

(hh) "Initial Public Offering" shall mean the sale of shares of Voting Stock to the public pursuant to the Corporation's first effective registration statement of such Voting Stock filed under the Securities Act of 1933, as amended.

(ii) "person" shall mean an individual, a firm, a corporation, a partnership, a limited liability company, an association, a joint venture, a joint stock company, a trust, an unincorporated organization or similar company, any other entity, or a syndicate or any group having any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Voting Stock.

(jj) "Reduced Stock Outstanding" shall mean (x) the total number of outstanding shares of Voting Stock minus the total number of Excess Shares beneficially owned by any and all Excess Stockholders (the "Initial Reduced Stock Outstanding"), further reduced (y) by the total number of shares of Voting Stock, if any, that would be Excess Shares if the total number of outstanding shares of Voting Stock equaled the Initial Reduced Stock Outstanding (the "Further Reduced Stock Outstanding"), and further reduced (z) iteratively, in the same manner described in the preceding clause (y), in each subsequent iteration, assuming that the total number of outstanding shares of Voting Stock equaled the immediately prior iteration's Further Reduced Stock Outstanding until such iteration in which no additional Potential Excess Stockholders (as such term is defined in section B(2)(b)(ii) below) are identified.

(kk) "Split-off" shall mean the first time that both (x) GE will be obligated to accept shares of GE common stock tendered by GE stockholders in exchange for Common Stock in an exchange offer by GE, or in the first of a series of exchange offers by GE, intended to qualify as a distribution of shares of Common Stock that is tax-free under Section 355 of the Code (the "Exchange Offer"), and (y) GE stockholders will have no right to withdraw any shares of GE common stock tendered in the Exchange Offer.

(ll) “Subsidiary” shall have the meaning ascribed thereto in section 238.2(p) of title 12 of the Code of Federal Regulations.

(mm) “Voting Stock” shall mean the capital stock of the Corporation entitled to vote generally in the election of directors.

(nn) “Voting Threshold” shall mean 4.99%.

(ii) Restriction. Notwithstanding any other provision of this Certificate of Incorporation or the Amended and Restated Bylaws of the Corporation (as the same may be amended and/or restated from time to time, the “Bylaws”), from and after the date of the Initial Public Offering until the earlier of (aa) such time as is immediately prior to the Split-off and (bb) the Deregistration (as such term is defined in Article XV), each record holder of shares of Voting Stock beneficially owned by any Excess Stockholder and/or by one or more beneficial owners of shares of Voting Stock that are not Excess Stockholders but would become Excess Stockholders after giving effect to the calculation of Reduced Stock Outstanding set forth in section (B)(2)(b)(i)(j) of this Article IV (each, a “Potential Excess Stockholder”) shall, until such time as such Excess Stockholder or such Potential Excess Stockholder, as applicable, ceases to be an Excess Stockholder or a Potential Excess Stockholder, as applicable, be entitled to vote such number of the shares of Voting Stock both owned of record by such record holder and beneficially owned by such Excess Stockholder or by such Potential Excess Stockholder (the “Record Holder Stock”), as applicable, having a number of votes equal to the product of (x) a fraction, the numerator of which is the number of shares of Record Holder Stock and the denominator of which is the total number of shares of Voting Stock beneficially owned by such Excess Stockholder or by such Potential Excess Stockholder, as applicable, multiplied by (y) the product of the Voting Threshold multiplied by the Reduced Stock Outstanding. If shares of Voting Stock have purportedly been voted in contravention of the foregoing sentence by an Excess Stockholder, a Potential Excess Stockholder, or the record holder(s) of shares of Voting Stock beneficially owned by any Excess Stockholder or by any Potential Excess Stockholder, then the Corporation shall, and any inspector shall be directed to, disregard such shares purportedly so voted.

(iii) Factual Determinations.

(aa) The Board shall have the power to construe and apply the provisions of this section (B)(2)(b) and to make all determinations necessary or desirable to implement such provisions, including but not limited to, matters with respect to (u) the number of shares of Voting Stock beneficially owned or owned of record by any person, (v) whether any shares of Voting Stock are Excess Shares, (w) whether a person is an Affiliate or Associate of another person, (x) whether a person has an agreement, arrangement or understanding, or is Acting in Concert, with another person as to the matters referred to in the definition of beneficial owner, (y) the application or interpretation of any other definition or operative provision of this section (B)(2)(b) to the facts or (z) any other matter relating to the applicability or effect of this section (B)(2)(b).

(bb) The Corporation shall have the right to demand that any person who after reasonable inquiry is believed to be an Excess Stockholder or a Potential Excess Stockholder (or who holds of record shares of Voting Stock that are beneficially owned by any person that the Board believes is or may be an Excess Stockholder or a Potential Excess Stockholder) supply the Corporation with complete information as to (x) the record holder(s) of all shares of Voting Stock beneficially owned by such person who is so believed to be an Excess Stockholder or a Potential Excess Stockholder, including, without limitation, whether there is any other person with whom such person is Acting in Concert and the identity of any such other person, (y) the number of, and class or series of, shares of Voting Stock (i) beneficially owned by such person who is believed to be an Excess Stockholder or a Potential Excess Stockholder and (ii) held of record by each record holder of shares so beneficially owned by such person and (z) any other factual matter relating to the applicability or effect of this section (B)(2)(b), as may be requested by the Corporation. Each such person shall furnish the information requested in the foregoing demand within ten (10) business days after the receipt of such demand or, if earlier, by the date that is two (2) business days prior to the date of any stockholder vote.

(cc) Any determination made by the Board pursuant to this section (B)(2)(b) on the basis of such information as was then reasonably available for such purpose shall be conclusive and binding upon the Corporation and its stockholders, including any Excess Stockholder, any Potential Excess Stockholder and any record holder of shares beneficially owned by any Excess Stockholder or by any Potential Excess Stockholder.

(iv) Quorum. From and after the date any person becomes an Excess Stockholder or a Potential Excess Stockholder until such time as each such person shall cease to be an Excess Stockholder or a Potential Excess Stockholder, as applicable, the number of shares of Voting Stock, present in person or represented by proxy, required to constitute a quorum at a meeting of stockholders shall be reduced by the difference between (aa) the number of votes entitled to be cast by record holder(s) of shares of Voting Stock beneficially owned by any Excess Stockholder and by any Potential Excess Stockholder without giving effect to the limitation on voting power set forth in section (B)(2)(b)(ii) of this Article IV, and (bb) the number of votes entitled to be cast by record holder(s) of shares of Voting Stock beneficially owned by any Excess Stockholder and by any Potential Excess Stockholder after giving effect to the limitation on voting power set forth in section (B)(2)(b)(ii) of this Article IV.

(v) Fiduciary Obligations. Nothing contained in this section (B)(2)(b) shall be construed to relieve any Excess Stockholder or Potential Excess Stockholder from any fiduciary obligation imposed by law.

3. Dividends. Subject to the rights of the holders of any series of Preferred Stock, holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board from time to time out of assets or funds of the Corporation legally available therefor.

4. Liquidation. Subject to the rights of the holders of any series of Preferred Stock, holders of shares of Common Stock shall be entitled to receive the assets and funds of the Corporation available for distribution to stockholders in the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary. A liquidation, dissolution or winding up of the affairs of the Corporation, as such terms are used in this section B(4), shall not be deemed to be occasioned by, or to include, any consolidation or merger of the Corporation with or into any other person or a sale, lease, exchange or conveyance of all or a part of its assets.

(C) Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series. The Board is hereby authorized to provide by resolution or resolutions from time to time for the issuance, out of the unissued shares of Preferred Stock, of one or more series of Preferred Stock by filing a certificate of designation pursuant to the DGCL (a "Preferred Stock Designation"), setting forth such resolution or resolutions and, with respect to each such series, establishing the number of shares to be included in such series, and fixing the voting powers, full or limited, or no voting power of the shares of such series, and the designation, preferences and relative, participating, optional or other special rights, if any, of the shares of each such series and any qualifications, limitations or restrictions thereof. The powers, designation, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, if any, of each series of Preferred Stock may differ from those of any and all other series at any time outstanding. The authority of the Board with respect to each series of Preferred Stock shall include, but not be limited to, the determination of the following:

1. the designation of the series, which may be by distinguishing name, number, letter or title;
2. the number of shares of the series, which number the Board may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding);
3. the rights in respect of any dividends (or methods of determining the dividends), if any, payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid, the amounts or rates at which dividends, if any, will be payable on, and the preferences, if any, of shares of such series in respect of dividends, whether such dividends, if any, shall be cumulative or noncumulative and the date or dates upon which such dividends shall be payable;
4. the redemption rights and price or prices, if any, for shares of the series, the form of payment of such price or prices (which may be cash, property or rights, including securities of the Corporation or another corporation or entity) for which, the period or periods within which and the other terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events, if any, including the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise;

5. the amounts payable out of the assets of the Corporation on, and the preferences, if any, of, shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

6. whether the shares of the series shall be convertible into or exchangeable for, shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;

7. any restrictions on the issuance of shares of the same series or any other class or series;

8. the voting rights, if any, of the holders of shares of the series generally or upon specified events; and

9. any other powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, if any, of each series of Preferred Stock, all as may be determined from time to time by the Board and stated in the resolution or resolutions providing for the issuance of such series of Preferred Stock.

Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior to, rank equally with or be junior to any other series of Preferred Stock to the extent permitted by law.

ARTICLE V MANAGEMENT

This Article V is inserted for the management of the business and for the conduct of the affairs of the Corporation.

(A) General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as otherwise provided by law.

(B) Number of Directors; Election of Directors. Subject to the rights of holders of any series of Preferred Stock to elect additional directors, the number of directors of the Corporation shall be fixed from time to time by resolution of the Board.

(C) Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term of one (1) year, ending on the date of the next annual meeting of stockholders following the annual meeting of stockholders at which such

director was elected; provided, that the term of each such director shall continue until the election and qualification of his or her successor, subject to his or her earlier death, resignation, disqualification, or removal.

(D) Vacancies. Subject to the rights of holders of any series of Preferred Stock to elect directors, any newly created directorship that results from an increase in the number of directors, or any vacancy on the Board that results from the death, resignation, disqualification or removal of any director or from any other cause, shall be filled solely by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders. Any director elected to fill a vacancy shall hold office for the remaining term of his or her predecessor.

(E) Removal. Subject to the rights of the holders of any series of Preferred Stock, any director or the entire Board may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority in voting power of the issued and outstanding stock entitled to vote thereon.

(F) Committees. Pursuant to the Bylaws, the Board may establish one or more committees to which may be delegated any or all of the powers and duties of the Board to the full extent permitted by law.

ARTICLE VI ELECTION OF DIRECTORS

Unless and except to the extent that the Bylaws shall so require, the election of directors of the Corporation need not be by written ballot.

ARTICLE VII EXCULPATION AND INDEMNIFICATION OF DIRECTORS

(A) Limited Liability. To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No repeal or modification of this Article VII shall apply to or have any adverse effect on any right or protection of, or any limitation of the liability of, a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(B) Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation, or has or had agreed to become a director or officer of the Corporation, or, while a director or officer of the

Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a limited liability company, partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in section (D) of this Article VII, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board.

(C) Prepayment of Expenses. The Corporation shall, to the fullest extent not prohibited by applicable law, as the same exists or may hereafter be amended, pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by or on behalf of the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

(D) Claims. If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Article VII is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense (including attorney's fees) of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(E) Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VII shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the Bylaws, any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise.

(F) Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

(G) Other Indemnification and Prepayment of Expenses. This Article VII shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

**ARTICLE VIII
STOCKHOLDER ACTION**

(A) Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; provided, however, that any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Preferred Stock Designation.

(B) Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only (1) by or at the direction of the Board, any committee thereof, the Chairman of the Board, or the Chief Executive Officer, (2) by the Secretary of the Corporation upon the written request of the holders of a majority of the shares of Common Stock issued and outstanding or (3) by the Secretary of the Corporation upon the written request of GE or any Affiliate of GE, provided that (a) GE or any such Affiliate of GE is a holder of Common Stock and (b) Deregistration shall not have occurred. Except as provided in the preceding sentence, special meetings of the stockholders of the Corporation may not be called by any person or persons.

(C) Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws.

**ARTICLE IX
SECTION 203 OF THE DGCL**

The Corporation shall not be governed by Section 203 of the DGCL ("Section 203"), and the restrictions contained in Section 203 shall not apply to the Corporation, until the moment in time immediately following the time at which both of the following conditions exist (if ever): (A) Section 203 by its terms would, but for the provisions of this Article IX, apply to the Corporation; and (B) there occurs a transaction following consummation of which GE owns (as defined in Section 203) less than fifteen percent (15%) of the voting power of the outstanding shares of voting stock (as defined in Section 203) of the Corporation, and the Corporation shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms shall apply to the Corporation.

**ARTICLE X
SEVERABILITY**

If any provision or provisions (or any part thereof) of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (A) the validity, legality and enforceability of such provisions in any other

circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (B) to the fullest extent possible, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

**ARTICLE XI
AMENDMENT OF CERTIFICATE OF INCORPORATION**

The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the DGCL may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article XI. Subject to applicable law, and subject to the rights of the holders of any series of Preferred Stock pursuant to any Preferred Stock Designation, the affirmative vote of the holders of a majority in voting power of the outstanding stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal any provision of this Certificate of Incorporation, or to adopt any new provision of this Certificate of Incorporation.

**ARTICLE XII
AMENDMENT OF BYLAWS**

In furtherance and not in limitation of the powers conferred upon it by law, the Board is expressly authorized and empowered to adopt, amend and repeal the Bylaws by the affirmative vote of a majority of the total number of directors present at a regular or special meeting of the Board at which there is a quorum, or by unanimous written consent. The Bylaws may also be amended, altered or repealed and new Bylaws may be adopted by the affirmative vote of the holders of a majority in voting power of the outstanding stock of the Corporation entitled to vote thereon.

**ARTICLE XIII
FORUM**

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (A) any derivative action or proceeding brought on behalf of the Corporation, (B) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (C)

any action asserting a claim arising pursuant to any provision of the DGCL, or (D) any action asserting a claim governed by the internal affairs doctrine. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XIII.

ARTICLE XIV CORPORATE OPPORTUNITIES

(A) General. In recognition and anticipation (1) that the Corporation will not be a wholly owned subsidiary of GE and that GE will be a significant stockholder of the Corporation, (2) that directors, officers and/or employees of GE may serve as directors and/or officers of the Corporation, (3) that, subject to any contractual arrangements that may otherwise from time to time be agreed to between GE and the Corporation, GE may engage in the same, similar or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, (4) that GE may have an interest in the same areas of corporate opportunity as the Corporation and Affiliated Companies thereof, and (5) that, as a consequence of the foregoing, it is in the best interests of the Corporation that the respective rights and duties of the Corporation and of GE, and the duties of any directors and/or officers of the Corporation who are also directors, officers and/or employees of GE, be determined and delineated in respect of any transactions between, or opportunities that may be suitable for both, the Corporation and Affiliated Companies thereof, on the one hand, and GE, on the other hand, the sections of this Article XIV shall to the fullest extent permitted by law regulate and define the conduct of certain of the business and affairs of the Corporation in relation to GE and the conduct of certain affairs of the Corporation as they may involve GE and its directors, officers and/or employees, and the power, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any shares of capital stock of the Corporation, or any interest therein, shall be deemed to have notice of and to have consented to the sections of this Article XIV.

(B) Certain Agreements and Transactions Permitted. The Corporation may from time to time enter into and perform, and cause or permit any Affiliated Company of the Corporation to enter into and perform, one or more agreements (or modifications or supplements to pre-existing agreements) with GE pursuant to which the Corporation or an Affiliated Company thereof, on the one hand, and GE, on the other hand, agree to engage in transactions of any kind or nature with each other and/or agree to compete, or to refrain from competing or to limit or restrict their competition, with each other, including to allocate and to cause their respective directors, officers and/or employees (including any who are directors, officers and/or employees of both) to allocate opportunities between or to refer opportunities to each other. Subject to section (D) of this Article XIV, no such agreement, or the performance thereof by the Corporation or any Affiliated Company thereof, or GE, shall, to the fullest extent permitted by law, be considered contrary to (1) any fiduciary duty that GE may owe to the Corporation or any Affiliated Company thereof or to any stockholder or other owner of an equity interest in the

Corporation or an Affiliated Company thereof by reason of GE being a controlling or significant stockholder of the Corporation or of any Affiliated Company thereof or participating in the control of the Corporation or of any Affiliated Company thereof or (2) any fiduciary duty owed by any director and/or officer of the Corporation or any Affiliated Company thereof who is also a director, officer and/or employee of GE to the Corporation or such Affiliated Company, or to any stockholder thereof. Subject to section (D) of this Article XIV, to the fullest extent permitted by law, GE, as a stockholder of the Corporation or any Affiliated Company thereof, or as a participant in control of the Corporation or any Affiliated Company thereof, shall not have or be under any fiduciary duty to refrain from entering into any agreement or participating in any transaction referred to above, and no director and/or officer of the Corporation who is also a director, officer and/or employee of GE shall have or be under any fiduciary duty to the Corporation or any Affiliated Company thereof to refrain from acting on behalf of the Corporation or any Affiliated Company thereof or of GE in respect of any such agreement or transaction or performing any such agreement in accordance with its terms.

(C) Business Activities. Except as otherwise agreed in writing between the Corporation and GE, GE shall to the fullest extent permitted by law have no duty to refrain from (1) engaging in the same or similar activities or lines of business as the Corporation or (2) doing business with any client, customer or vendor of the Corporation, and (except as provided in section (D) of this Article XIV below) neither GE nor any officer, director and/or employee thereof shall, to the fullest extent permitted by law, be deemed to have breached its fiduciary duties, if any, to the Corporation solely by reason of GE's engaging in any such activity. Except as otherwise agreed in writing between the Corporation and GE, in the event that GE acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the Corporation and GE, GE shall to the fullest extent permitted by law have fully satisfied and fulfilled its fiduciary duty with respect to such corporate opportunity, and the Corporation to the fullest extent permitted by law renounces any interest or expectancy in such business opportunity and waives any claim that such business opportunity constituted a corporate opportunity that should have been presented to the Corporation or any Affiliated Company thereof, if GE acts in a manner consistent with the following policy: if GE acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the Corporation and GE, such corporate opportunity shall belong to GE unless such opportunity was expressly offered to GE in its capacity as a stockholder of the Corporation. In the case of any corporate opportunity in which the Corporation has renounced its interest and expectancy in the previous sentence, GE shall to the fullest extent permitted by law not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder of the Corporation by reason of the fact that GE acquires or seeks such corporate opportunity for itself, directs such corporate opportunity to another Person, or otherwise does not communicate information regarding such corporate opportunity to the Corporation.

(D) Corporate Opportunities. (1) Except as otherwise agreed in writing between the Corporation and GE, in the event that a director and/or officer of the Corporation who is also a director, officer and/or employee of GE acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the Corporation and GE, such director and/or officer shall to the fullest extent permitted by law have fully satisfied and fulfilled his or her fiduciary

duty with respect to such corporate opportunity, and the Corporation to the fullest extent permitted by law renounces any interest or expectancy in such business opportunity and waives any claim that such business opportunity constituted a corporate opportunity that should have been presented to the Corporation or any Affiliated Company thereof, if such director and/or officer acts in a manner consistent with the following policy:

(a) such a corporate opportunity offered to any person who is a director but not an officer of the Corporation and who is also a director, officer and/or employee of GE shall belong to the Corporation only if such opportunity is expressly offered to such person solely in his or her capacity as a director of the Corporation and otherwise shall belong to GE; and

(b) such a corporate opportunity offered to any person who is an officer of both the Corporation and GE shall belong to the Corporation unless such opportunity is expressly offered to such person solely in his or her capacity as a director, officer and/or employee of GE, in which case such opportunity shall belong to GE.

(2) Except as otherwise agreed in writing between the Corporation and GE, if a director and/or officer of the Corporation, who also serves as a director, officer and/or employee of GE, acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the Corporation and GE in any manner not addressed by sections (D)(1)(a) or (D)(1)(b) of this Article XIV, such director and/or officer shall have no duty to communicate or present such corporate opportunity to the Corporation and shall to the fullest extent permitted by law not be liable to the Corporation or its shareholders for breach of fiduciary duty as a director and/or officer of the Corporation by reason of the fact that GE pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another Person or does not present such corporate opportunity to the Corporation, and the Corporation to the fullest extent permitted by law renounces any interest or expectancy in such business opportunity and waives any claim that such business opportunity constituted a corporate opportunity that should be presented to the Corporation.

(E) Certain Definitions. For purposes of this Article XIV, (1) "Affiliated Company" in respect of the Corporation shall mean any entity controlled by the Corporation, (2) "corporate opportunities" shall include, but not be limited to, business opportunities which the Corporation is financially able to undertake, which are, from their nature, in the line of the Corporation's business, are of practical advantage to it and are ones in which the Corporation, but for sections (C) and (D) of this Article XIV, would have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of GE or its directors, officers and/or employees will be brought into conflict with that of the Corporation, and (3) "GE" shall mean General Electric Company and its Affiliates (other than the Corporation and any entity that is controlled by the Corporation).

ARTICLE XV
CERTAIN DEFINITIONS

Except as otherwise provided in this Certificate of Incorporation, the following definitions shall apply to the following terms as used in this Certificate of Incorporation:

(A) "Affiliate" shall mean (1) in respect of GE, any Person that, directly or indirectly, is controlled by GE, controls GE or is under common control with GE and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that, directly or indirectly, is controlled by the Corporation); and (2) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation.

(B) "Deregistration" shall mean the first time at which neither GE nor any subsidiary of GE, as a result of its relationship with the Corporation or any Affiliate of the Corporation, is a registered savings and loan holding company subject to regulation by the Board of Governors of the Federal Reserve System under section 10 of the Home Owners' Loan Act (12 U.S.C. § 1467a) and Regulation LL (12 C.F.R. Pt. 238).

(C) "GE" shall mean General Electric Company.

(D) "Person" shall mean an individual, a firm, a corporation, a partnership, a limited liability company, an association, a joint venture, a joint stock company, a trust, an unincorporated organization or similar company, or any other entity.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed this day of , 2014.

SYNCHRONY FINANCIAL

By: _____
Name: Jonathan Mothner
Title: Executive Vice President, General
Counsel & Secretary

**AMENDED AND RESTATED
BYLAWS
OF
SYNCHRONY FINANCIAL**

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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, as may be designated from time to time by the Board of Directors (the Board) of SYNCHRONY FINANCIAL (the Corporation), the Chairman of the Board or the Chief Executive Officer or, if not so designated, at the principal office of the Corporation. The Board may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a) of the General Corporation Law of the State of Delaware (the DGCL).

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board, the Chairman of the Board or the Chief Executive Officer (which date shall not be a legal holiday in the place, if any, where the meeting is to be held). The Board may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called as (and only as) provided in the Certificate of Incorporation. The Board may postpone, reschedule or cancel any previously scheduled special meeting of stockholders, other than one called at the request of GE (as defined in Section 5.10) (except to the extent consented to by GE). Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by the DGCL, notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the DGCL) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, if any, date and time of the meeting, the means of remote

communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting). The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the DGCL.

1.5 Voting List. The Secretary shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person, present

by means of remote communication in a manner, if any, authorized by the Board in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board in its sole discretion, or represented by proxy, shall constitute a quorum of such class or classes or series entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders, annual or special, may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these Bylaws by the chairman of the meeting or, if directed to be voted on by the chairman of the meeting, by the stockholders present or represented at the meeting and entitled to vote thereon, although less than a quorum. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

1.8 Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person (including by means of remote communication in a manner, if any, authorized by the Board in its sole discretion by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote for such stockholder by a proxy executed or transmitted in a manner permitted by applicable law. No such proxy shall be voted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting When a quorum is present at any meeting, any matter to be voted upon by the stockholders at such meeting shall, except as set forth in Section 2.2, be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented by proxy at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock of that class or series present or represented by proxy at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by applicable law, regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws. Voting at meetings of stockholders need not be by written ballot.

1.10 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) by or at the direction of the Board, any committee thereof, the Chairman of the Board or the Chief Executive Officer or (c) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 1.10 is delivered to the Secretary of the Corporation and at the time of the annual meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.10. For the avoidance of doubt, the procedures set forth in this Section 1.10 shall be the exclusive means for a stockholder to make nominations or submit proposals for other business for an annual meeting of stockholders (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any successor rule thereto and included in the Corporation's proxy statement that has been prepared to solicit proxies for such annual meeting).

(2) For any nominations or any other business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred and twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting (provided, however, that (a) in the case of the annual meeting of stockholders of the Corporation to be held in 2015, or (b) in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting and the tenth (10th) day following the day on which public announcement of the date of such annual meeting is first made by the Corporation). In no event shall the adjournment or postponement of an annual meeting (or any public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. To be in proper form, such stockholder's notice (whether given pursuant to this paragraph (A)(2) of Section 1.10 or paragraph (B) of Section 1.10) to the Secretary of the Corporation shall set forth:

- (a) as to each person, if any, whom the stockholder proposes to nominate for election or reelection as a director to the Board
 - (i) all information relating to such person that is required to be disclosed, whether in a proxy statement, other filings required to be made in connection with solicitations of proxies for election of directors in a contested election contest, or as otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Exchange Act, and the rules and regulations promulgated thereunder;

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- (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary of the Corporation upon written request); such person's written representation and agreement (in the form provided by the Secretary of the Corporation upon written request), (A) that such person is not and will not become party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) that such person is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, and (C) that, in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, such person would, if elected as a director, comply with all of the Corporation's corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to the Corporation's directors and, if elected as a director of the Corporation, such person currently would be in compliance with any such policies and guidelines that have been publicly disclosed;

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- (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, and their respective affiliates and associates, or any other person or persons (including their names) acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates or associates, or any other person or persons (including their names) acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant;
 - (iv) any information that such person would be required to disclose pursuant to clauses (ii) and (iv) – (ix) of clause (c) of this paragraph (A)(2) of Section 1.10 if such person were a stockholder purporting to make a nomination or propose business pursuant thereto; and

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- (v) an undertaking to notify the Corporation in writing of any change in the information called for by clauses (i) – (iv) as of the record date for notice of such meeting, by notice received by the Secretary of the Corporation at the principal executive offices of the Corporation not later than the tenth (10th) day following such record date;
 - (b) as to any other business that the stockholder proposes to bring before the meeting,
 - (i) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the complete text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend any Corporation document, the language of the proposed amendment), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and
 - (ii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and their respective affiliates and associates, and any other person or persons (including their names) acting in concert therewith in connection with the proposal of such business by such stockholder; and
 - (c) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal for other business is made, any of their respective affiliates or associates (including, if such stockholder or beneficial owner is an entity, as to each director, executive, managing member or control person of such entity), and any others acting in concert with any of the foregoing:
 - (i) the name and address of such stockholder, as they appear on the Corporation's books, such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing;

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- (ii) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing;
 - (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee;
 - (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of capital stock of the Corporation or with a value derived in whole or in part from the value of any class or series of capital stock of the Corporation, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder

and such beneficial owners, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the Corporation (a "Derivative Instrument");

- (v) a description of any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder and such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, has the right to vote any shares of any security of the Corporation;
- (vi) any short interest of such stockholder and such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, in any security of the Corporation (for purposes of these Bylaws, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);
- (vii) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder and such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, that are separated or separable from the underlying shares of capital stock of the Corporation;

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- (viii) any proportionate interest in shares of capital stock of the Corporation or Derivative Instruments, held, directly or indirectly, by a general or limited partnership in which such stockholder or such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;
 - (ix) any performance related fees (other than an asset-based fee) that such stockholder and such beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, is entitled to based on any increase or decrease in the value of shares of capital stock of the Corporation or Derivative Instruments, if any;
 - (x) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such annual meeting and intends to appear in person or by proxy at the annual meeting to propose such business or nomination;
 - (xi) a representation whether the stockholder or the beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, intends or is part of a group which intends (A) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination;

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- (xii) any other information relating to such stockholder and beneficial owner, if any, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, required to be disclosed under the DGCL or in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal of other business and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; and
 - (xiii) an undertaking by the stockholder and beneficial owner, if any, to notify the Corporation in writing of any change in the information called for by clauses (i) – (xii) above as of the record date for such meeting, by notice received by the Secretary of the Corporation at the principal executive offices of the Corporation not later than the tenth (10th) day following such record date.

The Corporation may, as a condition of any such nomination being deemed properly brought before an annual meeting, require any proposed nominee to furnish (i) any information required pursuant to any undertaking delivered pursuant to this paragraph (A)(2) of Section 1.10, and (ii) such other information as the Corporation may request. The foregoing notice requirements of this paragraph (A) of this Section 1.10 shall be deemed satisfied by a stockholder with respect to business (other than any purported nomination) if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with Rule 14a-8 promulgated under the Exchange Act or any successor rule thereto and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board at the annual meeting is increased effective after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 1.10 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.10 shall also be considered timely, but only with respect to nominees for the additional directorship positions, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(4) Notwithstanding anything in this Section 1.10 to the contrary, the requirements of Section 1.10 shall not apply to the exercise by GE of its rights to designate persons for nomination for election to the Board pursuant to the Master Agreement (as such term is defined in Section 5.10).

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the special meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board or any committee thereof, the Chairman of the Board or the Chief Executive Officer or (2) provided that the Board pursuant to Section 1.3 hereof has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (a) is a stockholder of record at the time the notice provided for in this Section 1.10 is delivered to the Secretary of the Corporation and at the time of the special meeting, (b) is entitled to vote at the special meeting and (c) complies with the notice procedures and conditions set forth in this Section 1.10 (including the information requirements in paragraph (A)(2) of Section 1.10) as to such nomination. For the avoidance of doubt, clause (2) of the foregoing sentence of this paragraph (B) of Section 1.10 shall be the

exclusive means for a stockholder to propose nominations of persons for election to the Board at a special meeting of stockholders at which directors are to be elected. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if a stockholder's notice meeting the requirements of paragraph (A)(2) of this Section 1.10 shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting and the tenth (10^h) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the adjournment or postponement of a special meeting as to which notice has been sent to stockholders, or any public announcement with respect thereto, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible to be properly elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.10. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty (a) to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (A)(2)(c)(xi) of this Section 1.10) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 1.10, to declare that such nomination shall be disregarded or that such proposed business shall

not be transacted. Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.10, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder, to act for such stockholder as proxy at the annual or special meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the annual or special meeting of stockholders.

(2) For purposes of this Section 1.10, “public announcement” shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 1.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.10; provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.10 (including paragraphs (A)(2) and (B) hereof), and compliance with paragraphs (A)(2) and (B) of this Section 1.10 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the penultimate sentence of (A)(2), business (other than nominations) brought properly under and in compliance with Rule 14a-8 of the Exchange Act or any successor rule thereto, as it may be amended from time to time). Nothing in this Section 1.10 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation’s proxy statement pursuant to

Rule 14a-8 promulgated under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors if and to the extent provided for under any applicable provisions of the Certificate of Incorporation.

1.11 Conduct of Meetings.

(A) Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(B) The Board may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate in its sole discretion regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (4) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (5) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(C) The chairman of the meeting shall announce at the meeting the date and time of the opening and the closing of the polls for each matter voted upon at the meeting. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted unless the Court of Chancery of the State of Delaware shall determine otherwise.

(D) In advance of any meeting of stockholders, the Board, the Chairman of the Board, the Chief Executive Officer or the President shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. The total number of directors constituting the Board shall be such number as may be fixed from time to time by resolution of the Board. At any meeting of stockholders at which directors are to be elected, directors shall be elected by the plurality vote of the votes cast by the holders of shares present or represented at the meeting and entitled to vote thereon. Election of directors need not be by written ballot. Directors need not be stockholders of the Corporation.

2.3 Chairman of the Board; Vice Chairman of the Board The Board may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the Corporation. If the Board appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board and, if the Chairman of the Board is also designated as the Corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these Bylaws. If the Board appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board. Unless otherwise provided by the Board, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board.

2.4 Terms of Office. Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term of one year, ending on the date of the next annual meeting of stockholders following the date of such director's election or appointment; provided that the term of each director shall continue until the election and qualification of his or her successor, subject to his or her earlier death, resignation, disqualification or removal.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the whole Board shall constitute a quorum of the Board. If at any meeting of the Board there shall be less than a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, by the Certificate of Incorporation or by these Bylaws.

2.7 Removal. Subject to the rights of holders of any series of Preferred Stock, directors of the Corporation may be removed as provided in the Certificate of Incorporation.

2.8 Vacancies. Subject to the provisions of the Certificate of Incorporation and the rights of holders of any series of Preferred Stock, any newly created directorship that results from an increase in the number of directors or any vacancy on the Board that results from the death, resignation, disqualification or removal of any director or from any other cause shall be filled solely by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by the stockholders.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall be determined from time to time by the Board; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, by the Chief Executive Officer, by the affirmative vote of a majority of the directors then in office or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place and time of any special meeting of the Board shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least twenty-four (24) hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or other means of electronic transmission, or delivering written notice by hand, to such director's last known business, home or means of electronic transmission address at least twenty-four (24) hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least seventy-two (72) hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee thereof. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.15 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation, with such lawfully delegable powers and duties as the Board thereby confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board who meets the requirements for membership on the committee to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by the DGCL and provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board may from time to time request. Except as the Board may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the committee or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board. Except as otherwise provided in the Certificate of Incorporation, these Bylaws or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

2.17 Interested Transactions. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of the Corporation's directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (a) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (b) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee that authorizes the contract or transaction.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the Corporation may consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer and a Secretary and such other officers with such other titles as the Board shall from time to time determine. The Board may appoint such other officers, including one or more Vice Presidents and one or more Assistant Treasurers or Assistant Secretaries, as it may deem appropriate from time to time.

3.2 Election. The officers of the Corporation shall be elected annually by the Board at its first meeting following the annual meeting of stockholders.

3.3 Qualification. No officer need be a stockholder. To the extent permitted by the DGCL, any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation, disqualification or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the Corporation at its principal office or to the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors then in office.

3.6 Vacancies. The Board may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled, for such period as it may determine, any offices. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified, or until such officer's earlier death, resignation, disqualification or removal.

3.7 President; Chief Executive Officer. Unless the Board has designated another person as the Corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general charge and supervision of the business of the Corporation subject to the direction of the Board, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board. The President shall perform such

other duties and shall have such other powers as the Board or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), one or more Executive Vice Presidents (as authorized by resolutions of the Board) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board or the Chief Executive Officer may from time to time prescribe. The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board, to attend all meetings of stockholders and of the Board and keep a record of the proceedings thereof, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board) shall perform the duties and exercise the powers of the Secretary.

The chairman of any meeting of the Board or of stockholders may designate a temporary secretary to keep a record of any meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories selected in accordance with these Bylaws, to disburse such funds as authorized by the Board or the Chief Executive Officer, to make proper accounts of such funds, and to render as required by the Board statements of all such transactions and of the financial condition of the Corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board) shall perform the duties and exercise the powers of the Treasurer.

3.11 Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any shares of the authorized capital stock of the Corporation held in the Corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board in such manner, for such lawful consideration and on such terms as the Board may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Every holder of stock of the Corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the DGCL.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights, and any qualifications, limitations or restrictions thereof, of each class of stock or series thereof shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock; provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights, and any qualifications, limitations or restrictions thereof, of each class of stock or series thereof.

Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL or, with respect to Section 151 of DGCL, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights, and any qualifications, limitations or restrictions thereof, of each class of stock or series thereof.

4.3 Transfers. Shares of stock of the Corporation shall be transferable in the manner prescribed by law, the Certificate of Incorporation and in these Bylaws. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the

surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

4.4 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate or uncertificated shares in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board may require for the protection of the Corporation or any transfer agent or registrar.

4.5 Record Date. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned

meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining the stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required under the DGCL, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required under the DGCL, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

ARTICLE V
GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board, the fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board may otherwise designate, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer may waive notice, vote, consent, or appoint any person or persons to waive notice, vote or consent, on behalf of the Corporation, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this Corporation (with or without power of substitution), with respect to the securities of any other entity which may be held by this Corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, dated [], 2014, as it may be further amended and/or restated and in effect from time to time.

5.7 Severability. If any provision or provisions (or any part thereof) of these Bylaws shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of these Bylaws (including, without limitation, each portion of any paragraph of these Bylaws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of these Bylaws (including, without limitation, each such portion of any paragraph of these Bylaws containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

5.8 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Electronic Transmission. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

5.10 Certain Definitions. For purposes of these Bylaws: the terms “GE” and its “affiliates” are used as defined in Article XV of the Certificate of Incorporation; the terms “affiliate” and “associate” when used in relation to a person other than GE are used as defined in Rule 12b-2 of the Exchange Act); and the term “Master Agreement” means the Master Agreement, dated as of [], 2014, by and among General Electric Capital Corporation, the Corporation and, solely for purposes of certain sections and articles set forth therein, GE.

ARTICLE VI

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board or by the affirmative vote of the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote thereon.

ARTICLE VII

INDEMNIFICATION AND ADVANCEMENT

7.1 Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation, or has or had agreed to become a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a limited liability company, partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 7.5, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board.

7.2 Prepayment of Expenses. The Corporation shall, to the fullest extent not prohibited by applicable law, as the same exists or may hereafter be amended, pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition; provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of

an undertaking by or on behalf of the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

7.3 Authorization of Indemnification. Any indemnification under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth under applicable law and is otherwise consistent with applicable law. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (a) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (b) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (d) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding set forth in Section 7.1 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

7.4 Good Faith Defined. For purposes of any determination under Section 7.3, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action was based on good faith reliance on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or

another enterprise. The term “another enterprise” as used in this Section 7.4 shall mean any other corporation or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 7.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in the DGCL.

7.5 Right of Claimant to Bring Suit. If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Article VII is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense (including attorneys’ fees) of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law. It shall be a defense to any such action brought to enforce a right to indemnification (but not in an action brought to enforce a right to an advancement of expenses) that the claimant has not met the standards of conduct which make it permissible under the DGCL (or other applicable law) for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither a contrary determination in the specific case under Section 7.3 nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the claimant has not met any applicable standard of conduct.

7.6 Nonexclusivity of Indemnification and Advancement of Expenses. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that, subject to the last sentence of Section 7.1, indemnification of the persons specified in Section 7.1 shall be made to the fullest extent permitted by law. The provisions of this Article VII shall not be deemed to preclude the

indemnification of or advancement of expenses to any person who is not specified in Section 7.1 but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

7.7 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VII.

7.8 Certain Definitions. For purposes of this Article VII: references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

7.9 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

7.10 Contract Rights. The obligations of the Corporation under this Article VII to indemnify, and advance expenses to, a Covered Person shall be considered a contract between the Corporation and such person, and no modification or repeal of any provision of this Article VII shall affect, to the detriment of such person, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

TRANSITIONAL SERVICES AGREEMENT

by and between

GENERAL ELECTRIC CAPITAL CORPORATION

(“GECC”)

and

SYNCHRONY FINANCIAL

(the “Company”)

DATED , 2014

Details

Parties	GECC and the Company , each as described below.
GECC	GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation.
Company	SYNCHRONY FINANCIAL, a Delaware corporation.
Recitals	<ol style="list-style-type: none">1. GE Consumer Finance, Inc., is a Delaware corporation and a wholly-owned subsidiary of GECC and is the legal and beneficial owner of the issued shares in the capital of the Company;2. The Company's business activities include providing financial services to consumers and retailers and offering a range of private-label credit cards, dual (or co-branded) credit cards and other revolving credit accounts to finance the purchase of consumer goods and services (collectively, the "Company Business");3. The board of directors of the Company has determined that it is in the best interests of the Company to make an initial public offering (the "IPO") of shares of Company common stock, par value \$0.001 per share;4. GECC and the Company entered into a Master Agreement, dated as of the date hereof (the "Master Agreement");5. As a result of the IPO and future contemplated transactions (collectively, the "Transaction"), (i) the Company may in the future no longer be considered to be an Affiliate of GECC or its parent General Electric Company ("GE") for purposes of certain entitlements to GE, GECC or third party provided services and/or access rights and (ii) GECC may in the future no longer be considered to be an Affiliate of the Company for purposes of certain entitlements to the Company or third party-provided services and/or access rights; and6. GECC and the Company have each agreed to provide certain transitional arrangements to the other, from the date of the IPO and for the relevant Transition Period thereafter in accordance with and subject to the terms of this Agreement.
Governing law	New York
Date	See signing page

General terms

1. Transitional Arrangements

1.1 GECC Transitional Arrangements

Subject to Clause 1.4, GECC will provide (or procure the provision of) to the Company (either for direct use and enjoyment or for providing services to the Bank and Affiliates of the Company):

- (a) each GECC IT Access Right;
- (b) each GECC IT Application Service;
- (c) each GECC IT Support Service; and
- (d) each GECC Non-IT Support Service,

as such services are described in more detail herein or in Schedule 1 (each, a “**GECC Transitional Arrangement**”), each at the latest starting from the IPO Date and for the Transition Period that applies to that GECC Transitional Arrangement.

1.2 Company Transitional Arrangements

Subject to Clause 1.4, the Company will provide (or procure the provision of) to GECC (either for direct use and enjoyment or for on-servicing to Affiliates of GECC) the services described in Schedule 2 (each, a “**Company Transitional Arrangement**”), each for the Transition Period that applies to that Company Transitional Arrangement.

1.3 Supplier and Recipient roles

In relation to:

- (a) each GECC Transitional Arrangement, GECC is the “**Supplier**” and the Company, the Bank or an Affiliate of the Company, as applicable, is the “**Recipient**”; and
- (b) each Company Transitional Arrangement, the Company is the “**Supplier**” and GECC or its Affiliates, as applicable, is the “**Recipient**”.

1.4 Pre-Existing Agreements

- (a) Except as set forth in Section 2.4(b) of the Master Agreement, any intra-group arrangements or agreements that the Company had prior to the applicable Transition Period for those services or access rights that become a GECC Transitional Arrangement (each, a “**Pre-Existing Agreement**”) shall
 - (i) if GECC is the counterparty of the Company to such Pre-Existing Agreement, automatically terminate on the IPO Date; and
 - (ii) if an Affiliate of GECC is the counterparty of the Company to such Pre-Existing Agreement, as between the Parties, be deemed to be automatically terminated on the IPO Date. GECC will provide and care for the actual termination of such Pre-Existing Agreements with effect on the IPO Date and the Company will, to the extent reasonably requested by GECC, provide GECC the required assistance, if any, in order to render such terminations effective.

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- (b) It is understood by the Parties that (i) the Company shall not incur any charges or other financial responsibilities in connection with such terminations, and (ii) the Company shall not be obliged to make any payments under such Pre-Existing Agreements that would be for periods after the IPO Date.
 - (c) For purposes of this Agreement, the agreements set forth in Schedule 2.4(b)(ii) of the Master Agreement shall not be deemed to be Pre-Existing Agreements hereunder, and thus such agreements are understood by the Parties to continue in force after the IPO Date according to their respective terms.

2. Obligations of the Suppliers and the Recipients

2.1 Limitation on the obligations of the Suppliers

- (a) Each Party's obligations to supply each Transitional Arrangement for which it is the Supplier, under Clause 1, are limited to, an obligation:
 - (i) to provide each Transitional Arrangement in accordance with the description set out in Schedule 1 or Schedule 2 (as applicable);
 - (ii) unless agreed otherwise herein, to provide each Transitional Arrangement:
 - (A) in the Pre-IPO Form, subject to Clause 2.2(a);
 - (B) at the higher of the Pre-IPO Standard and the Non-Discriminatory Standard, and in the case of GECC Transitional Arrangements identified as "critical" in Schedule 1, in accordance with the applicable service levels set forth in Schedule 1; and
 - (C) up to no more than the Pre-IPO Volume;
 - (iii) to provide each Transitional Arrangement with due care and skill; and
 - (iv) to comply with all Applicable Laws in providing each Transitional Arrangement and performing its obligations under this Agreement.
- (b) Clause 2.1(a) will be deemed incorporated into the description set out in Schedule 1 or Schedule 2 (as applicable) for each Transitional Arrangement except to the extent that it is inconsistent with the express description of that Transitional Arrangement in that Schedule.
- (c) Notwithstanding anything to the contrary contained in this Agreement or in any Schedule hereto, neither Party nor any of its Affiliates or their respective Representatives shall be obliged to provide, or shall be deemed to be providing, any legal, financial, accounting or tax advice to the other Party or any of its Affiliates or their respective Representatives under this Agreement, in connection with the Transitional Arrangements or otherwise.

- (d) Subject to Clause 5.2(a), if a service or arrangement is not included in Schedule 1 or Schedule 2 (as applicable) as a Transitional Arrangement and is not otherwise expressly provided for in Section 7.3 of the Master Agreement, Section 12 of the Tax Sharing and Separation Agreement, the Transitional Trademark License Agreement, Intellectual Property Cross License Agreement or MNT Subservicing Agreement:
 - (i) neither Party nor any of their respective Affiliates or Representatives have an obligation to provide it; and
 - (ii) each Party will cease having any rights and will stop using, and will ensure its Affiliates and Representatives stop using, any such service or arrangement that was made available to such Party by the other Party prior to the IPO Date.
- (e) The Supplier of a Transitional Arrangement is not obliged to disclose to the Recipient any contracts by which the Supplier or any of its Affiliates acquires from third parties components or inputs to that Transitional Arrangement.
- (f) Without limiting the generality of Clause 2.1(d), except as expressly provided in this Agreement or required in connection with the performance of or delivery of a Transitional Arrangement, after the IPO Date, each Party and its Affiliates and Representatives (i) will cease to use and shall have no further access to the intranet and owned or licensed computer software, networks, hardware or technology of the other Party, and (ii) will have no access to computer-based resources (including e-mail and access to computer networks and databases) of the other Party which require a password or are available on a secured access basis.

2.2 Changes to Pre-IPO Form

- (a) During the Transition Period, the Supplier may make changes to the Pre-IPO Form that:
 - (i) it considers to be reasonably necessary to effectively and efficiently support its own or its Affiliates' business; or
 - (ii) are necessary to effectively separate the Recipient's data from the Supplier's (or any of its Affiliates') data or implement any other reasonable security measure consistent with the Parties no longer being Affiliated;provided, however, that the Supplier will take reasonable steps to (A) provide the Recipient prior Notice of any such changes and (B) minimize the impact of any such changes on the Recipient's operation.
- (b) In relation to each change contemplated by Clause 2.2(a) to the Pre-IPO Form:
 - (i) the Supplier will explain to the Recipient the impact of the change on the Recipient and the rationale for the change prior to its implementation (except for urgent changes, of which the Supplier will give prior Notice to the extent possible); and
 - (ii) the Supplier will use commercially reasonable efforts to mitigate any adverse effects on the Recipient of such change.
- (c) Alternatively, the Recipient may elect in response to a proposed change of the type contemplated by Clause 2.2(a) to maintain the Pre-IPO Form for that Transitional Arrangement, provided that Supplier may in such a case increase the Charges for that Transitional Arrangement to reflect the increased cost, if any, to the Supplier of maintaining that Pre-IPO Form in those circumstances.

2.3 Dependencies

- (a) The following are dependencies for the purpose of this Clause 2.3 (each, a **“Dependency”**) in relation to each Transitional Arrangement:
- (i) failure by the Recipient to comply with its obligations under this Agreement;
 - (ii) defects in the completeness, accuracy and quality of applicable information provided by or on behalf of the Recipient;
 - (iii) changes in the Applicable Laws (always subject to Clause 5.4);
 - (iv) any other dependencies mutually agreed in writing by the Parties;
 - (v) in relation to each GECC IT Application Service and GECC IT Support Service and specific to the Company which is the Recipient of such GECC Transitional Arrangement:
 - (A) any configurations of or modifications to the Underlying System that are requested by the Company from time to time, other than pursuant to (i) a Variation as per Clause 5, (ii) Clause 3.9(b), or (iii) the execution of an agreed Transition Plan;
 - (B) deficiency in the suitability, quality and/or performance of software or equipment provided by or on behalf of the Company;
 - (C) the presence of viruses, trojan horses, worms or other disabling features in the Company’s computing environment (other than any of the foregoing introduced by GECC or GECC contract partners in performing any GECC IT Application Service or GECC IT Support Service);
 - (D) any defects in the completeness, accuracy and quality of network links provided by third party vendors provided by or on behalf of the Company;
 - (E) any re-deployment of Company resources connected with data extraction or conversion requested by the Company; or
 - (F) any modification by the Company of any of its processes or information technology systems to the extent such modification impacts the provision of any GECC IT Application Service or GECC IT Support Service;
 - (vi) failure by the Recipient to provide the Supplier with access to its applicable systems to the extent and for the duration that is reasonably necessary to enable the Supplier to provide the relevant Transitional Arrangement;
 - (vii) if the Recipient enters into any agreement or arrangement that contemplates a change of Control of the Recipient excepting the relevant terms of the Transaction; and
 - (viii) any assignment by Company pursuant to the second sentence of Clause 17.2(a).
- (b) To the extent that the existence or occurrence of any such Dependency adversely affects the provision of any Transitional Arrangement or the performance of any obligation under the Transition Plan, the Supplier is suspended from, or where such effect cannot be cured, relieved of, its obligation to provide such affected Transitional Arrangement or perform such obligation under the Transition Plan (as applicable) but only:
- (i) for that part of the Transitional Arrangement or Transition Plan (as applicable) adversely affected by the Dependency, and insofar as such effect prevents or limits the Supplier’s ability to provide the Transitional Arrangement or Transition Plan;

- (ii) for the duration of that effect or until a suitable workaround has been implemented; and
 - (iii) to the extent that the Supplier uses commercially reasonable efforts to mitigate the adverse effect, and gives the Recipient Notice of the adverse effect reasonably promptly after becoming aware of the Dependency and its adverse effect.
- (c) Following the cessation of the effect of the Dependency, the Supplier shall as soon as practicable resume providing that part of the Transitional Arrangement or Transition Plan which was affected by the Dependency. If the applicable Dependency was the result of action or failure to take required action of the Recipient, then the Recipient shall bear any incremental costs and expenses of the Supplier arising from the resumption of provision of the applicable Transitional Arrangement.
- (d) The Parties will propose and in good faith agree upon any steps to be taken under or in accordance with this Agreement in order to address each adverse effect of the type contemplated in Clause 2.3(b). In the event the Parties cannot agree upon steps to address an adverse effect, such disagreement shall be a Dispute subject to the dispute resolution procedures set forth in Clause 15.
- (e) In the event the Recipient requests that the Supplier continue to provide a Transitional Arrangement (or portion thereof) or to perform an obligation under the Transition Plan that the Supplier is no longer obligated to provide or perform pursuant to Clause 2.3(b), then such request shall be treated as a proposal for a Variation under Clause 5.

2.4 General obligations of a Recipient

A Recipient must, in relation to a Transitional Arrangement:

- (a) comply with:
 - (i) any express conditions or requirements imposed on it under this Agreement in relation to each Transitional Arrangement or as specified in Schedule 1 or Schedule 2 (as applicable);
 - (ii) the reasonable directions of the Supplier as to the use of that Transitional Arrangement; and
 - (iii) all Applicable Laws in receiving each Transitional Arrangement and performing its obligations under this Agreement.
- (b) use each Transitional Arrangement in a reasonable and responsible manner;
- (c) use each Transitional Arrangement only for the benefit of the part of its Relevant Business for which it was used prior to the IPO, unless otherwise agreed by the Parties;

- (d) not use any Transitional Arrangement in a manner which materially and adversely affects the use of the relevant Transitional Arrangement by the Supplier and/or any of its Affiliates;
- (e) not use any Transitional Arrangement in breach of any Applicable Law;
- (f) in the case of any GECC IT Application Service and GECC IT Support Service:
 - (i) not architect its systems during the relevant Transition Period to be incompatible with that GECC IT Application Service or that GECC IT Support Service (as applicable); and
 - (ii) not tamper with, hinder the operation of, or make unauthorized modifications to, that GECC IT Application Service or that GECC IT Support Service (as applicable); and
- (g) comply with the terms of any third party agreement, approval or consent with or between the Supplier or its Affiliates and that third party under which the Supplier provides that Transitional Arrangement, other than terms that require the payment of fees, as if it was a party to that agreement but only if the Recipient has been given Notice of those terms prior to the IPO.

2.5 Changes to systems of the Recipient that impact a Transitional Arrangement

If a Recipient proposes to modify any of its processes or information technology systems and such modification impacts the provision of any Transitional Arrangement by a Supplier, the Recipient must either:

- (a) accept that it may not receive the full benefit of any affected Transitional Arrangement because of such modifications; or
- (b) seek a Variation to any relevant Transitional Arrangement under Clause 5.

2.6 Third party and Government Authority approvals

- (a) To the extent that the provision of any Transitional Arrangement is expressly said in Schedule 1 or Schedule 2 (as applicable) to require the prior agreement of any third party or to be “subject to third party consent” or “subject to Government Authority approval”:
 - (i) the Supplier’s obligation to provide that Transitional Arrangement is conditional upon that agreement, approval or consent being given by the relevant third party or Government Authority; and
 - (ii) the Supplier will use commercially reasonable efforts to procure the relevant agreement, approval or consent.
- (b) Should the relevant Supplier despite its commercially reasonable efforts not obtain a third party’s or Government Authority’s agreement, approval or consent contemplated in Clause 2.6(a):
 - (i) the Supplier’s obligation to provide and the Recipient’s obligation to pay the Charges for that Transitional Arrangement will cease; and
 - (ii) either the Supplier or the Recipient may refer the matter to the Steering Committee for discussion.
- (c) “[C]ommercially reasonable efforts” in Clause 2.6(a)(ii) does not extend to paying additional license fees or other amounts to procure the third party’s or Government Authority’s agreement, consent or approval, except to the extent the Recipient has agreed to cover such additional costs.

2.7 [Reserved]

2.8 Rectification

If a Supplier's performance of a Transitional Arrangement is not in compliance with the requirements of Clause 2.1 the Supplier shall as soon as (i) possible in case of non-compliances having a material operational impact, and (ii) practicable in case of other non-compliances, rectify the non-compliance and subsequently perform such Transitional Arrangements to the requirements of Clause 2.1 at no extra charge and shall be liable for any losses caused by the non-compliance, subject to the exclusions and limitations set forth in Clause 12. A Supplier's obligation to rectify shall be suspended if, to the extent and as long as, caused by a Dependency, as set out in more detail in Clause 2.3(b) and, for the avoidance of doubt, subject also to Section 13.

2.9 Existing TSA Obligations

The Parties understand and agree that the Company has been performing, on behalf of GECC under the Transition Services Agreement, dated as of March 28, 2008 between GECC and American Express Travel Related Services Company, as amended pursuant to Amendment No. 3 to Transition Services Agreement, dated as of September 22, 2009 ("Amendment No. 3" and together with the Transition Services Agreement the "**AMEX TSA**"), the obligations with respect to transition service #99 under Sections 3 through 8 of Amendment No. 3 ("**#99 Service**"). A copy of the AMEX TSA is attached hereto as Schedule 3. The Company hereby agrees, as of the IPO Date, to (i) punctually perform and discharge in accordance with the terms of the AMEX TSA, as a subcontractor of GECC and for the benefit of American Express Travel Related Services Company, the obligations of GECC under the AMEX TSA with respect to the #99 Service as set forth in Schedule 3, provided that the Company shall be entitled to any and all rights and payments in respect of the Company's performance of such obligations under the AMEX TSA, in each case, in accordance with the terms and conditions of the AMEX TSA, and (ii) indemnify, defend and hold harmless GECC and its Affiliates and their respective Representatives from and against any and all Losses (as defined in the AMEX TSA) suffered by or Claims against GECC and its Affiliates and their respective Representatives under the AMEX TSA in respect of the Company's performance or discharge of any such obligation.

2.10 Post-IPO Screening Tests

Each Party acknowledges and agrees that from and after the IPO Date, such Party will continue to conduct its respective screening tests of employees in the ordinary course of business consistent with such Party's past practices, including personnel providing Transitional Arrangements under this Agreement, except for such additional screening tests as may be required by a Government Authority with regulatory authority over the Party or to comply with Applicable Law.

3. Security, including access to systems

3.1 Applies to GECC Transitional Services

This Clause 3 applies to GECC Transitional Arrangements only.

3.2 General Obligations

GECC and the Company shall be responsible for implementing, maintaining, verifying and updating such technical and organizational measures as part of the Transitional Arrangements agreed by the Parties in Schedule 1 and Schedule 2, respectively, to prevent, promptly detect and promptly notify the other Party of and remedy unwanted or unauthorized loss, access, corruption or processing of data and interruption, loss or limitation of Transitional Arrangements, including regular and tested backup procedures and measures utilizing proven current technology agreed by the Parties for data security, disaster recovery and business continuity. GECC and the Company shall reasonably cooperate consistent with the requirements of Clauses 6 and 7 so as to permit the other Party to be able to itself (or via engaging a third party service provider subject to the provisions of Clause 11) continue properly performing the functions outsourced to GECC or the Company, as applicable should GECC or the Company, itself, no longer provide some or all applicable Transitional Arrangements.

3.3 Access to systems

- (a) GECC must provide to the Company and, under the Company's supervision, to Affiliates of the Company, and to any applicable Governmental Authority that requires such access in connection with its regulatory or supervisory oversight of the Company and its Affiliates, access to its Underlying Systems solely, in the case of Company and its Affiliates, to the extent and for the duration that such access is reasonably necessary to enable the Company to access and use the relevant GECC IT Application Service or GECC IT Support Service, and subject to reasonable access restrictions imposed by GECC that are consistent with the Company no longer being an Affiliate of GECC (e.g., if any Company IT person has root access to GECC devices prior to the IPO Date, that access may be revoked after the IPO Date).
- (b) The Company must provide to GECC and, under GECC's supervision, to Affiliates of GECC, and to any applicable Governmental Authority that requires such access in connection with its regulatory or supervisory oversight of GECC and its Affiliates, access to the Company's applicable systems solely, in the case of GECC and its Affiliates, to the extent and for the duration that such access is reasonably necessary to enable GECC to supply each GECC IT Application Service and GECC IT Support Service in accordance with this Agreement. Any such access shall be subject to reasonable access restrictions imposed by the Company that are consistent with the Company's security procedures and protocols and/or regulatory requirements.
- (c) GECC may, without breaching this Clause 3.3, require the Company to install, host and use security software (for example, VPN software) to enable the access referred to in this Clause.
- (d) GECC must provide the applicable Government Authority with supervised read-only access to its Underlying Systems to the extent:
 - (i) requested by such Governmental Authority;
 - (ii) required by Applicable Law in connection with the provision of any GECC Transitional Arrangement; and
 - (iii) the Company has provided GECC Notice of such proposed inspection as soon as practicable upon becoming aware of it to the extent permitted by Applicable Law.

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- (e) Furthermore:
- (i) the Company will give GECC Notice of any communications between the Company and a Government Authority relating to any such access in respect of the relevant Transitional Arrangement; and
 - (ii) the Company will allow GECC to review and comment on any such communications from the Company before they are made (and the Company will consider in good faith all comments reasonably proposed by GECC),
- in each case to the extent permitted by Applicable Law.

3.4 Security in general

Each Party must maintain security procedures and protocols designed to protect its systems from unauthorized access by third parties:

- (a) subject to Clause 3.4(b), to the same extent and to the same level as were generally in place for the relevant system immediately prior to the IPO taking into account any changes in form due to this Agreement; and
- (b) as upgraded by or on behalf of a Party from time to time (provided that such upgrade will not unreasonably interfere with the provision of any Transitional Arrangement hereunder) and notified to the other Party.

3.5 Access Security

- (a) Subject to Schedule 1, the Party providing the access in the manner contemplated by Clause 3.3 (“**Access Provider**”) will provide to the other Party, or, through the Party, to an Affiliate of such Party, as applicable (“**Accessing Party**”) such information, including network addresses, user logins, passwords, alarm codes and access cards (“**Access Codes**”) as reasonably required to permit the rights of access described in Clause 3.3 to those of the Accessing Party’s employees who customarily had such access reasonably prior to the IPO, and may alter any and all of the Access Codes by Notice where it considers that to be reasonably necessary in the interests of security; provided that each of GECC and the Company, as applicable, shall coordinate any such access for an Accessing Party with the Access Provider.
- (b) Each Accessing Party must take, and must ensure that its Representatives take, all necessary precautions to keep the Access Codes confidential and must only disclose the Access Codes to those of the Accessing Party’s Representatives who need to know the Access Codes for the purposes of their employment or engagement, or for the purposes of transition, on a confidential basis, will, as promptly as reasonably practicable, terminate such access upon termination of such employment or disengagement, and further will store the Access Codes and any records of the Access Codes securely.
- (c) If an Accessing Party becomes aware, or reasonably suspects, that:
 - (i) there has been a breach or potential breach of the security of any of the information technology systems of an Access Provider;
 - (ii) any access or Access Code granted by an Access Provider to the Accessing Party under Clause 3.3 should be denied or revoked, including where any relevant Representatives of the Accessing Party cease employment therewith; or
 - (iii) any Access Codes have been inappropriately disclosed to a third party,the Accessing Party must promptly give the Access Provider Notice of that fact or suspicion, together with reasonable details thereof.

3.6 Compliance with directions, policies and procedures

Each Accessing Party must comply with, and ensure that its Representatives are aware of and comply with, all reasonable directions, policies and procedures of each Access Provider, provided that to the extent that the Access Provider imposes any additional conditions on any Accessing Party which are not generally applied by the Access Provider to its own Representatives in connection with their access to such systems, such additional conditions must not materially prejudice the ability of the Accessing Party to exercise its rights or perform its obligations under this Agreement.

3.7 No damage to systems

The Accessing Party must not, and must ensure that its Representatives do not, damage, interrupt or compromise the security, operation or integrity of, or cause any deterioration other than normal wear and tear to, the systems which are the subject of a right of access granted under Clause 3.3 or corrupt, damage or lose any information stored thereon or transmitted thereby. Additionally, each Accessing Party must take reasonable measures consistent with best practices in the industry in which the Parties operate their respective businesses, to prevent the introduction of any virus or malware into the Access Provider's systems.

3.8 Revocation of access

The Access Provider may, by Notice to any Accessing Party, deny or revoke access granted under Clause 3.3 in respect of any Accessing Party's Representative where:

- (a) the Access Provider has reasonable grounds for denying or revoking such access; and
- (b) the Access Provider gives the Accessing Party a reasonable period of Notice before revoking that access, specifying those grounds, and the grounds remain unresolved after that reasonable period (except if the potential threat to Access Provider's Underlying Systems is imminent or significant, in which case the denial or revocation can be immediate).

Without limiting the foregoing, access may be denied to any Accessing Party or to any one or more Representatives of any Accessing Party where that Accessing Party and/or any of its Representatives have:

- (i) breached the Accessing Party's applicable obligations under this Agreement, or otherwise committed, in connection with such access, a breach of an Applicable Law or infringed the rights of a third party (including by way of a breach of the underlying third party license or contract for the relevant GECC Transitional Arrangement) provided that the Accessing Party has been given Notice of the term or terms which it has infringed and failed to remedy the infringement within a reasonable period as stated in the Notice, only insofar as a period for remedy has been granted;
- (ii) failed to comply with any directions, policies and/or procedures of the Access Provider pursuant to Clause 3.6 of this Agreement; or
- (iii) breached Clause 3.7 of this Agreement.

An Accessing Party must not, and must ensure that its Representatives do not, allow any person access to the facilities, systems, environment or data of the Access Provider if that person has been refused access by the Access Provider.

3.9 Data separation

- (a) GECC is under no obligation to separate or otherwise re-format any of the Company's data that is stored or processed in connection with each GECC IT Application Service and each GECC IT Support Service:
 - (i) in a different software instance than that used by GECC; or
 - (ii) on different hardware than that used by GECC,

except to the extent GECC is required by Clause 3.9(b), by Applicable Law or a Government Authority having regulatory authority over the Company. For the avoidance of doubt, this does not limit the Company's rights under Clause 7.5.

- (b) GECC shall use commercially reasonable efforts, pursuant to the Transition Plan, to provide for the logical separation of the Company's data for each GECC IT Application Service that is designated as such in Schedule 1. For this purpose, "logical separation" means that:
 - (i) the Company's data is logically separated from other legal entities' data (e.g., in different database tables or logical partitions or marked with a corresponding identifier making it possible only for the Company to access it); and
 - (ii) user access to the Company's data is restricted to the Company's Representatives, and to relevant support persons from GECC, its Affiliates or their contractors.
- (c) Any request to separate or re-format, other than provided for in Clause 3.9(b) or required by Applicable Law or a Government Authority having regulatory authority over the Company, will constitute a proposal for a Variation in Clause 5, and the provisions of Clause 5 of this Agreement shall apply accordingly. For the avoidance of doubt, this does not limit the Company's rights under Clause 7.5.

3.10 General restrictions

Subject to the terms of this Agreement:

- (a) the Company must not, and must ensure that its Representatives do not, in respect of any GECC Transitional Arrangement, access, alter or attempt to alter the data or the configuration of the relevant Underlying Systems belonging to GECC or its Affiliates, or add new hardware or computer software to those systems, unless GECC gives its prior written consent, it being understood that such consent may not be unreasonably withheld and shall be granted in each case if access, alteration or addition are required for transition purposes or by Applicable Law;
- (b) GECC must not, and must ensure that its Representatives do not, access, alter or attempt to alter the Company's data or the configuration of the Company's systems or add new hardware or software to the Company's systems except:
 - (i) to the extent necessary to provide GECC Transitional Arrangements;

- (ii) as required by Applicable Law;
- (iii) as required by the terms of a relevant third party agreement, approval or consent of which the Company is given reasonable prior Notice;
- (iv) as required by a Variation; or
- (v) to provide any data export procedures that may be agreed between the Parties from time to time, but in any event subject to the restrictions as per Clause 11.

4. Facilities

Solely to the extent not otherwise treated in the sublease as set forth on Schedule 2.4(b)(ii) to the Master Agreement, the following provisions in this Clause 4 shall apply.

4.1 Access

- (a) Each Party hereby grants to the other Party a limited license to use and access space at certain facilities and to continue to use certain equipment located at such facilities for:
 - (i) substantially the same purposes as used for that other Party's Relevant Business immediately prior to the IPO Date; and
 - (ii) the purpose of providing the Transitional Arrangements of which it is the Supplier.
- (b) The facilities and equipment referred to in Clause 4.1(a) to which:
 - (i) GECC grants the Company and its Affiliates a license are listed in Schedule 4; and
 - (ii) the Company grants GECC and its Affiliates a license are listed in Schedule 5,

(each being the granting Party's "**Facilities**").

- (c) The rights granted pursuant to this Clause 4.1 shall be in the nature of a license for those areas of the Facilities used by GECC, the Company or their Affiliates, as applicable, prior to the date hereof and shall not create a leasehold (or right to grant a sublicense or sub-leasehold to any unaffiliated third party) or other estate or possessory rights in the Company or GECC, or their respective Affiliates, Representatives, contractors, invitees or licensees, with respect to the applicable Facilities.
- (d) Each Party, or the landlord in respect of any third party lease, shall have reasonable access to their respective Facilities which are used by the other Party under this Clause 4.1, from time to time as reasonably necessary for the security and maintenance thereof in accordance with past practice and the terms of any third party lease agreement, if applicable.
- (e) The Supplier of a Transitional Arrangement shall afford the Recipient, following not less than ten (10) Business Days' prior Notice from the Recipient, reasonable access during normal business hours to the facilities, information, systems, infrastructure, and Representatives of the Supplier as reasonably necessary for the Recipient to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with that Transitional Arrangement, including in connection with

verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided, however, such access shall not unreasonably interfere with any of the business or operations of the Supplier or its Affiliates.

4.2 Ancillary services relating to Facilities

- (a) Each Party shall provide:
 - (i) heating, cooling, electricity and other utility services; and
 - (ii) other ancillary services such as reception, cleaning, maintenance, security and telephony services, and access to photocopiers and restroom facilities, for their respective Facilities substantially consistent with levels provided immediately prior to the IPO Date.
- (b) The ancillary services that each Party will provide under Clause 4.2(a) do not extend to:
 - (i) research and development services;
 - (ii) medical services;
 - (iii) in the case of security, security services in relation to the areas of the relevant Facility that are specific to that other Party (e.g., security passes that permit entrance to that Party-specific area); and
 - (iv) in the case of maintenance services, those services historically provided that are general in nature and within the scope of customary maintenance of ordinary wear and tear
- (c) In the event that either Party wishes to use any utility or service, the cost of which was not included in the base services provided by either Party immediately prior to the IPO Date (e.g., HVAC use outside of the normal business hours), the Party requesting such utility or service shall be solely responsible for the cost therefor.

4.3 Vacating Facilities

- (a) Each Party shall, and shall cause its respective Affiliates, Representatives, contractors, invitees or licensees to, vacate the other Party's Facilities at or prior to the earlier of:
 - (i) the expiration date relating to each Facility set forth in Schedule 4 and Schedule 5; and
 - (ii) the termination of this Agreement.
- (b) Such vacating Party shall deliver over to the other Party or its Affiliates, as applicable, the Facilities in the same repair and condition as the same were in at the IPO Date, ordinary wear and tear excepted; provided, however that in the event that the third party lease for a Facility specifies otherwise, the Party vacating a Facility shall deliver over such Facility in such repair and condition (taking into account the date that the Party began its occupation of such Facility) as set forth in the third party lease.

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- (c) Unless otherwise agreed by the Parties, notwithstanding the foregoing, GECC may terminate this Transitional Arrangement with respect to the Facility set forth on Schedule 5 at any time by providing the Company with ten (10) days prior notice but in no event shall the term of this Transitional Arrangement extend beyond December 31, 2014 with respect to the Facility set forth on Schedule 5.

4.4 Insurance

- (a) Each Party will, in relation to the other Party's Facilities that it uses under this Clause 4.4, maintain commercially appropriate and customary levels (in no event less than what is required by the landlord under the relevant lease agreement) of property and liability insurance in respect of those Facilities and that use.

4.5 Compliance

- (a) Each Party shall, and shall cause its Affiliates, Representatives, contractors, invitees and licensees to:
 - (i) comply with all Applicable Laws that relate to their use or occupation of the other Party's Facilities, including those relating to environmental and workplace safety matters;
 - (ii) comply with the other Party's applicable site rules, regulations, policies and procedures;
 - (iii) comply with any applicable requirements of any third party lease governing the relevant Facility; and
 - (iv) not make any material alterations or improvements to the other Party's Facilities except with the prior written approval of the other Party.

5. Variations

5.1 Variation Proposals

Any Party may propose, by Notice in substantially the same form as that set out in Schedule 6, a variation to or addition of a Transitional Arrangement (a **Variation**”).

5.2 Good faith consideration to proposals

- (a) Each Party will give any Variation proposed by the other Party good faith consideration, and where applicable will use its commercially reasonable efforts to reach an agreement in relation to it, including those necessary to (A) accommodate a change in the Company's business model, (B) support a disposition of a business or (C) meet applicable regulatory requirements, including changes in such requirements.
- (b) In any event, if the Company identifies a service after the IPO that:
 - (i) was provided by GECC or its Affiliates to the Company in the twelve (12) months prior to the IPO,

- (ii) either was not identified in Schedule 1, or, where identified, not identified in the form as it was originally provided by GECC or its Affiliates to the Company in the twelve (12) months prior to the IPO, and
- (iii) is not listed on Schedule 7 and is not, by its nature or the manner in which it is provided, intended only for a Recipient which is still an Affiliate of GECC,

then GECC will not refuse to agree to any corresponding Variation reasonably proposed by the Company for GECC to supply that service as a Transitional Arrangement, insofar as the provision of such service by GECC to the Company is possible and the provision of such services is permitted under the agreements GECC directly or indirectly maintains with third parties for the provision of such service, as applicable, and the Company is willing to pay the resulting costs or increase in costs as part of the Charges.

(c) In any event, if GECC identifies a service after the IPO that:

- (i) was provided by the Company or its Affiliates to GECC in the twelve (12) months prior to the IPO,
- (ii) either was not identified in Schedule 2, or, where identified, not identified in the form as it was originally provided by the Company or its Affiliates to GECC in the twelve (12) months prior to the IPO, and
- (iii) is not listed on Schedule 7 and is not, by its nature or the manner in which it is provided, intended only for a Recipient which is still an Affiliate of the Company,

then the Company will not refuse to agree to any corresponding Variation reasonably proposed by GECC for the Company to supply that service as a Transitional Arrangement, insofar as the provision of such service by the Company to GECC is possible and the provision of such services is permitted under the agreements the Company directly or indirectly maintains with third parties for the provision of such service, as applicable, and GECC is willing to pay the resulting costs or increase in costs as part of the Charges.

(d) Subject to Clause 5.2(a), the Parties acknowledge that:

- (i) neither Party is obliged to agree to a Variation proposed by the other Party and, in particular, that each Party has no obligation to agree to a proposed Variation by which that Party would be involved in a breach of a third party contract; and
- (ii) where a Recipient proposes a Variation to any Transitional Arrangement, the Supplier may make its agreement to the proposed Variation subject to a reasonable increase in the applicable Charge for the affected Transitional Arrangement (such reasonable increases will always include any charges imposed on the Supplier by a third party in connection with the Variation).

5.3 Giving effect to a Variation

If the Parties agree in writing to a Variation proposal under Clause 5.1, the relevant Schedule will be deemed to be amended accordingly. No Variations will take effect unless and until they are agreed in writing between the Parties. Until such time as a Variation is agreed in writing, the Supplier will continue to perform the Transitional Arrangement and be paid as if such Variation had not been recommended or requested.

5.4 Variations required by law

Where the Recipient gives the Supplier Notice that a Variation is required or recommended by a Government Authority or required under Applicable Law (“**Regulatory Variation**”), the provisions of Clause 5.2 shall apply with the following modifications:

- (a) the Supplier shall be obliged to perform the Regulatory Variation for the Recipient provided that the Recipient agrees to:
 - (i) the Charges proposed by the Supplier, calculated by the Supplier in a manner consistent with the principle in Clause 5.2(b)(ii); and
 - (ii) the timeframe for completion proposed by the Supplier in respect of the Regulatory Variation, calculated by the Supplier having regard to the timeframe required by the relevant Government Authority or Applicable Law; and
- (b) if the Recipient does not agree to the Charges and the timeframe proposed by the Supplier under Clause 5.4(a), then such disagreement will constitute a Dependency that adversely affects the Transitional Arrangement that is affected by the Regulatory Variation.

6. Governance Framework

6.1 Overview

The governance structure for the Transitional Arrangements and any issues arising out of this Agreement is set out in this Clause 6, and the Parties will appoint representatives to give effect to that governance structure.

6.2 Services Managers

- (a) GECC will designate a dedicated services manager (the “**GECC Services Manager**”) who will be directly responsible for coordinating and managing the delivery of the GECC Transitional Arrangements and will have authority to act on GECC’s behalf with respect to the Transitional Arrangements. The GECC Services Manager will work with the Company Services Manager to address the Company’s issues and the parties’ relationship under this Agreement.
- (b) The Company will designate a dedicated services manager (the “**Company Services Manager**” and, with the GECC Services Manager, the “**Services Managers**”) who will be directly responsible for coordinating and managing the delivery of the Company Transitional Arrangements by the Company and will have authority to act on the Company’s behalf with respect to the Transitional Arrangements. The Company Services Manager will work with the GECC Services Manager to address GECC’s issues and the parties’ relationship under this Agreement.

6.3 Steering Committee

The Parties will establish a steering committee (“**Steering Committee**”), which will be made up of two (2) Representatives with decision-making authority from the Company and two (2) Representatives with decision-making authority from GECC, provided that the Services Managers shall attend the Steering Committee meetings and shall advise the Steering Committee regarding their ongoing coordination and management of the Transitional Arrangements, as *ex officio* members of the Steering Committee. The Steering Committee is responsible for:

- (a) monitoring and managing any issues arising from this Agreement and the Transitional Arrangements;

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- (b) overseeing the provision of the Transitional Arrangements, including both Parties' progress in relation to current projects and their respective Transition Plans;
 - (c) monitoring the performance of the Transitional Arrangements;
 - (d) monitoring the progress of Licensee's cessation of use of the Licensed Marks (as such terms are defined in the Transitional Trademark License Agreement) pursuant to Section 4.A of the Transitional Trademark License Agreement within the time periods set forth in Exhibit D thereof; and
 - (e) to the extent not resolved through discussions between the GECC Services Manager and the Company Services Manager, facilitating the resolution of Disputes arising out of this Agreement in the manner contemplated by Clause 6.6(d).

6.4 Initial Representatives

Each Party will appoint its initial Representatives to the Steering Committee within ten (10) days after the IPO Date. When each Party has made these initial appointments, the Steering Committee will be formed.

6.5 Replacement of a Steering Committee member

If a Party wishes to replace its Representative on the Steering Committee or if a Party's Representative on the Steering Committee is unable to perform its duties for any prolonged period or if that Representative is no longer employed by that Party, then that Party will:

- (a) replace that Representative with another suitably qualified and experienced Representative as soon as practicable; and
- (b) give Notice of the details of the replacement Representative to the other Party within five (5) Business Days of that appointment.

6.6 Meetings of the Steering Committee

- (a) Meetings of the Steering Committee shall be conducted in person or through telephone conference and, subject to Clause 6.6(b) below, shall take place at least once in every thirty (30) days.
- (b) The first meeting of the Steering Committee shall take place no later than forty-five (45) days after the IPO Date.
- (c) There will be a standing agenda for each Steering Committee meeting, which will be updated from time to time.
- (d) The Steering Committee shall hold a meeting within five (5) Business Days of receiving a request by either of the Parties or either of the Services Managers to discuss a Dispute and shall use its commercially reasonable efforts to bring about a resolution to the Dispute, including in relation to Disputed invoices.
- (e) Any meeting at which at least one (1) of the Company's Representatives and one (1) of GECC's Representatives are present shall constitute a meeting of the Steering Committee for purposes of satisfying the meeting requirements of the Steering Committee set forth herein.

6.7 Powers of the Steering Committee

The Steering Committee is a vehicle for discussion. Except as expressly set out in Clauses 6.3 and 7, it has no legal powers or obligations. Accordingly, the Steering Committee is not entitled to agree to a Variation, or otherwise agree to a change to this Agreement. All such Variations or changes must be performed in accordance with Clauses 5 and 17.5 (as appropriate).

6.8 Executive Sponsor

Each of GECC and the Company shall, within ten (10) days after the IPO Date, appoint a person to be its executive sponsor ("**Executive Sponsor**") and give the other Party Notice of such appointment in accordance with Clause 14. The Executive Sponsors shall be responsible for meeting to resolve escalated Disputes under Clause 15.2, and for any other functions agreed between the Parties from time to time.

7. **Transition Plan(s)**

7.1 Each Party to prepare and share the Transition Plans

Within sixty (60) days after the Signing Date, each Party's Representatives on the Steering Committee shall deliver to the other applicable Party's Representatives on that committee a written plan (each a, "**Transition Plan**") setting out:

- (a) the steps that the first-mentioned Party will take to transfer each Transitional Arrangement, of which it is the Recipient, to a Successor Provider;
- (b) any inter-dependency between those steps and the other Party's supply obligations in relation to those Transitional Arrangements, including any projects added by way of Variation; and
- (c) any additional and reasonable Transition Assistance that the first-mentioned Party requires from the other Party as per Clause 7.5.

7.2 Level of detail in Transition Plan

Each Party's Transition Plan shall:

- (a) not be inconsistent with the terms of this Agreement (including the description in the Schedule of the Transitional Arrangements of which it is the Recipient);
- (b) be reasonably detailed; and
- (c) show the timetable and principal steps such Party will execute in order to reduce and ultimately end the Party's requirements for those Transitional Arrangements.

7.3 Locking down the Transition Plan

Each Party shall review and evaluate the other Party's Transition Plan, and then in the course of Steering Committee meetings:

- (a) give the other Party any reasonable recommendations it has to smooth the transition of the relevant Transitional Arrangements to the relevant Successor Providers;

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- (b) discuss in good faith those recommendations, and any Variations that are required to give effect to them; and
 - (c) act reasonably to reach an agreement with respect to the Transition Plans.

7.4 Executing the Transition Plan

Each of the Parties shall perform its agreed obligations under the Transition Plans, subject to Clauses 7.5, 7.6 and 7.10.

7.5 Transition Assistance

- (a) Each Party shall, when agreeing on and implementing the Transition Plans, use commercially reasonable efforts to provide the other Party with any reasonably requested assistance with regard to the other Party's efforts to prepare and execute the transfer of the Transitional Arrangements (and related data) to a Successor Provider, such as:
 - (i) assistance in identifying any additional information and activities, other than those listed in the Party's Transition Plan, that are needed to smoothly transfer the Transitional Arrangements to the relevant Successor Providers; and
 - (ii) the provision of data of the other Party and related information in such form, frequency and quantity for conversion, migration and testing by the other Party as shall be agreed upon by the Parties in one or more written statements of work, taking into account the purpose of the Transitional Arrangement and the Transition Plans,
but only to the extent the Party providing such assistance has the rights to provide, and is compensated for, such assistance.
 - (b) GECC shall further provide the Company any assistance reasonably requested by the Company in negotiating with the relevant third party providers the transitioning out, termination or independent continuation of those IT-services and other services that
 - (i) the Company as of the IPO Date procures or receives from third party providers under local arrangements (such as, without limitation, local services agreements, adoption agreements, joinder agreements, local schedules) to a global agreement (such as, without limitation, master agreements, umbrella agreements, global group agreements) that has been entered into by GECC or an Affiliate of GECC and which local arrangement needs to be amended or terminated as result of the Company no longer being an Affiliate of GECC; and
 - (ii) are not part of the Transitional Arrangements,
it being understood that GECC shall be under no obligation to provide such services, accept any disadvantages under its own agreements and licenses with such third party providers or any liability or obligation vis-a-vis such third party providers with regard to the Company following the IPO Date.
- (a) and (b) together the "**Transition Assistance**"

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- (c) Any Transition Assistance of a Party to the other Party shall:
- (i) be limited to assistance that is not reasonably available on the market from other sources;
 - (ii) be subject to any contractual or legal obligations and restrictions on the part of the Party requested to provide such assistance (e.g., restrictions under its own license contracts);
 - (iii) not require a Party to change the manner in which it provides its Transitional Arrangements, unless such change is agreed between the Parties; and
 - (iv) be fully compensated by the Party requesting such assistance as per Clause 8.1.

7.6 Adjusting the Transition Plan and Transition Periods

Each Party may, in the course of the Steering Committee meetings, propose to adjust its Transition Plan from time to time. Any such adjustment will be subject to the other Party's agreement, such agreement not to be unreasonably withheld or delayed.

It is thereby understood between the Parties that if there are delays in the implementation of the Transition Plans, the Transition Periods may need to be extended for legal or operational reasons. GECC shall not refuse a reasonable request for an extension by the Company, unless there are compelling reasons to do so, such as that the extension is not permitted under the agreement GECC directly or indirectly maintains with third parties for the provision of the service or access right at issue (in which case the Parties shall in good faith cooperate to find, agree on and implement a workaround or alternative solution; such cooperation shall include providing corresponding Transition Assistance). The extension of a Transition Period shall be handled, and be subject to the same governing provisions, as are adjustments of Transition Plans. The Company shall pay as part of the Charges the resulting costs and increase in costs due to an extension.

7.7 Monitoring the progress of the Transition Plan

At each meeting of the Steering Committee, the Steering Committee will discuss the implementation of each Party's Transition Plan. To the extent that a delay occurs in the implementation of a Party's Transition Plan, the members of the Steering Committee shall discuss and agree in good faith and act reasonably with respect to appropriate steps to be taken by the Parties to address the delay and the responsibility for any related costs.

7.8 Failure to perform under other Party's Transition Plan

To the extent that:

- (a) a Party fails to meet any of its obligations under the other Party's Transition Plan; and
- (b) that failure prevents the migration by the other Party of a Transitional Arrangement by the end of the relevant Transition Period,

then:

- (c) the other Party will give the first-mentioned Party Notice as soon as reasonably practicable of that failure, and of any potential delay to migration that failure may cause and of which that other Party is then aware;

- (d) the other Party will use commercially reasonable efforts to mitigate any such failure or make up time lost as a result; and
- (e) subject to Clause 2.8, the Transition Period for that Transitional Arrangement shall be extended for a period the Parties agree, acting reasonably, that is proportionate to the impact of the first-mentioned Party's failure.

7.9 Dispute in relation to extension

If the Parties cannot reach agreement as to whether and for how long a Transition Period should be extended under Clause 7.8(e), the Parties may initiate the Dispute resolution procedure set out in Clause 15.

7.10 Each Party's Transition Plan is its own responsibility

Each Party acknowledges that its Transition Plan is its own responsibility, notwithstanding any recommendations or agreement provided by or on behalf of the other Party under this Clause 7 in relation to that Transition Plan. Accordingly, in relation to each Party's Transition Plan:

- (a) the other Party will have no liability, and makes no warranties, in relation to any recommendations that it gives in good faith in relation to that Transition Plan; and
- (b) the remedy set out in Clause 7.8 is a Party's sole remedy in relation to a failure by the other Party to comply with any obligation in such Transition Plan that is not otherwise provided for in this Agreement.

8. Charges

8.1 General

- (a) The Company must pay the Charges set out in Schedule 1 for each GECC Transitional Arrangement and other charges agreed herein, in particular as per Clause 2.6(c), as and when they fall due. Additionally, the Company shall pay GECC for any Transition Assistance provided on such basis as may be agreed upon in the relevant statement of work therefor.
- (b) GECC must pay the Charges set out in Schedule 2 for each Company Transitional Arrangement as and when they fall due. Additionally, GECC shall pay the Company for any Transition Assistance provided on such basis as may be agreed upon in the relevant statement of work therefor.

8.2 Invoicing for and payment of Charges

Unless otherwise agreed in writing between the Parties, the Supplier of each Transitional Arrangement:

- (a) may invoice (in one or more invoices) the Charges to which it is entitled under this Clause 8 at the end of each Invoicing Period in arrears; and
- (b) a Recipient must pay the Charges which are properly chargeable and due under this Agreement invoiced to it from time to time by the relevant Supplier pursuant to Clause 8.2(a) above:
 - (i) within thirty (30) days of receipt of the invoice;

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- (ii) without set-off, subject to Clause 8.6;
 - (iii) in U.S. Dollars; and
 - (iv) by wire transfer of immediately available funds to the account or accounts designated by the relevant Supplier in writing.

8.3 Default Interest

Default interest will be payable by the Recipient at a default interest rate of two per cent per annum above the Interest Rate on any unpaid Charges for a Transitional Arrangement provided to that Recipient from the date on which that unpaid amount falls due until payment of that amount is made in full, except to the extent the Recipient promptly raises a bona fide Dispute under Clause 15 in relation to the amount of those Charges.

8.4 Late invoicing

Any failure on the part of a Supplier or a relevant vendor to invoice a Recipient for any Charges within the timeframe specified in this Agreement will not release or qualify the obligation of the Recipient to pay those invoices when they are issued.

8.5 Taxes

(a) Sales tax or other transfer taxes

The Recipient shall bear any and all sales, use, transaction and transfer taxes and other similar charges (and any related interest and penalties) imposed on, or payable with respect to, any Charges, payable by the Recipient pursuant to this Agreement.

(b) Withholding tax or other similar taxes

If any withholding or deduction from any payment under this Agreement by a Recipient in relation to any Transitional Arrangement is required in respect of any taxes pursuant to any Applicable Law, the Recipient will:

- (i) gross up the amount payable such that the Supplier receives an amount equal to the amount of the Charges in respect of that Transitional Arrangement, net of the withholding or deduction;
- (ii) deduct such tax from the amount payable to the Supplier;
- (iii) pay the deducted amount referred to in Clause 8.5(b)(ii) above to the relevant taxing authority; and
- (iv) promptly forward to the Supplier a withholding tax certificate evidencing that payment.

(c) Cooperation

The Recipient and the Supplier will take reasonable steps to cooperate to minimize the imposition of and the amount of taxes described in this Clause 8.5.

8.6 Disputed invoices

In the event of a bona fide Dispute regarding any invoice or other request for payment, the Recipient will immediately give the Supplier Notice in writing and the Parties will attempt to resolve promptly and in good faith any Dispute regarding amounts owed in accordance with Clauses 6.6(d) and 15. Disputed portions will be set aside until resolved in accordance with those Clauses but undisputed amounts will be paid on or before the due date as set out in Clause 8.2 above.

9. Agreement Term, Transition Period and Termination

9.1 Agreement Term

This Agreement:

- (a) shall become effective on the IPO Date; and
- (b) continues until the termination or expiry of all Transitional Arrangements, unless terminated earlier in accordance with the terms of this Agreement (the "**Agreement Term**"); provided, however, that the Steering Committee shall continue to meet under Clause 6 hereof until such time as its obligations under Clause 6.3(d) hereof and Section 4.A of the Transitional Trademark License Agreement have been satisfied.

9.2 Extension of Transition Period

- (a) Upon Notice from the Recipient to the Supplier at least sixty (60) days prior to the expiry of the Transition Period for any Transitional Arrangement, the Supplier shall meet with the Recipient in the Steering Committee or otherwise to discuss and, if applicable, agree upon:
 - (i) whether that Transition Period will be extended; and
 - (ii) the terms of that extension, including the Charges during, and the period of, that proposed extension.
- (b) References in this Agreement to a Transition Period are deemed to be references to that Transition Period as it may be extended under this Clause 9.2.
- (c) No Party is obliged to agree to extend a Transition Period under Clause 9.2(a); provided, that subject to any third party consent rights or the terms of any third-party agreements relied upon by the Supplier for the delivery of any such Transitional Arrangement, the Recipient, at its sole expense, shall have the right to extend the term of any Transitional Arrangement (i) for up to six (6) months or (ii) solely as necessary to meet a regulatory requirement imposed after the IPO Date by a Governmental Authority; provided, that no Transitional Arrangements may exceed the latter of (i) thirty-six (36) months in duration as measured from the IPO Date, or (ii) twenty-four (24) months in duration as measured from the Trigger Date.

9.3 Right to terminate a Transitional Arrangement for convenience

A Recipient may terminate a relevant Transitional Arrangement for convenience upon sixty (60) days' Notice (or such other notice period applicable to such Transitional Arrangement if specified in either Schedule 1 or Schedule 2, as applicable) with no payment of fees and no payment of Charges, other than:

- (a) the payment of fees or Charges (each pro-rated as appropriate) for that Transitional Arrangement already provided to the Recipient as of the date of that termination; provided that fees that are prepaid by a Recipient shall not be returned to the Recipient; and
- (b) amounts that accrue only upon a termination or expiration of that Transitional Arrangement.

9.4 Right to terminate for breach

- (a) If GECC or the Company (“**Breaching Party**”) commits a material breach of this Agreement which is not remedied within thirty (30) days of the Breaching Party being issued a Notice by the other Party (“**Innocent Party**”):
 - (i) detailing the breach; and
 - (ii) expressly referencing this Clause 9.4,then the Innocent Party may terminate:
 - (iii) this Agreement;
 - (iv) one or more Transitional Arrangements that Clause 1 otherwise requires the Innocent Party to provide to the Breaching Party, to the extent that the delivery of such Transitional Arrangement is adversely affected by such material breach; or
 - (v) one or more Transitional Arrangements that Clause 1 otherwise requires the Breaching Party to provide to the Innocent Party, to the extent that the delivery of such Transitional Arrangement is adversely affected by such material breach.
- (b) If a Party becomes Insolvent, the other Party may terminate this Agreement.
- (c) Any termination under this Clause 9.4 will be effected by the terminating Party delivering a Notice of termination to the other Party. Such a Notice will take effect immediately unless otherwise expressly provided in its terms.

9.5 Regulatory termination of this Agreement

- (a) Upon 90 days’ prior Notice or such shorter timeframe as required: (i) by a Government Authority with regulatory authority over the Company or any Banking Recipient that is an Affiliate of the Company; or (ii) to comply with Applicable Law, the Company shall have a right to terminate this Agreement or any GECC Transitional Arrangement if directed in writing by a Government Authority with regulatory authority over the Company or any Banking Recipient that is an Affiliate of the Company.
- (b) Upon 90 days’ prior Notice or such shorter timeframe as required: (i) by a Government Authority with regulatory authority over GECC or any Banking Recipient that is an Affiliate of the GECC; or (ii) to comply with Applicable Law, GECC shall have a right to terminate this Agreement or any Company Transitional Arrangement if directed in writing by a Government Authority with regulatory authority over GECC or any Banking Recipient that is an Affiliate GECC.
- (c) In the event of a termination pursuant to this Clause 9.5, the Parties acknowledge and agree that the Transition Plans may not be fully implemented as of such termination, and neither Party will have any obligation to assist in the execution of the other Party’s Transition Plan after such termination.

9.6 Effect of termination of a Transitional Arrangement

If any Transitional Arrangement is terminated in accordance with Clauses 9.4(a)(iv) or 9.4(a)(v):

- (a) the Supplier of that Transitional Arrangement:
 - (i) is not obliged to provide that Transitional Arrangement to the Recipient; and
 - (ii) is not entitled to invoice for that Transitional Arrangement, except in relation to services provided prior to termination or otherwise in accordance with Clause 9.3; and
- (b) the Supplier responsible for the provision of each of the remaining Transitional Arrangements that have not been terminated must continue to provide those Transitional Arrangements in accordance with Clause 1, except to the extent any such Transitional Arrangement's applicable Transition Period terminates, according to the relevant Schedule, upon the termination of the first-mentioned Transitional Arrangement.

9.7 Effect of termination of the Agreement

If this Agreement expires or is terminated for any reason:

- (a) the Supplier's obligations to provide any of the Transitional Arrangements under Clause 1 terminates; and
- (b) the termination or expiry does not affect:
 - (i) a Party's accrued rights and obligations under this Agreement as at the date of expiry or termination; or
 - (ii) the continued operation of provisions which by their nature survive termination or expiry, including but not limited to Clauses 9, 10, 11, 12, and 14 to 18, and this Clause 9.7.

10. Intellectual Property Rights, Ownership of Data

10.1 Post-IPO IP Rights

- (a) Ownership of any IP Right that is developed or generated: after the IPO Date, by or on behalf of any Party; and in connection with any Transitional Arrangement, will vest, as between the Parties, in the Supplier of that Transitional Arrangement except for deliverables created (i) solely and exclusively for, and delivered to, the Recipient but (ii) not to be used on Underlying Systems and (iii) in the case of the Recipient being the Company not related to a GECC IT Access Right.
- (b) The ownership of any IP Right in deliverables created specifically for, and delivered to, the Recipient that are used on Underlying Systems will be licensed by the Supplier to the Recipient under the terms of the Intellectual Property Cross License Agreement (including, for the avoidance of doubt, only to the extent such intellectual property is used, held for use or contemplated to be used as of the IPO Date), provided such license is permitted under the

terms of the applicable third party agreement(s). Such deliverables shall be listed on a schedule to the Intellectual Property Cross License Agreement, as such schedule may be amended from time to time in accordance with the Intellectual Property Cross License Agreement.

10.2 Ownership of IP Rights not affected by license grants

The Recipient of a Transitional Arrangement:

- (a) acknowledges that the Supplier's obligations under Clause 1 of this Agreement to provide that Transitional Arrangement does not affect ownership in any IP Rights used to provide such Transitional Arrangements; and
- (b) agrees that, in relation to each Transitional Arrangement of which it is the Recipient, unless otherwise agreed in writing between the Supplier and the Recipient:
 - (i) it will not delete any identifying marks, copyright or proprietary rights notice from any copy of software that forms part of the relevant systems, applications or software or from any associated materials (for example, the Underlying System in the case of a GECC IT Application Service); and
 - (ii) at the end of any Transitional Arrangement's Transition Period, it will promptly:
 - (A) to the extent that IP Rights vest in the Supplier by virtue of Clause 10.1, provide the Supplier a copy of any tangible embodiment of that IP Rights that is in the Recipient's possession or control; and
 - (B) thereafter delete or dispose of any software and material related to that Transitional Arrangement (but not data) at the end of the relevant Transitional Arrangement's Transition Period, and if requested by the Supplier, certify to the Supplier to that effect in writing.

10.3 Limited IP warranty and indemnity for the Recipient

- (a) The Supplier of each Transitional Arrangement represents and warrants to the Recipient that, subject to Clause 2.6:
 - (i) it is entitled to provide that Transitional Arrangement; and
 - (ii) that provision, and the Recipient's use of the Transitional Arrangement in accordance with this Agreement, will not infringe the IP Rights of any of the Supplier's third party licensors (for example, in the case where GECC is the Supplier, of the applicable Underlying Systems).
- (b) Subject to Clause 10.3(c), the Supplier of each Transitional Arrangement indemnifies the Recipient, and each of the Recipient's Affiliates who are so affected (together, the "**Recipient Indemnified Parties**"), against and from each Claim the Recipient Indemnified Parties may suffer or incur and reasonable costs and expenses (e.g., license fees for replacement software) incurred by the Recipient Indemnified Party, in each case, to the extent that each such Claim arises out of or in connection with:
 - (i) any alleged infringement by the Recipient Indemnified Parties of the IP Rights of any of the Supplier's third party licensors; and
 - (ii) the Recipient's use of the Transitional Arrangement.

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- (c) The indemnity under Clause 10.3(b) will not apply unless:
- (i) the Recipient as soon as practicable gives the Supplier Notice upon receipt of any such Claim;
 - (ii) the relevant Recipient Indemnified Party irrevocably grants the Supplier the right to conduct and/or defend the Claim as the Supplier in its absolute discretion sees fit;
 - (iii) the relevant Recipient Indemnified Party does not, without the prior written consent of the Supplier, admit liability or do or cause to be done anything which may prejudice or compromise the conduct or defence of the Claim by the Supplier;
 - (iv) the relevant Recipient Indemnified Party gives the Supplier all information and assistance the Supplier may reasonably require in relation to the Claim;
 - (v) the relevant Recipient Indemnified Party allows the Supplier, at the Supplier's option and expense, to obtain a license for or replace or modify the allegedly infringing part of the relevant Transitional Arrangement to avoid such Claim; provided, solely if such Transitional Arrangement is not the subject of an agreement between the Supplier and an unaffiliated third party, that any such replacement or modification does not materially adversely affect the Transitional Arrangement or the Recipient Indemnified Party's use thereof;
 - (vi) the relevant Recipient Indemnified Party acts reasonably to mitigate any losses arising from the Claim; and
 - (vii) the alleged infringement does not arise out of:
 - (A) the Recipient's breach of this Agreement or Applicable Law; or
 - (B) the Recipient's use of the Transitional Arrangement in a manner that is contrary to the Pre-IPO Form or beyond the Pre-IPO Volume.

10.4 Limited IP indemnity for the Supplier

- (a) Subject to Clause 10.4(b), the Recipient of each Transitional Arrangement indemnifies the Supplier, and each of the Supplier's Affiliates who are so affected (together, the "**Supplier Indemnified Parties**"), against and from:
- (i) all Claims which the Supplier Indemnified Parties may suffer or incur; and
 - (ii) reasonable costs and expenses (e.g., license fees for replacement software) incurred by the Supplier Indemnified Parties, to the extent that each such Claim or cost arises out or in connection with:
 - (iii) a breach by the Recipient of its obligations under this Agreement, including under Clause 2.4(g) of this Agreement; and

- (iv) an allegation by a third party licensor, that is caused by that Recipient's breach, that:
 - (A) the Supplier Indemnified Party has breached the terms of a license granted to that Supplier Indemnified Party; or
 - (B) that third party licensor has otherwise suffered loss or finds its IP Rights have been infringed.

(b) The indemnity under Clause 10.4(a) will not apply unless:

- (i) the Supplier as soon as practicable gives the Recipient Notice upon receipt of any such Claim; and
- (ii) the relevant Supplier Indemnified Party reasonably consults the Recipient in relation to the conduct and/or defense of that Claim.

10.5 Ownership of Data

Any data, documents and other records originally provided by the Recipient to the Supplier, or obtained by the Supplier originally on behalf of the Recipient and in connection with the performance of Transitional Arrangements, shall be and remain the exclusive property of the Recipient ("**Obtained Data**"). Except as set forth otherwise with respect to a Transitional Arrangement in Schedule 1 or 2, as applicable, and as limited by the terms of any and all relevant third party agreements, approvals or consents, any data, documents, and other records generated by the Supplier originally on behalf of the Recipient and in connection with the performance of Transitional Arrangements shall be and remain, as between the Supplier and Recipient, the exclusive property of the Recipient ("**Generated Data**" and collectively with the Obtained Data, the "**Recipient Data**"). The Recipient may at any time request that the Supplier:

- (a) delivers such Recipient Data to the Recipient without delay, in a standard electronic format and with all information, codes and tools necessary to reasonably process such data, documents and other records; or
- (b) deletes such Recipient Data permanently, except to the extent the Supplier is required by Applicable Law to retain a copy for its records.

The costs shall be borne by the Recipient. Following the six (6) month anniversary of termination of a Transitional Arrangement, the Supplier may, upon 60 days' prior written notice, delete any Recipient Data related to such Transitional Arrangement.

10.6 The provisions of this Clause 10 shall survive termination of the Agreement.

11. Confidentiality and Data Protection

11.1 Restrictions on use or disclosure of Confidential Information

Each Party ("**Receiving Party**") must not:

- (a) use the Confidential Information of the other Party ("**Disclosing Party**") other than for the purposes of performing or giving effect to this Agreement; or
- (b) disclose the Disclosing Party's Confidential Information except in accordance with Clause 11.2.

11.2 Permitted Disclosure

The Receiving Party may disclose the Disclosing Party's Confidential Information:

- (a) during the Agreement Term, to each of its directors, officers, employees or professional advisers, or those of its Affiliates (a "Specified Recipient") to the extent that such disclosure is necessary for the purposes of performing the Receiving Party's obligations under this Agreement;
- (b) at any time to a Specified Recipient to the extent that disclosure is necessary for the Recipient to carry out its Relevant Business;
- (c) to the extent required to be disclosed by Applicable Law or legal process or under the terms of an order issued by:
 - (i) a court of competent jurisdiction; or
 - (ii) any Government Authority or a stock exchange having jurisdiction over the Receiving Party;
- (d) pursuant to a request of a financial services related Governmental Authority having jurisdiction over the Receiving Party, but only to the extent the Receiving Party reasonably believes it is required to comply with such request under Applicable Law; or
- (e) to the extent that the Disclosing Party has given prior written consent to such disclosure, provided that, in the case of Clause 11.2(c)(i) or (ii), or Clause 11.2(d), the Receiving Party, to the extent that it is lawful for it to do so, provides prompt Notice to the Disclosing Party of any such requirement, order or request, discloses no more information than is so required and cooperates at the Disclosing Party's request and expense, with any attempts to obtain a protective order or similar treatment.

11.3 Notification of Confidentiality

Before disclosure of Confidential Information to a Specified Recipient, the Receiving Party will ensure that the Specified Recipient is made aware of and complies with the Receiving Party's obligations of confidentiality under this Agreement as if the Specified Recipient was a party to this Agreement.

11.4 Protection of Confidential Information

The Receiving Party must treat the Disclosing Party's Confidential Information with no less than the degree of care, secrecy and protection as it treats the Receiving Party's own Confidential Information.

11.5 Allocation of Confidential Information

For the purpose of this Clause 11:

- (a) the following data is taken to be the "Confidential Information" of both Parties:
 - (i) the terms of this Agreement, except to the extent required to be publicly disclosed in connection with the IPO;

- (ii) data about transactions to which both the Recipient and Supplier are parties; and
 - (iii) data that otherwise relates to both the Recipient and the Supplier; and
- (b) the following data is taken to be the “Confidential Information” of the Recipient:
- (i) data about transactions to which the Recipient is a party but the Supplier is not; and
 - (ii) data that otherwise relates to the Recipient and does not also relate to the Supplier (an example of which is data relating to the Company’s employees); and
- (c) the following data is taken to be the “Confidential Information” of the Supplier:
- (i) data held by the systems provided by any GECC IT Application Service not of a type referred to in Clauses 11.5(a) or 11.5(b) (an example of which is pricing data for vendors of GECC and Affiliates of GECC); and
 - (ii) the form, nature and standard of each Transitional Arrangement provided by a Supplier,

in each case to the extent that that information does not fall within the exceptions to the definition of “Confidential Information” in paragraphs (a), (b) or (c) of that definition.

11.6 Data export

To avoid doubt, a Supplier’s obligations under Schedules 1 or 2 (as applicable) to export or extract the Recipient’s “data” do not extend to data of the type contemplated in Clause 11.5(c).

11.7 Delivery of materials

The Receiving Party must use its commercially reasonable efforts, upon the reasonable request of the Disclosing Party, to deliver to the Disclosing Party or otherwise destroy all documents or other materials containing or referring to Confidential Information of the Disclosing Party which are:

- (a) in the Receiving Party’s possession, power or control; or
- (b) in the possession, power or control of Specified Recipients who have received Confidential Information under Clauses 11.2(a) or 11.2(b),

except to the extent the Receiving Party is required by Applicable Law to retain a copy for its records.

Any such request from a Recipient of a Transitional Arrangement will be taken to be a Force Majeure Event if the relevant Supplier cannot reasonably supply that Transitional Arrangement without that Confidential Information.

11.8 Data Protection

- (a) The Parties acknowledge that if any Recipient operates under the authority of any financial services related Governmental Authority (the **Banking Recipient**”), it will be subject to the applicable rules and regulations of such Governmental Authority. Any information related to identified or identifiable clients of the Banking Recipient (“**Client Data**”) shall in any case be considered Confidential Information of the Banking Recipient, and the Banking Recipient may, notwithstanding any other provision of this Clause 11, share Confidential Information with its regulators, auditors and competent public authorities, provided it requests confidential treatment.

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- (b) The Supplier of the Banking Recipient (the "Banking Supplier") acknowledges and accepts that with regard to Client Data of such Bank it is subject to the same professional secrecy obligations as the Banking Recipient. The Banking Supplier agrees to comply with such obligations and undertakes and warrants that its employees, contractors and consultant third parties, who may have access to such Client Data,
- (i) will comply with such obligations and in particular maintain strict confidence with regard to any Client Data, not to permit any unauthorized person or system to access Client Data, and in particular comply with any security standards required or recommended by a Government Authority or by Applicable Law;
 - (ii) will not transfer or make any Client Data available to any person or system outside of the United States, or permit any person or system outside of the United States to access any Client Data located in the United States, unless expressly permitted by the Banking Recipient in writing in each case;
 - (iii) sign a confidentiality and data protection declaration reasonably requested by the Banking Recipient before being granted access to its Client Data;
 - (iv) will have successfully passed any background and security checks reasonably requested by the Banking Recipient before being granted access to Client Data and periodically thereafter; and
 - (v) will be immediately refused access to Client Data or systems managing Client Data upon the Banking Recipient's request or if the Banking Supplier concludes that they may not be complying with the foregoing professional secrecy obligations.

The Banking Supplier will on an ongoing basis monitor compliance with the foregoing, adequately log access to Client Data and provide the Banking Recipient with any reasonably requested documentation or other proof related to this clause.

- (c) The Parties to this Agreement undertake for themselves, their employees, contractors and consulted third parties and their Affiliates to be in compliance with Data Protection Legislation.
- (d) To the extent that the Supplier processes Personal Data of third parties received from the Recipient in the context of Transitional Arrangements, such Personal Data shall be considered Confidential Information of the Recipient and the Supplier undertakes and warrants that it, its employees and contractors will:
- (i) process such Personal Data of the Recipient only for the purposes, and only as set forth by this Agreement and as instructed by the Recipient;
 - (ii) not export such Personal Data to, or permit access from, any country other than the United States without prior written consent of the Recipient;
 - (iii) delegate the processing of such Personal Data only with prior consent of the Recipient;

- (iv) promptly, subject to any Government Authority, report to the Recipient any breach or suspected data breach (including violation of this Clause 11) and provide the Recipient any reasonably requested assistance in relation thereto;
- (v) upon termination of the Agreement or upon the Recipient's request return or delete any such Personal Data without keeping a copy; and
- (vi) provide any other assistance to the Recipient reasonably requested by the Recipient for the purposes of data protection compliance, which may include the execution of separate data protection agreements;

provided, that the handling of Personal Data in a manner consistent with the Pre-IPO Form shall be deemed to satisfy the requirements of this Clause 11.8(d).

- (e) Should a Party receive any legal process or other request from a regulator, prosecutor or other public authority to gain access to Personal Data or other Confidential Information of the other Party, it will immediately notify the other Party and permit the other Party to defend against such legal process or request (or, if not possible, defend against it in the other Party's best interest).
 - (f) The Recipient may, from time to time, verify or have verified the Supplier's compliance with Clause 11.8(c) (including the Supplier's technical and organizational measures to prevent unauthorized processing of Personal Data) by an independent, reputable professional bound by an adequate confidentiality undertaking. Each Party shall bear its own costs in connection with such an audit.
- 11.9 The rights of the Recipient and the Supplier under this Clause 11 may also be enforced by recipients and suppliers not being Party to this Agreement that are Affiliates to the Parties to this Agreement.
- 11.10 Each Party shall indemnify and hold harmless the other Party in case of any claim of third parties caused by a breach of this Clause 11 by the indemnifying Party. The provisions of Clause 10.4 shall apply *mutatis mutandis*. The liability limitations set forth in Clause 12 shall not apply.
- 11.11 No sunset
The provisions of this Clause 11 shall survive the termination of the Agreement.
- 11.12 Injunctive relief
Nothing in this Agreement shall prevent any Party from seeking injunctive relief in respect of a breach by the other Party of its confidentiality obligations under this Agreement.

12. Limitation of Liability

12.1 Liability caps

- (a) Subject to Clause 12.1(b) and Clause 11.10, the maximum aggregate liability of a Supplier of a Transitional Arrangement arising out of or in connection with:
 - (i) that Transitional Arrangement, including any liability for that Transitional Arrangement contemplated in Clause 12.1(a)(ii), shall be limited to the aggregate of the Charges paid by the Recipient for that Transitional Arrangement; and
 - (ii) any part of that Transitional Arrangement added under Clause 5 shall be limited to the aggregate of the Charges paid by the Recipient for that part.
- (b) The maximum aggregate liability of each Party arising out of or in connection with this Agreement, including any liability of that Party contemplated in Clause 12.1(a), shall be limited to the aggregate of the Charges paid for all the Transitional Arrangements by such Party.

12.2 Liability exclusions

Notwithstanding any other provision of this Agreement no Party shall be liable:

- (a) for any Claim arising out of or in connection with this Agreement, to the extent such Claim relates to:
 - (i) consequential, special, incidental, indirect or punitive damages;
 - (ii) loss of profit (including loss of revenue, income or profits) or diminution of value or loss of goodwill or potential business opportunity; or
 - (iii) without prejudice to Clauses 12.2(a)(i) and 12.2(a)(ii) above, any damages that do not have a reasonable causal relationship to the breach that gave rise to that Claim; or
- (b) to the extent that any liability is caused by or is the result of the claiming Party failing to perform any of its obligations under this Agreement.

12.3 Carve-outs for liability regime

Clauses 12.1(a) and (b) do not apply in relation to liability:

- (a) (i) for negligence, to the extent such Transitional Arrangement is not the subject of an agreement between the Supplier and an unaffiliated third party, and (ii) for willful breach or willful misconduct (except to the extent that the applicable Transitional Arrangement is the subject of an agreement between the Supplier or its Affiliate and an unaffiliated third party, in which case such higher standard as is applicable under such agreement);
- (b) under the indemnity in Clause 10.4;
- (c) for breach of Clause 11;
- (d) that cannot be disclaimed under Applicable Law; or
- (e) for breach of Applicable Law in connection with the provision or receipt of any Transitional Arrangement.

12.4 Liability

References to liability in this Clause 12 is to liability whether in contract, in tort (including negligence) or equity, under statute or otherwise.

12.5 Failure to give Notice

If a Party does not give Notice of a Claim to the other Party:

- (a) within six (6) months after the termination or expiration of the last Transitional Arrangement to terminate or expire;

(b) within six (6) months after the termination of this Agreement; or

(c) within six (6) months after when that Party becomes or ought to have become aware of the facts giving rise to the Claim, whichever is later, that Party shall be taken to have waived that Claim.

12.6 Duty to mitigate

Each Party and its Affiliates will have a duty to use commercially reasonable efforts to mitigate damages for which the other Party is responsible in connection with this Agreement.

13. Force Majeure Events

13.1 No Party responsible for Force Majeure Events

A Party will not be liable to the other Party for any default or delay in the performance of its obligations under this Agreement to the extent that such default or delay is caused or contributed to by, directly or indirectly, a Force Majeure Event.

13.2 Notice

A Party wishing to rely on a Force Majeure Event under Clause 13.1 must give the other Party Notice as soon as practicable of the occurrence of that Force Majeure Event, giving reasonable details of the Force Majeure Event.

13.3 Liability to pay Charges

Where a Transitional Arrangement is suspended due to a Force Majeure Event, the Recipient:

(a) will not be liable for the Charges for that Transitional Arrangement during the suspension; but

(b) will remain liable for Charges:

(i) for that Transitional Arrangement that accrued prior to, and that accrue after, the suspension; and

(ii) for other Transitional Arrangements provided by the Supplier that are not suspended under this Clause 13.

14. Notices

14.1 Notices in writing

A notice under this Agreement (“**Notice**”) shall only be effective if it is in writing. For the avoidance of doubt, email communications shall be deemed to be “in writing” for purposes of this Clause 14.1.

14.2 Address

Notices, demands or other communications made under or in connection with the matters contemplated by this Agreement shall be sent to a Party at its address or number and for the attention of the individual set out below:

<u>Party and title of individual</u>	<u>Address</u>	<u>Email</u>
GECC Attention: General Counsel	901 Main Avenue Norwalk, CT 06851 with copy to: Pat Beckwith Ketan Majmudar Bethan Rowlands	alex.dimitrief@ge.com pat.beckwith@ge.com ketan.majmudar@ge.com bethan.rowlands@ge.com
	Lead Executive Counsel – Operations, IT and Sourcing William Bandon	william.bandon@ge.com
Company Attention: General Counsel	777 Long Ridge Road Stamford, CT 06902 with copy to: Ricky Davis	jonathan.mothner@ge.com Ricky.Davis@ge.com

A Party named above may change its Notice details on giving Notice to the other Parties named above of the change in accordance with this Clause 14. That Notice shall only be effective on the third Business Day after the date Notice has been received in accordance with Clause 14.3 or such later date as may be specified in the Notice.

14.3 Duly given when

Any Notice shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (a) if delivered personally, on delivery;
- (b) if sent by courier, on delivery; or
- (c) if emailed:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four (4) hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

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- 14.4 **Outside Working Hours**
Any Notice given outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.
- 14.5 **Certain Notices not to be Emailed**
Notwithstanding Clause 14.1, Notices under the following Clauses may not be emailed: 7, 9 to 13, 15, 17.5 (other than changes by way of Variations under Clause 5) and 17.6. Moreover, each such Notice is taken not to be given unless it is sent to and by the Parties' Representatives designated by Clause 14.2 and otherwise in accordance with this Clause 14.
- 15. Dispute Resolution**
- 15.1 **Commercially reasonable efforts**
If any Dispute arises between the Parties, the Parties must act in good faith and use commercially reasonable efforts to resolve the matter amicably, including (i) first, through discussions between the GECC Services Manager and the Company Services Manager and (ii) second, by holding a Steering Committee meeting in accordance with Clause 6.6(d).
- 15.2 **Escalation meeting**
If either Party delivers a Notice to the other that a material Dispute has arisen and the Parties are unable to resolve the Dispute within fifteen (15) days of service of the Notice, whether or not the commercially reasonable efforts contemplated by Clause 15.1 have been used, then a meeting must be held between the Steering Committee and each Party's Executive Sponsor.
If the Dispute has not been resolved within thirty (30) days of service of the Notice, such Dispute shall be resolved in accordance with the provisions of Article IX of the Master Agreement which shall apply hereto, *mutatis mutandis*.
- 16. Audit**
- 16.1 The Banking Recipient's internal and external auditors and any competent Government Authority having jurisdiction over the Banking Recipient may at any time audit and verify
- (a) the functions outsourced by the Banking Recipient to the Banking Supplier;
 - (b) the Banking Supplier's performance of obligations under the Agreement;
 - (c) the Banking Supplier's operations and the documentation, the data and the systems used by the Banking Supplier for providing its Transitional Arrangements;
 - (d) to the extent consistent with the Banking Supplier's contractual obligations to the subcontractor, the performance of any subcontractor engaged by the Banking Supplier pursuant to Clause 17.2(b) to provide all or part of its Transitional Arrangements.
- The Banking Supplier will assist in such audit, and provide any reasonably requested and available access, documentation and information. An audit or verification may not without good reason interfere with the operations of the Banking Supplier or its subcontractor and interfere with third party data protection, secrecy and intellectual property rights, shall be announced reasonably in advance and coordinated with the Banking Supplier (this, however, shall not operate to limit any Government Authority having jurisdiction over the Banking Recipient in pursuing any audit rights it may have pursuant to Applicable Law).

- 16.2 Any deficiencies rightfully determined by such an audit or verification shall be remedied by the Banking Supplier within adequate time (depending on the severity) in coordination with the Bank.
- 16.3 Each Party shall bear its own costs related to this Clause 16, with the exception that costs of follow-up audits due to a breach of contract by the Banking Supplier shall be borne by the Banking Supplier.
- 16.4 Furthermore:
- (a) the Banking Recipient will give the Banking Supplier Notice of any communications between the Banking Recipient and the Government Authority (or the Banking Recipient's internal or external auditors) relating to any such Government Authority (or the Banking Recipient's internal or external auditors) audit or other access in respect of the relevant Transitional Arrangement; and
 - (b) the Banking Recipient must allow the Banking Supplier to review and comment on any such communications from the Banking Recipient before they are made (and consider in good faith all comments reasonably proposed by the Banking Supplier),
- in each case to the extent permitted by Applicable Law.
- 16.5 Each Party shall be provided the audit reports generated by the other Party or otherwise available to the other Party under arrangements with third parties to the extent permitted under Applicable Law.
- 16.6 The provisions of this Clause 16 survive termination of this Agreement.

17. General

17.1 Entire Agreement

Except as otherwise expressly provided in this Agreement, this Agreement supersedes all prior discussions and agreements (whether oral or written, including all correspondence) if any, between the Parties with respect to the subject matter of this Agreement, and this Agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof. Nothing in this Clause will, however, operate to limit or exclude any liability for fraud or willful default.

17.2 Assignment and transfer

- (a) GECC may assign, transfer or otherwise deal with its rights under this Agreement or allow any interest in them to be varied, whether in whole or in part, to, or in favour of, any Affiliate without the consent of the Company. The Company may assign, transfer or otherwise deal with its rights under this Agreement or allow any interest in them to be varied, whether in whole or in part, to, or in favor of, any Affiliate without the consent of GECC; provided, that the Company acknowledges that any such assignment shall be a Dependency.
- (b) The Supplier of a Transitional Arrangement may sub-contract the performance of any of its obligations under this Agreement by any third party, subject to the following:
 - (i) in the case of a sub-contract established following the IPO, the Recipient shall provide its consent, which shall not be unreasonably withheld or delayed (for the avoidance of doubt, in the case of third parties sub-contracted already as of the IPO, such sub-contractors shall be considered approved by the Recipient);

- (ii) the Supplier shall be responsible for conducting appropriate due diligence and monitoring of its subcontractors, and shall remain responsible and liable to the Recipient for all acts and omissions of its subcontractors as fully as if they were the acts and omissions of the Supplier, and the performance of the Supplier obligations under this Agreement by its subcontractors shall be considered as if the Supplier itself had performed them;
- (iii) the Supplier shall secure undertakings in writing from such subcontractors on security, confidentiality, data protection and audit terms at least substantially equivalent to those set out in Clauses 3, 10, 11 and 16 of this Agreement. A copy of such undertakings shall be provided to the Recipient upon request; and
- (iv) unless otherwise agreed in writing by the Recipient, the Supplier shall be the Recipient's only point of contact for the Transitional Arrangements.

17.3 Costs and expenses

Each Party shall bear its own legal, accounting, professional and advisory fees, commissions and other costs and expenses incurred by it in connection with this Agreement.

17.4 Counterparts

This Agreement may be executed in counterparts and by the Parties on separate counterparts but shall not be effective until each Party has executed at least one (1) counterpart. Each counterpart when executed shall be deemed an original of this Agreement and all counterparts shall constitute one and the same agreement.

17.5 Amendments

This Agreement may be amended, supplemented or modified by the mutual consent of the Parties expressed in writing, but not otherwise.

17.6 Waivers

Subject to Clause 12.5, no waiver of any part of this Agreement (including any Variation pursuant to Clause 5) or consent to any departure from it by any Party shall be effective unless it is in writing. A waiver or consent shall be effective only for the purpose for which it is given. No default or delay on the part of any Party in exercising any rights, powers or privileges operates as a waiver of any right, nor does a single or partial exercise of a right preclude any exercise of other rights, powers or privileges.

17.7 Severability

Any provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the validity, legality and enforceability of the remaining provisions hereof. Should any provision of this Agreement be or become ineffective for reasons beyond the control of the Parties, the Parties shall use commercially reasonable efforts to agree upon a new provision which shall as nearly as possible have the same commercial effect as the ineffective provision. This Clause has no effect if the severance of a provision of this Agreement (or a portion thereof) alters the basic nature of this Agreement or is contrary to public policy.

17.8 Relationship of the Parties

- (a) This Agreement does not create a relationship of employment, trust, agency or partnership between the Parties. Nothing herein creates a right in the Company to view any contracts by which GECC or its Affiliates acquires from third parties components or inputs to any GECC Transitional Arrangement.
- (b) The Supplier, or its Affiliates, or other persons as the case may be, are acting as independent contractors of the Recipient in performing the Transitional Arrangements.
- (c) The Supplier does not undertake to perform any obligations of the Recipient that are not set out in the description of a Transitional Arrangement, whether that obligation is:
 - (i) regulatory or contractual; and
 - (ii) whether connected with a Transitional Arrangement or not.

Similarly, the Supplier does not assume any responsibility for:

- (iii) the management of the Recipient's business;
- (iv) except as expressly agreed under this Agreement, for the Recipient's business continuity planning or for the disaster recovery of the Recipient's computing environment;
- (v) any Claim by the Recipient that the Supplier gave it legal, regulatory, financial, accounting, commercial or tax advice in connection with any Transitional Arrangement; or
- (vi) any decision to take or use the Transitional Arrangement.

17.9 Governing Law

This Agreement, any Disputes and any other Claims, controversy, causes of action or disputes that may be based upon, arise out of or relate hereto, to the transactions contemplated hereby, to the negotiation, execution or performance, or the validity, interpretation, enforceability (e.g., that all or any part of this Agreement is void or voidable), formation, breach or termination hereof, or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise, including Claims seeking redress or asserting rights under any Applicable Law, shall in all respects be governed by, and construed in accordance with, the Laws of the State of New York in each case without reference to any conflict of law rules that might lead to the application of the Laws of any other jurisdiction. Each Party submits to the non-exclusive jurisdiction of the courts of the **State of New York sitting in the County of New York or the United States District Court for the Southern District of New York** and the appellate courts having jurisdiction of appeals in such courts to support and assist the arbitration process referred to in Clause 15, including if necessary to grant interlocutory relief pending the outcome of that process.

17.10 Failure or delay in exercising rights

The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

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- 17.11 **Binding effect**
- This Agreement shall be binding upon the Parties and their respective successors and assigns, and shall inure to the benefit of the Parties and their respective permitted successors and permitted assigns.
- 17.12 **Remedies not exclusive**
- The Parties' rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law, except as expressly set out in this Agreement.
- 17.13 **No rights of third parties**
- Except as provided in Clauses 10.3 and 10.4 with respect to the indemnified parties and Clauses 11.9 and 17.15, and except for the Bank and other Affiliates of Company and GECC and its Affiliates, with respect to their respective receipt of Transitional Arrangements, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person, including any union or any employee or former employee of GECC or its Affiliates or the Company or its Affiliates, any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.
- 17.14 **Waiver of Jury Trial**
- EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE 17.14.
- 17.15 **Non-Recourse**
- No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of GECC or its Affiliates shall have any liability for any obligations or liabilities of GECC under this Agreement or for any Claim (whether in contract or in tort, in law or in equity) based on, in respect of, or by reason of, the transactions contemplated hereby and all of such parties are expressly intended as third party beneficiaries of this provision of this Agreement.
- 17.16 **No Reporting Obligations**
- Notwithstanding anything to the contrary contained in this Agreement or in any Schedule hereto, none of the Supplier or any of its Affiliates, or any of their respective Representatives, shall be obligated, pursuant to this Agreement or any Schedule hereto, as part of or in connection with the services provided hereunder, as a result of storing or maintaining any data referred to herein or in any Schedule hereto, or otherwise, to prepare or deliver any notification or report directly to any Government Authority or other person on behalf of the Recipient or any of its Affiliates, or any of their respective Representatives. The provisions of a Pre-Existing Agreement expressly referenced in Schedule 1 that establishes an obligation of the counterparty of the Company under that Pre-Existing Agreement to provide, upon the Company's request, certain reports directly to the Company shall remain reserved and be incorporated herein by reference.

17.17 Disclaimer of Warranties

Insofar as Transitional Arrangements are provided on the basis of services procured by the Supplier directly or indirectly from third parties that are not Affiliates of GECC, the sole and exclusive warranties of the Supplier with regard to the provision of such Transitional Arrangements are the warranties provided by such third parties to the Supplier directly or indirectly with regard to such services. Furthermore, any rights and remedies the Recipient may have in relation to such warranties shall be limited to the rights and remedies that the Supplier directly or indirectly is able to enforce vis-a-vis such third party using commercially reasonable efforts.

17.18 Outsourcing

Both Parties agree and acknowledge that the Transitional Arrangements may fall within the scope of the Bulletin 2013-29 (the "**OCC Guidance**"), issued by the Office of the Comptroller of the Currency, or the Guidance on Managing Outsourcing Risk attached to Federal Reserve Supervision and regulation Letter SR 13-19/CA 13-21 (the "**FR Guidance**" and, together with the OCC Guidance, the "**Outsourcing Guidance**"). Both Parties further agree and acknowledge that each Banking Recipient intends to follow the Outsourcing Guidance applicable to such Banking Recipient. The Parties acknowledge and agree that it is their best belief that the present Agreement and the provision of services contemplated herein are consistent with the applicable Outsourcing Guidance. Should it nonetheless, be it during the term of this Agreement or thereafter, be determined by the Office of the Comptroller of the Currency that this Agreement is not consistent with the OCC Guidance, or by a representative of the Federal Reserve System that this Agreement is not consistent with the FR Guidance, the Parties will cooperate in good faith and with all their efforts in order to cure the related deficiency pursuant to Clause 5 and specifically Clause 5.4.

17.19 Step-in Rights

(a) Solely to the extent that:

- (i) GECC or its applicable Affiliate has obtained from a third-party service provider the right to Step-In (as defined below) if such third-party:
 - (1) fails to perform a service, which failure adversely impacts the provision of a Transitional Arrangement, and
 - (2) does not restore such service within a time period agreed with such third party sufficient to mitigate such adverse impact, and
- (ii) the exercise of such Step-In right is capable of being effected in a manner which is limited to the affected Transitional Arrangement and to the Company's or one of its Affiliates receipt of such Transitional Arrangement,

then GECC shall to the above extent pass-through to the Company its right to Step-In with the third party service provider. "**Step-In**" shall mean that GECC (or its applicable Affiliate), at its option, may take control of that part of the third-party's services which adversely impact services delivered to GECC and, in doing so, may take such other action as is reasonably necessary to restore such service to GECC, including engaging another third-party service provider.

- (b) Such Step-In rights of the Company will continue until the applicable third party service provider establishes to GECC's reasonable satisfaction pursuant to its agreement with the third party service provider that the third party is capable of providing the relevant service and can resume providing that service without business disruption to GECC or the Company or its Affiliates.
- (c) With respect to the Company's exercise of Step-In rights under Clause (a), GECC and its Affiliates shall cooperate with the Company and its agents and provide all reasonable assistance at no charge to the Company to restore the relevant third-party service(s) (and thereby the Transitional Arrangement(s)) as soon as possible, including giving the Company and its agents such access to the third party's service locations and systems to the extent permitted under GECC's agreement with the third party service provider and reasonably necessary to restore such Service(s). The Company acknowledges and agrees that GECC and/or its third-party service provider may require that any other third party engaged by the Company that is to be provided such access agrees to protect the confidentiality of GECC, its Affiliates and/or the original third-party service provider's Confidential Information and Intellectual Property Rights.
- (d) Charges for the affected Transitional Arrangement will be adjusted on a pro-rata basis based on any adjustments available to GECC as agreed between GECC and the third party service provider resulting from the applicable third party's inability to provide or perform the service.
- (e) Any of the Step-In rights under this Clause 17.19 may be exercised by an Affiliate of Company which is a Recipient of the affected Transitional Arrangement.
- (f) If requested by the Company, GECC will use commercially reasonable efforts to negotiate step-in rights with a supplier of a service provided with respect to a Transitional Arrangement to the extent step-in rights: (i) are necessary to respond to a business need that may arise, or (ii) may be required by a Government Authority with regulatory authority over the Company or to comply with Applicable Law. The Company shall pay as part of the Charges all resulting costs, and increases in costs, due to or which result from any such step-in rights negotiation.

18. Definitions and Interpretation

18.1 Defined terms

Unless the context requires otherwise, capitalized terms used in this Agreement will have the meanings given to them below:

#99 Service has the meaning given to it in Clause 2.9.

Access Codes has the meaning given to it in Clause 3.5(a).

Access Provider has the meaning given in Clause 3.5(a).

Accessing Party has the meaning given in Clause 3.5(a).

Affiliate of a Party means any party directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with, that Party at the relevant time, provided for the purposes of this Agreement: (i) Company and its Affiliates shall not be deemed to be directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with GECC; and (ii) GECC and its Affiliates shall not be deemed to be directly or indirectly Controlling or Controlled by, or under direct or indirect common Control of Company.

Agreement means this agreement.

Agreement Term has the meaning given to it in Clause 9.1.

AMEX TSA has the meaning given to it in Clause 2.9.

Applicable Law means any law, treaty, statute, ordinance, code, rule, regulation, normative act, standard, guideline, policy, decree, order, writ, award, injunction, determination or other pronouncement, in each case having the effect of law of any Government Authority, as currently interpreted and administered.

Bank means Synchrony Bank.

Banking Recipient has the meaning given to it in Clause 11.8(a).

Banking Supplier has the meaning given to it in Clause 11.8(b).

Breaching Party has the meaning given to it in Clause 9.4(a).

Business Day means Monday to Friday, except for any day on which banking institutions in New York, New York are authorized or required by Applicable Law or executive order to close.

Charges, in relation to a Transitional Arrangement, means the amount set out against that Transitional Arrangement in Schedule 1 or Schedule 2 (as applicable).

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

Client Data has the meaning given to it in Clause 11.8(a).

Company has the meaning given in the Details.

Company Business has the meaning given in the Details.

Company Services Manager has the meaning given to it in Clause 6.2(b).

Company Transitional Arrangement has the meaning given to it in Clause 1.2.

Confidential Information of a Party means all confidential, non-public or proprietary information relating to the business, technology or other affairs of that Party, or of that Party's customers, suppliers or Affiliates, regardless of how the information is stored or delivered, that is exchanged or made available to a Party in connection with this Agreement, regardless of whether that information is exchanged before, on or after the IPO Date, but excludes information which:

- (a) is in or becomes part of the public domain other than through breach of this Agreement or an obligation of confidence owed to the Disclosing Party to whom that Disclosing Party owes a duty of confidence in relation to that Confidential Information;

- (b) the Receiving Party can prove by contemporaneous written documentation was already known to it at the time of disclosure by the Disclosing Party; or
- (c) the Receiving Party acquires from a third party entitled to disclose it to the Receiving Party with no restrictions on the Receiving Party as to its further disclosure, or that the Receiving Party could not reasonably have known was confidential.

Control means, with respect to an entity, the possession, directly or indirectly, of, or the entitlement to acquire:

- (a) the power to direct or cause the direction of the management or policies of such entity whether by contract or otherwise; or
- (b) the ability of a person to ensure that the activities and business of that entity are conducted in accordance with the wishes of that person; or
- (c) the majority of the issued share capital or the voting rights in that entity or the right to receive the majority of the income of that entity on any distribution by it of all of its income or the majority of its assets on a winding up, and

Controlled by, under common Control with, and Controlling shall be construed accordingly.

Data Protection Legislation means the applicable data privacy laws in the United States, Canada or other jurisdiction from which the Transitional Arrangements are being provided by the Supplier or in which the Transitional Arrangements are being used and enjoyed by the Recipient, including, the Gramm-Leach Bliley Act, the Health Insurance Portability and Accountability Act and the Personal Information Protection and Electronic Documents Act, or other applicable legislation in those jurisdictions.

Dependency has the meaning given to it in Clause 2.3(a).

Details means the section of this Agreement with that heading.

Disclosing Party has the meaning given to it in Clause 11.1(a).

Dispute includes any dispute, controversy, difference or Claim arising out of or in connection with this Agreement or the subject matter of this Agreement, including any question concerning its existence, formation, validity, interpretation, performance, breach and termination.

Executive Sponsor means, in relation to a Party, the person appointed by that Party as executive sponsor in accordance with Clause 6.8.

Facilities has the meaning given to it in Clause 4.1(b).

First-Level Support means, in relation to software or infrastructure that is the subject of any GECC IT Application Service:

- (a) providing an interface, by way of phone or email, by which the Recipient's users of the software or infrastructure can lodge queries about the software or infrastructure;
- (b) directly providing the answers to those queries that are typically answered by first-level support for similar software or infrastructure in other financial companies; and
- (c) interfacing with the Second-Level Support provider for that software or infrastructure, to the extent it exists, in relation to queries other than those referred to in sub-paragraph (b).

Force Majeure Event means any event or circumstance beyond the reasonable control of a Party (the “affected Party”), including:

- (a) failure of public infrastructure or energy sources;
- (b) accident or breakage of any machinery or apparatus of the other Party or a third party through no fault of the affected Party or its sub-contractors;
- (c) epidemics, storms, floods, fires or acts of God;
- (d) explosion, sabotage, war or terrorist action;
- (e) riots or civil disorders;
- (f) strikes, lockouts or other labor difficulties except with regard to a Party’s own employees;
- (g) failure in the other Party’s infrastructure or third party services through no fault of the affected Party or its sub-contractors;
- (h) unavailability of IT parts through no fault of the affected Party or its sub-contractors; and
- (i) governmental or regulatory intervention of any kind, including interference by civil or military authorities or the passage of regulation or laws or amendments to them and the making or amendment of any law (including an Applicable Law) that impacts the provision of any Transitional Arrangement.

FR Guidance has the meaning given to it in Clause 17.18.

GE has the meaning given in the Details.

GECC has the meaning given in the Details.

GECC IT Access Right means a right that is described as such in Schedule 1. It is taken:

- (a) to involve a right for the Recipient to use, on infrastructure owned or controlled by the Recipient, the software referred to in the description in that row of Schedule 1; and
- (b) not to include:
 - (i) a right for the Recipient to access or use a copy of the source code to the software, or to modify, decompile, commercialize or adapt the software;
 - (ii) a right of the Recipient to perform or provide service bureau services; nor
 - (iii) a right for the Recipient to receive support (including First or Second-Level Support), maintenance, updates, patches or upgrades for that software,

except to the extent expressly set out in the relevant part of Schedule 1.

GECC IT Application Service means a service described as such in Schedule 1. It is taken:

- (a) to involve a service by which:
 - (i) the Supplier, or another party on the Supplier's behalf, hosts the application software referred to in that row of Schedule 1;
 - (ii) the Recipient may access and use that application system software from the Recipient's network; and
 - (iii) to the extent a client-side part of the software must be hosted on the Recipient's computers for the Recipient to enjoy its rights under sub-paragraph (b), the Supplier provides or procures for the Recipient the right to host an object-code form of that client-side software; and
- (b) not to include:
 - (i) access or use of a copy of the source or object code form of the software, except for the client-side object code referred to in sub-paragraph (a)(iii);
 - (ii) ability to modify, decompile, commercialize or adapt the software; or
 - (iii) receipt of support (including First or Second-level Support), maintenance, updates, patches or upgrades for any software, including the client-side software referred to in sub-paragraph (a)(iii),

except to the extent expressly set out in the relevant part of Schedule 1.

GECC Services Manager has the meaning given to it in Clause 6.2(a).

GECC IT Support Service means a service described as such in Schedule 1.

GECC Non-IT Support Service means a service described in Schedule 1 other than a GECC IT Access Right, a GECC IT Application Service, or a GECC IT Support Service.

GECC Transitional Arrangement has the meaning given in Clause 1.1.

Generated Data has the meaning given to it in Clause 10.5.

Government Authority means any applicable local, municipal, state, national, foreign or other governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in or any other state or country with jurisdiction over the Parties or the transactions contemplated hereby.

Innocent Party has the meaning given in Clause 9.4(a).

Insolvent means the occurrence of any of the following events in relation to a Party:

- (a) that Party is unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts other than in connection with a bona fide Dispute;
- (b) any appointment of a receiver or administrator in respect of that Party by a Government Authority;

- (c) any corporate action, legal proceedings or other procedure or step in respect of the winding-up of that person or the appointment of a receiver or administrator to manage that Party or any of its affairs; or
- (d) any corporate action, legal proceedings or other procedure or step taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, bankruptcy or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of that Party; or
 - (ii) a composition, assignment or arrangement with any material creditor of that Party,

or any analogous procedure or step taken in any jurisdiction.

Intellectual Property Rights or IP Rights means:

- (a) all trademarks, service marks, trade dress, trade names, logos, domain names, and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith;
- (b) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof;
- (c) mask works and registrations and applications for registration thereof;
- (d) trade secrets and Confidential Information, plans, proposals, technical data, marketing plans, customer data, prospect lists and information;
- (e) patents; and
- (f) other intellectual property rights.

Intellectual Property Cross License Agreement means the agreement of that name between GECC and the Company on or about the same date of this Agreement.

Interest Rate means, on any date, the “effective” federal funds rate reported in the “Money Rates” section of the Eastern Edition of The Wall Street Journal published for such date (or, if the “effective” federal funds rate is not so reported on such date, on the immediately preceding date for which such “effective” federal funds rate was so reported).

Invoicing Period means, in relation to a Transitional Arrangement, the frequency at which the Recipient of a Transitional Arrangement is to be invoiced, as provided for that Transitional Arrangement in Schedule 1 or Schedule 2 (as applicable).

IPO has the meaning given to it in the Details.

IPO Date means the date of the consummation of the IPO.

Master Agreement has the meaning given in the Details.

MNT Subservicing Agreement means the Sub-Servicing Agreement between GECC and the Company.

Non-Discriminatory Standard means, in relation to a Transitional Arrangement, the standard of quality (e.g. response times) and priority of service that is generally consistent with:

- (a) that which any substantially similar service is provided during the Transition Period to an Affiliate of the Supplier; and
- (b) the principle that the Supplier should not, in prioritising the supply of the Transitional Arrangement, have regard to the fact that the Recipient may no longer be an Affiliate of the Supplier,

except to the extent expressly contemplated by this Agreement.

Notice has the meaning given to it in Clause 14.1.

Obtained Data has the meaning given to it in Clause 10.5.

OCC Guidance has the meaning given to it in Clause 17.18.

Outsourcing Guidance has the meaning given to it in Clause 17.18.

Parties means the parties to this Agreement and **Party** means any one of them.

Payable means, in relation to a Transitional Arrangement:

- (a) the amount that will accrue as being payable for that Transitional Arrangement until the end of the relevant Transition Period, presuming there will be no extensions to that Transition Period; and
- (b) if the amount referred to in paragraph (a) is calculated on a per unit basis (e.g. per employee), the calculation will be performed assuming the time-weighted average of that per unit usage between:
 - (i) the beginning of the Transition Period; and
 - (ii) when any such liability accrues,will continue for the remaining Transition Period.

Personal Data has the meaning of any information related to an identified or identifiable individual or legal entity or any broader definition as per the Data Protection Legislation.

Pre-Existing Agreement has the meaning given in Clause 1.4(a).

Pre-IPO Form means, in relation to each Transitional Arrangement:

- (a) if a service or access right substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by itself, the other Party or any one of their Affiliates, the same form (or in as close to the same form as may be possible given that the IPO may result in certain assets and employees of the Supplier no longer being available to the Supplier in providing that Transitional Arrangement as a result of the Transaction) in which that service or access right was last provided before the IPO Date; or
- (b) if a service or access right substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by a third party that is not an Affiliate of either Party, the form that is consistent with the contract under which that Transitional Arrangement was last provided by that third party,

'form' for this purpose being taken to include the configuration, version, patch-levels and other implementation-specific details of the relevant software and systems for any GECC IT Access Right, GECC IT Application Service or IT Support Service, or its equivalent service or access right.

Pre-IPO Standard means, in relation to each Transitional Arrangement:

- (a) if a service or access right substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by itself, the other Party or any one of their Affiliates, the overall standards of quality and availability at which that service or access right was then provided across those preceding six (6) months; or
- (b) if a service substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by a third party that is not an Affiliate of either Party, the standards of quality and availability that are consistent with the contract under which that service was then provided by that third party across those preceding six (6) months.

Pre-IPO Volume means, in relation to each Transitional Arrangement:

- (a) if a service or access right substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by itself, the other Party or any one of their Affiliates, the average amount, quantity or volume at which that service or access right was then provided across those preceding six (6) months; or
- (b) if a service substantially equivalent to that Transitional Arrangement was provided to the Recipient in the six (6) month period prior to the IPO Date by a third party that is not an Affiliate of either Party, the amount, quantity or volume that is consistent with the contract under which that service was then provided by that third party across those preceding six (6) months.
- (c) Pre-IPO Volume is deemed to include increases to volume that are reasonably attributable to organic growth, including upon reasonable prior notice to Supplier the addition of new customers in the Recipient's business (that is, not as a result of acquisition of a business or shares in a business).

Receiving Party has, in relation to Confidential Information, the meaning given in Clause 11.1.

Recipient has the meaning given in Clause 1.3.

Recipient Data has the meaning given to it in Clause 10.5.

Recipient Indemnified Party has the meaning given in Clause 10.3(b).

Regulatory Variation has the meaning given in Clause 5.4.

Relevant Business means:

- (a) in relation to the Company (and Affiliates of Company), commercial activities that are substantially the same as those carried out by Company (and Affiliates of Company) immediately prior to the IPO Date; and
- (b) in relation to GECC (and Affiliates of GECC), commercial activities that are substantially the same as those carried out by GECC (and Affiliates of GECC) immediately prior to the IPO Date.

Representative of a Party includes an employee, agent, officer, director, auditor, adviser, partner, or consultant or contractor (other than the other Party) of that Party.

Second-Level Support means, in relation to software or infrastructure that is the subject of a GECC IT Application Service:

- (a) providing an interface, by way of phone or email, by which the First-Level Support providers for that software or infrastructure can lodge queries about the software or infrastructure;
- (b) providing the answers to those queries that are more complex than those typically answered by first-level support for similar software or infrastructure in other financial companies; and
- (c) making software or hardware configuration changes to resolve fault or service issues in relation to the software or infrastructure, but not developing or providing patches or upgrades,

and which, in each case, can be reasonably answered by the higher-skilled members of an in-house support team for similar software or infrastructure in other financial companies.

Services Managers has the meaning given to it in Clause 6.2(b).

Specified Recipient has the meaning given to it in Clause 11.2(a).

Steering Committee has the meaning given in Clause 6.3.

Step-In has the meaning given in Clause 17.19(a).

Successor Provider means, in relation to a Transitional Arrangement, the entity or entities (which may include the Recipient of that Transitional Arrangement or any of its Affiliates) succeeding the Supplier in the provision or operation of Transitional Arrangements similar to or part of that Transitional Arrangement.

Supplier has the meaning given in Clause 1.3.

Supplier Indemnified Party has the meaning given in Clause 10.4(a).

Tax Sharing and Separation Agreement means the agreement of that name between GE and the Company dated on or about the same date of this Agreement.

Transition Assistance has the meaning given to it in Clause 7.5(b).

Transition Period means, in relation to any Transitional Arrangement, the period commencing on the IPO Date and which runs for the period specified in relation to that Transitional Arrangement in Schedule 1 or Schedule 2 (as applicable).

Transition Plan has the meaning given in Clause 7.1.

Transitional Arrangement means a GECC Transitional Arrangements or a Company Transitional Arrangement.

Transitional Trademark License Agreement means the agreement of that name between GE Capital Registry, Inc. and the Company dated on or about the same date of this Agreement.

Trigger Date means the first date on which members of the GE Group (as defined in the Master Agreement) cease to beneficially own (excluding for such purposes shares of Company Common Stock (as defined in the Master Agreement) beneficially owned by GE but not for its own account, including (in such exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of GE being a sponsor of or advisor to a mutual or similar fund that beneficially owns shares of Company Common Stock) more than fifty percent (50%) of the outstanding Company Common Stock.

Underlying Systems means, in relation to a GECC IT Application Service or a GECC IT Support Service, the software and systems used to provide that GECC Transitional Arrangement.

US Dollars, USD or \$ means the lawful currency from time to time of the United States of America.

Variation has the meaning given in Clause 5.1.

Working Hours means 9:30 am to 5:30 pm on a Business Day, at the location of the Recipient.

18.2 References to Certain General Terms

Unless the contrary intention appears, a reference in this Agreement to:

- (a) **(variation or replacement)** a document (including this Agreement) includes any variation or replacement of it;
- (b) **(references to Schedules and Clauses)** references to Schedules and Clauses are to the Schedules and Clauses of this Agreement;
- (c) **(internal references)** the terms “hereof”, “herein”, “hereby”, “hereto”, and derivative or similar words refer to this entire Agreement, including the Schedules;
- (d) **(references to statutes)** a statute, ordinance, code or other law includes regulations and other instruments made under it;
- (e) **(law)** a law means:
 - (i) statutes;
 - (ii) rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of each Government Authority; and
 - (iii) laws, executive orders and decrees of the government of each Government Authority from time to time,together in each case with consolidations, amendments, re-enactments or replacements of any of them;
- (f) **(singular includes plural)** the singular includes the plural and vice versa;

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- (g) **(references to genders)** references to one gender includes all other genders;
 - (h) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, or any Government Authority;
 - (i) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors and substitutes (including, persons taking by novation) and assigns;
 - (j) **(reference to a group of persons)** a group of persons or things is a reference to any two (2) or more of them jointly and to each of them individually;
 - (k) **(money)** an amount of money is, unless otherwise stated, a reference to the lawful currency of the United States;
 - (l) **(calculation of time)** a period of time that dates from a given day or the day of an act or event is to be calculated exclusive of that day;
 - (m) **(reference to a day)** a day is to a calendar day and is to be interpreted as the period of time commencing at midnight and ending twenty-four (24) hours later; and
 - (n) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” are not to be interpreted as words of limitation, and when such words introduce an example, they do not limit the meaning of the words to which the example relates, or to examples of a similar kind, and the word “or” shall not be exclusive.

18.3 Construction

The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply.

18.4 Headings

Headings are included for convenience only and are not to affect the interpretation of this Agreement.

18.5 Schedules

The Schedules form part of this Agreement.

18.6 Inconsistency

If there is an inconsistency between these general terms of this Agreement and a Schedule, or a document attached to a Schedule, then the provision in these general terms prevails to the extent of the inconsistency.

* * * * *

IN WITNESS WHEREOF, each of the undersigned have caused this Agreement to be executed as of _____, 2014.

GENERAL ELECTRIC CAPITAL CORPORATION

Name:
Title:

SYNCHRONY FINANCIAL

Name:
Title:

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of _____, 2014, is entered into by and between Synchrony Financial, a Delaware corporation (including its successors, the "Company"), and General Electric Capital Corporation, a Delaware corporation ("GECC").

RECITALS

WHEREAS, the Company, General Electric Company ("GE") and GECC are parties to that certain Master Agreement dated as of _____, 2014 (the "Master Agreement"), pursuant to which, among other things, the Company will offer and sell for its own account in an initial public offering (the "IPO") shares of the Company's common stock, par value \$0.001 per share ("Company Common Stock");

WHEREAS, the Company has filed a Registration Statement (File No. 333-194528) with the Securities and Exchange Commission on Form S-1 (the "IPO Registration Statement") in connection with the IPO;

WHEREAS, following the IPO, GE may transfer shares of Company Common Stock to holders of shares of GE's common stock by means of one or more distributions by GE to holders of GE's common stock of shares of Company Common Stock, one or more offers to holders of GE's common stock to exchange their GE common stock for shares of Company Common Stock, or any combination thereof (the "Distribution"); and

WHEREAS, the Company has agreed to provide GECC with the registration rights specified in this Agreement following the IPO with respect to any shares of Company Common Stock held by GECC or any other Holder, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Master Agreement. The following terms shall have the meanings set forth in this Section 1.1:

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations promulgated by the SEC thereunder.

"Excluded Registration" means a registration under the Securities Act of (i) Registrable Securities pursuant to one or more Demand Registrations pursuant to Section 2 hereof, (ii) securities registered on Form S-8 or any similar successor form, and (iii) securities registered to effect the acquisition of, or combination with, another Person.

“**Holder**” means (i) GECC and (ii) any direct or indirect transferee of GECC who shall become a party to this Agreement in accordance with Section 2.10 and has agreed in writing to be bound by the terms of this Agreement.

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

“**register**,” “**registered**” and “**registration**” refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

“**Registrable Securities**” means the Company Common Stock and any securities issued or issuable directly or indirectly with respect to, in exchange for, upon the conversion of or in replacement of the Company Common Stock, whether by way of a dividend or distribution or stock split or in connection with a combination of shares, recapitalization, merger, consolidation, exchange or other reorganization, owned by the Holders, whether owned on the date hereof or acquired hereafter; provided, however, that shares of Company Common Stock that, pursuant to Section 3.1, no longer have registration rights hereunder shall not be considered Registrable Securities.

“**Requesting Holders**” shall mean any Holder(s) requesting to have its (their) Registrable Securities included in any Demand Registration or Shelf Registration.

“**SEC**” means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations promulgated by the SEC thereunder.

1.2 Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the section or agreement indicated.

Term	Section
Adverse Effect	Section 2.1.5
Advice	Section 2.6
Affiliate	Master Agreement
Agreement	Introductory Paragraph
Company	Introductory Paragraph
Company Common Stock	Recitals
Convertible or Exchange Registration	Section 2.7
Demand Registration	Section 2.1.1(a)
Demanding Shareholders	Section 2.1.1(a)
Demand Request	Section 2.1.1(a)
Distribution	Recitals
FINRA	Section 2.8.1
GE	Recitals
GECC	Introductory Paragraph

Inspectors	Section 2.5(xiii)
IPO	Recitals
IPO Registration Statement	Recitals
Master Agreement	Recitals
No-Black-Out Period	Section 2.1.6(b)
Piggyback Registration	Section 2.2.1
Records	Section 2.5(xiii)
Required Filing Date	Section 2.1.1(b)
Seller Affiliates	Section 2.9.1
Shelf Registration	Section 2.1.2
Suspension Notice	Section 2.6

1.3 Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) “or” is not exclusive;
- (3) words in the singular include the plural, and words in the plural include the singular;
- (4) provisions apply to successive events and transactions; and
- (5) “herein,” “hereof” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

**ARTICLE 2
REGISTRATION RIGHTS**

2.1 Demand Registration.

2.1.1 Request for Registration.

(a) Commencing on the date hereof, any Holder or Holders of Registrable Securities shall have the right to require the Company to file a registration statement on Form S-1 or S-3 or any similar or successor to such forms under the Securities Act for a public offering of all or part of its or their Registrable Securities (a “Demand Registration”), by delivering to the Company written notice stating that such right is being exercised, naming, if applicable, the Holders whose Registrable Securities are to be included in such registration (collectively, the “Demanding Shareholders”), specifying the number of each such Demanding Shareholder’s Registrable Securities to be included in such registration and, subject to Section 2.1.3 hereof, describing the intended method of distribution thereof (a “Demand Request”). The IPO Registration Statement shall not constitute a Demand Registration for any purpose under this Agreement.

(b) Subject to Section 2.1.6, the Company shall file the registration statement in respect of a Demand Registration as soon as practicable and, in any event, within forty-five (45) days after receiving a Demand Request (the “Required Filing Date”) and shall use reasonable best efforts to cause the same to be declared effective by the SEC as promptly as practicable after such filing; provided, however, that:

(i) the Company shall not be obligated to effect a Demand Registration pursuant to Section 2.1.1(a) (A) within 60 days after the effective date of a previous Demand Registration, other than a Shelf Registration pursuant to this Article 2, or (B) within 180 days after the effective date of the IPO Registration Statement;

(ii) the Company shall not be obligated to effect a Demand Registration pursuant to Section 2.1.1(a) unless the Demand Request is for a number of Registrable Securities with a market value that is equal to at least \$150 million as of the date of such Demand Request; and

(iii) the Company shall not be obligated to effect pursuant to Section 2.1.1(a) (A) more than two Demand Registrations during the first 12 months following the date hereof or (B) more than three Demand Registrations during any 12-month period thereafter.

2.1.2 Shelf Registration. With respect to any Demand Registration, the Requesting Holders may request the Company to effect a registration of the Registrable Securities under a registration statement pursuant to Rule 415 under the Securities Act (or any successor rule) (a “Shelf Registration”).

2.1.3 Selection of Underwriters. At the request of a majority of the Requesting Holders, the offering of Registrable Securities pursuant to a Demand Registration shall be in the form of a “firm commitment” underwritten offering. The Holders of a majority of the Registrable Securities to be registered in a Demand Registration shall select the investment banking firm or firms to manage the underwritten offering, provided that such selection shall be subject to the consent of the Company, which consent shall not be unreasonably withheld or delayed. No Holder may participate in any registration pursuant to Section 2.1.1 unless such Holder (x) agrees to sell such Holder’s Registrable Securities on the basis provided in any underwriting arrangements described above and (y) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements; provided, however, that no such Holder shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (i) such Holder’s ownership of his or its Registrable Securities to be transferred free and clear of all liens, claims, and encumbrances, (ii) such Holder’s power and authority to effect such transfer, and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested; provided, further, however, that the obligation of such Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Holders selling Registrable Securities, and the liability of each such Holder will be in proportion thereto, and provided, further, that such liability will be limited to the net amount received by such Holder from the sale of his or its Registrable Securities pursuant to such registration.

2.1.4 Rights of Nonrequesting Holders. Upon receipt of any Demand Request, the Company shall promptly (but in any event within ten (10) days) give written notice of such proposed Demand Registration to all other Holders, who shall have the right, exercisable by written notice to the Company within twenty (20) days of their receipt of the Company's notice, to elect to include in such Demand Registration such portion of their Registrable Securities as they may request. All Holders requesting to have their Registrable Securities included in a Demand Registration in accordance with the preceding sentence shall be deemed to be "Requesting Holders" for purposes of this Section 2.1.

2.1.5 Priority on Demand Registrations. No securities to be sold for the account of any Person (including the Company) other than a Requesting Holder shall be included in a Demand Registration unless the managing underwriter or underwriters shall advise the Requesting Holders that the inclusion of such securities will not adversely affect the price, timing or distribution of the offering or otherwise adversely affect its success (an "Adverse Effect"). Furthermore, if the managing underwriter or underwriters shall advise the Requesting Holders that, even after exclusion of all securities of other Persons pursuant to the immediately preceding sentence, the amount of Registrable Securities proposed to be included in such Demand Registration by Requesting Holders is sufficiently large to cause an Adverse Effect, the Registrable Securities of the Requesting Holders to be included in such Demand Registration shall equal the number of shares which the Requesting Holders are so advised can be sold in such offering without an Adverse Effect and such shares shall be allocated pro rata among the Requesting Holders on the basis of the number of Registrable Securities requested to be included in such registration by each such Requesting Holder.

2.1.6 Deferral of Filing.

(a) The Company may defer the filing (but not the preparation) of a registration statement required by Section 2.1 until a date not later than ninety (90) days after the Required Filing Date and not more than once in any six-month period if (i) at the time the Company receives the Demand Request, the Company or any of its Subsidiaries are engaged in confidential negotiations or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company or a committee of the Board of Directors of the Company determines in good faith that such disclosure would be materially detrimental to the Company and its stockholders; provided, that the Board of Directors of the Company or such committee, as applicable, shall, in making such determination, take into consideration the benefit to the Company of completing such registration and the reduction of the ownership of Registrable Securities by the Requesting Holder, or (ii) prior to receiving the Demand Request, the Company had determined to effect a registered underwritten public offering of the Company's securities for the Company's account and the Company had taken substantial steps (including, but not limited to, selecting a managing underwriter for such offering) and is proceeding with reasonable diligence to effect such offering. A deferral of the filing of a registration statement pursuant to this Section 2.1.6 shall be lifted, and the requested registration statement shall be filed forthwith, if, in the case of a deferral pursuant to clause (i) of the preceding sentence, the negotiations or other activities are disclosed or terminated, or, in the case of a deferral pursuant to clause (ii) of the preceding sentence, the proposed registration for the Company's account is abandoned. In order to defer the filing of a registration statement

pursuant to this Section 2.1.6, the Company shall promptly (but in any event within ten (10) days), upon determining to seek such deferral, deliver to each Requesting Holder a certificate signed by an executive officer of the Company stating that the Company is deferring such filing pursuant to this Section 2.1.6 and a general statement of the reason for such deferral and an approximation of the anticipated delay. Within twenty (20) days after receiving such certificate, the holders of a majority of the Registrable Securities held by the Requesting Holders and for which registration was previously requested may withdraw such Demand Request by giving notice to the Company; if withdrawn, the Demand Request shall be deemed not to have been made for all purposes of this Agreement. The Company may defer the filing of a particular registration statement pursuant to this Section 2.1.6(a) only once.

(b) Notwithstanding Section 2.1.6(a), with respect to two Demand Registrations only, if GECC or any Affiliate thereof makes a request for any such Demand Registration, the Company shall not have the right under Section 2.1.6(a) to defer the filing of such registration or to not file such registration statement during the period from and including the date of this Agreement through and including the first anniversary thereof (the "No-Black-Out Period").

2.2 Piggyback Registrations.

2.2.1 Right to Piggyback. Each time the Company proposes to register any of its equity securities (other than pursuant to an Excluded Registration) under the Securities Act for sale to the public (whether for the account of the Company or the account of any securityholder of the Company) (a "Piggyback Registration"), the Company shall give prompt written notice to each Holder of Registrable Securities (which notice shall be given not less than ten (10) days prior to the anticipated filing date of the Company's registration statement), which notice shall offer each such Holder the opportunity to include any or all of its Registrable Securities in such registration statement, subject to the limitations contained in Section 2.2.2 hereof. Each Holder who desires to have its Registrable Securities included in such registration statement shall so advise the Company in writing (stating the number of shares desired to be registered) within ten (10) days after the date of such notice from the Company. Any Holder shall have the right to withdraw such Holder's request for inclusion of such Holder's Registrable Securities in any registration statement pursuant to this Section 2.2.1 by giving written notice to the Company of such withdrawal. Subject to Section 2.2.2 below, the Company shall include in such registration statement all such Registrable Securities so requested to be included therein; provided, however, that the Company may at any time withdraw or cease proceeding with any such registration if it shall at the same time withdraw or cease proceeding with the registration of all other equity securities originally proposed to be registered.

2.2.2 Priority on Piggyback Registrations.

(a) If a Piggyback Registration is an underwritten offering and was initiated by the Company, and if the managing underwriter advises the Company that the inclusion of Registrable Securities requested to be included in the Registration Statement would cause an Adverse Effect, the Company shall include in such registration statement (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the Holders of such Registrable Securities on the

basis of the number of Registrable Securities owned by each such Holder, and (iii) third, any other securities requested to be included in such registration, provided that if such other securities have been requested to be included pursuant to a registration rights agreement, then such securities would be included as set forth in (ii) above. If as a result of the provisions of this Section 2.2.2(a) any Holder shall not be entitled to include all Registrable Securities in a registration that such Holder has requested to be so included, such Holder may withdraw such Holder's request to include Registrable Securities in such registration statement.

(b) If a Piggyback Registration is an underwritten offering and was initiated by a security holder of the Company, and if the managing underwriter advises the Company that the inclusion of Registrable Securities requested to be included in the Registration Statement would cause an Adverse Effect, the Company shall include in such registration statement (i) first, the securities requested to be included therein by the security holders requesting such registration and the Registrable Securities requested to be included in such registration, pro rata among the holders of such securities on the basis of the number of securities owned by each such holder, and (ii) second, any other securities requested to be included in such registration (including securities to be sold for the account of the Company). If as a result of the provisions of this Section 2.2.2(b) any Holder shall not be entitled to include all Registrable Securities in a registration that such Holder has requested to be so included, such Holder may withdraw such Holder's request to include Registrable Securities in such registration statement.

(c) No Holder may participate in any registration statement in respect of a Piggyback Registration hereunder unless such Holder (x) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Company and (y) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents, each in customary form, reasonably required under the terms of such underwriting arrangements; provided, however, that no such Holder shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (i) such Holder's ownership of his or its Registrable Securities to be sold or transferred free and clear of all liens, claims, and encumbrances, (ii) such Holder's power and authority to effect such transfer, and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested; provided, further, however, that the obligation of such Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Holders selling Registrable Securities, and the liability of each such Holder will be in proportion to, and provided, further, that such liability will be limited to, the net amount received by such Holder from the sale of his or its Registrable Securities pursuant to such registration.

2.3 SEC Form S-3. The Company shall use its reasonable best efforts to cause Demand Registrations to be registered on Form S-3 (or any successor form) once the Company becomes eligible to use Form S-3, and if the Company is not then eligible under the Securities Act to use Form S-3, Demand Registrations shall be registered on the form for which the Company then qualifies. If a Demand Registration is a Convertible or Exchange Registration, the Company shall effect such registration on the appropriate form under the Securities Act for such registration. The Company shall use its reasonable best efforts to become eligible to use Form S-3 (including if applicable an automatic shelf registration statement) and, after becoming eligible to use Form S-3, shall use its reasonable best efforts to remain so eligible.

2.4 Holdback Agreements

(a) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and during the 90-day period beginning on the effective date of any registration statement in connection with a Demand Registration (other than a Shelf Registration), or in the case of a Shelf Registration, the filing of any prospectus relating to the offer and sale of Registrable Securities, or a Piggyback Registration, except pursuant to any Distribution or pursuant to any registrations on Form S-4 or Form S-8 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(b) Except with the prior written consent of the Holders of a majority of the Registrable Securities, such consent not to be withheld unless any such Holder intends to, or in good faith believes that it is reasonably likely to, request a Demand Registration that could reasonably be expected to be in registration or become effective during the No-Black-Out Period, the Company shall not file during the No-Black-Out Period any registration statement (except as part of a Demand Registration, pursuant to any Distribution or pursuant to registrations on Forms S-4 or S-8 or any successor forms) relating to the public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities.

(c) If any Holder of Registrable Securities notifies the Company in writing that it intends to effect an underwritten sale of Company Common Stock registered pursuant to a Shelf Registration pursuant to Article 2 hereof, the Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for its equity securities, during the seven days prior to and during the 90-day period beginning on the effective date of the registration statement for such underwritten offering, except pursuant to any Distribution or pursuant to registrations on Form S-4 or Form S-8 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(d) Each Holder agrees, in the event of an underwritten offering by the Company (whether for the account of the Company or otherwise), not to offer, sell, contract to sell or otherwise dispose of any Registrable Securities, or any securities convertible into or exchangeable or exercisable for such securities, including any sale pursuant to Rule 144 under the Securities Act (except as part of such underwritten offering), during the seven days prior to, and during the 90-day period (or such lesser period as the lead or managing underwriters may require) beginning on, the effective date of the registration statement for such underwritten offering (or, in the case of an offering pursuant to an effective shelf registration statement pursuant to Rule 415, the pricing date for such underwritten offering).

2.5 Registration Procedures. Whenever any Holder has requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as promptly as is practicable, and pursuant thereto the Company will as expeditiously as possible:

(i) prepare and file with the SEC, pursuant to Section 2.1.1(b) with respect to any Demand Registration, a registration statement on any appropriate form under the Securities Act with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, provided that as far in advance as practicable before filing such registration statement or any amendment thereto, the Company will furnish to the selling Holders copies of reasonably complete drafts of all such documents prepared to be filed (including exhibits), and any such Holder shall have the opportunity to object to any information contained therein and the Company will make corrections reasonably requested by such Holder with respect to such information prior to filing any such registration statement or amendment;

(ii) except in the case of a Shelf Registration or Convertible or Exchange Registration, prepare and file with the SEC such amendments, post-effective amendments, and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than one hundred eighty (180) days (or such lesser period as is necessary for the underwriters in an underwritten offering to sell unsold allotments) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iii) in the case of a Shelf Registration, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities subject thereto for a period ending on the earlier of (x) 36 months after the effective date of such registration statement and (y) the date on which all the Registrable Securities subject thereto have been sold pursuant to such registration statement;

(iv) furnish to each seller of Registrable Securities and the underwriters of the securities being registered such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), any prospectus supplement, any documents incorporated by reference therein and such other documents as such seller or underwriters may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller or the sale of such securities by such underwriters (it being understood that, subject to Section 2.6 and the requirements of the Securities Act and applicable state securities laws, the Company consents to the use of the prospectus and any amendment or supplement thereto by each seller and the underwriters in connection with the offering and sale of the Registrable Securities covered by the registration statement of which such prospectus, amendment or supplement is a part);

(v) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as the managing underwriter reasonably requests (or, in the event the registration statement does not relate to an underwritten offering, as the holders of a majority of such Registrable Securities may reasonably request); use its reasonable best efforts to keep each such registration or qualification (or exemption therefrom) effective during the period in which such registration statement is required to be kept effective; and do any and all other acts and things which may be reasonably necessary or advisable to enable each seller to consummate the disposition of the Registrable Securities owned by such seller in such jurisdictions (provided, however, that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph or (B) consent to general service of process in any such jurisdiction);

(vi) promptly notify each seller and each underwriter and (if requested by any such Person) confirm such notice in writing (A) when a prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to a registration statement or any post-effective amendment, when the same has become effective, (B) of the issuance by any state securities or other regulatory authority of any order suspending the qualification or exemption from qualification of any of the Registrable Securities under state securities or "blue sky" laws or the initiation of any proceedings for that purpose, and (C) of the happening of any event which makes any statement made in a registration statement or related prospectus untrue or which requires the making of any changes in such registration statement, prospectus or documents so that they will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and, as promptly as practicable thereafter, prepare and file with the SEC and furnish a supplement or amendment to such prospectus so that, as thereafter deliverable to the purchasers of such Registrable Securities, such prospectus will not contain any untrue statement of a material fact or omit a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) permit any selling Holder, which in such Holder's sole and exclusive judgment, might reasonably be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such Holder and its counsel should be included;

(viii) make reasonably available members of management of the Company, as selected by the Holders of a majority of the Registrable Securities included in such registration, for assistance in the selling effort relating to the Registrable Securities covered by such registration, including, but not limited to, the participation of such members of the Company's management in road show presentations;

(ix) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, including the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder, and make generally available to the Company's securityholders an earnings statement satisfying the provisions of Section 11(a) of the Securities Act no later than thirty (30) days after the end of the twelve (12) month period beginning with the first day of the Company's first fiscal quarter commencing after the effective date of a registration statement, which earnings statement shall cover said twelve (12) month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

(x) if requested by the managing underwriter or any seller promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or any seller reasonably requests to be included therein, including, without limitation, with respect to the Registrable Securities being sold by such seller, the purchase price being paid therefor by the underwriters and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering, and promptly make all required filings of such prospectus supplement or post-effective amendment;

(xi) as promptly as practicable after filing with the SEC of any document which is incorporated by reference into a registration statement (in the form in which it was incorporated), deliver a copy of each such document to each seller;

(xii) cooperate with the sellers and the managing underwriter to facilitate the timely preparation and delivery of certificates (which shall not bear any restrictive legends unless required under applicable law) representing securities sold under any registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or such sellers may request and keep available and make available to the Company's transfer agent prior to the effectiveness of such registration statement a supply of such certificates;

(xiii) promptly make available for inspection by any seller, any underwriter participating in any disposition pursuant to any registration statement, and any attorney, accountant or other agent or representative retained by any such seller or underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information requested by any such Inspector

in connection with such registration statement; provided, however, that, unless the disclosure of such Records is necessary to avoid or correct a misstatement or omission in the registration statement or the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, the Company shall not be required to provide any information under this subparagraph (x) if (A) the Company believes, after consultation with counsel for the Company, that either (1) the requested Records constitute confidential commercial and/or supervisory information within the meaning of 5 U.S.C. §§ 552(b)(4) and (8), or (2) to do so would cause the Company to forfeit an attorney-client privilege that was applicable to such information, or (B) if either (1) the Company has requested and been granted from the SEC confidential treatment of such information contained in any filing with the SEC or documents provided supplementally or otherwise or (2) the Company reasonably determines in good faith that such Records are not confidential commercial and/or supervisory information as provided in clause (A)(1) above but are otherwise confidential and so notifies the Inspectors in writing, unless prior to furnishing any such information with respect to clause (B) such Holder of Registrable Securities requesting such information agrees to enter into a confidentiality agreement in customary form and subject to customary exceptions; and provided, further, that each Holder of Registrable Securities agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action and to prevent disclosure of the Records deemed confidential;

(xiv) furnish to each seller and underwriter a signed counterpart of (A) an opinion or opinions of counsel to the Company, and (B) a comfort letter or comfort letters from the Company's independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the sellers or managing underwriter reasonably requests;

(xv) cause the Registrable Securities included in any registration statement to be (A) listed on each securities exchange, if any, on which similar securities issued by the Company are then listed, or (B) quoted on any inter-dealer quotation system if similar securities issued by the Company are quoted thereon;

(xvi) provide a transfer agent and registrar for all Registrable Securities registered hereunder;

(xvii) cooperate with each seller and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority;

(xviii) during the period when the prospectus is required to be delivered under the Securities Act, promptly file all documents required to be filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act;

(xix) notify each seller of Registrable Securities promptly of any request by the SEC for the amending or supplementing of such registration statement or prospectus or for additional information;

(xx) enter into such agreements (including underwriting agreements in the managing underwriter's customary form) as are customary in connection with an underwritten registration; and

(xxi) advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the SEC suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued.

2.6 Suspension of Dispositions. Each Holder agrees by acquisition of any Registrable Securities that, upon receipt of any notice (a "Suspension Notice") from the Company of the happening of any event of the kind described in Section 2.5(vi)(C) such Holder will forthwith discontinue disposition of Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus, or until it is advised in writing (the "Advice") by the Company that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the prospectus, and, if so directed by the Company, such Holder will deliver to the Company all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of registration statements set forth in Sections 2.5(ii) and 2.5(iii) hereof shall be extended by the number of days during the period from and including the date of the giving of the Suspension Notice to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus or the Advice. The Company shall use its reasonable best efforts and take such actions as are reasonably necessary to render the Advice as promptly as practicable.

2.7 Convertible or Exchange Registration. If any Holder of Registrable Securities offers any options, rights, warrants or other securities issued by it or any other Person that are offered with, convertible into or exercisable or exchangeable for any Registrable Securities, the Registrable Securities underlying such options, rights, warrants or other securities shall be eligible for registration pursuant to Section 2.1 and Section 2.2 hereof (a "Convertible or Exchange Registration").

2.8 Registration Expenses.

2.8.1 **Demand Registrations.** All reasonable, out-of-pocket fees and expenses incident to any Demand Registration including, without limitation, the Company's performance of or compliance with this Article 2, all registration and filing fees, all fees and expenses associated with filings required to be made with the Financial Industry Regulatory Authority ("FINRA") (including, if applicable, the reasonable fees and expenses of any "qualified independent underwriter" as such term is defined in FINRA Rule 2720, and of its counsel), as may be required by the rules and regulations of FINRA, fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), rating agency fees, printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with Depository Trust Company and of printing prospectuses if the printing of prospectuses is requested by a Holder of Registrable Securities), messenger and delivery expenses, the fees and expenses incurred in connection with any listing or quotation of the Registrable Securities, fees and expenses of counsel for the Company and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), the fees and expenses of any special experts retained by the Company in connection with such registration, and any underwriting discounts, commissions, or fees attributable to the sale of the Registrable Securities, will be borne by the Holders pro rata on the basis of the number of shares so registered whether or not any registration statement becomes effective, and the fees and expenses of any counsel, accountants, or other persons retained or employed by any Holder will be borne by such Holder.

2.8.2 **Piggyback Registrations.** All fees and expenses incident to any Piggyback Registration including, without limitation, the Company's performance of or compliance with this Article 2, all registration and filing fees, all fees and expenses associated with filings required to be made with FINRA (including, if applicable, the reasonable fees and expenses of any "qualified independent underwriter" as such term is defined in FINRA Rule 2720, and of its counsel), as may be required by the rules and regulations of FINRA, fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), rating agency fees, printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with Depository Trust Company and of printing prospectuses), messenger and delivery expenses, the fees and expenses incurred in connection with any listing or quotation of the Registrable Securities, fees and expenses of counsel for the Company and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), the fees and expenses of any special experts retained by the Company in connection with such registration, and the fees and expenses of other persons retained by the Company, will be borne by the Company (unless paid by a security holder that is not a Holder for whose account the registration is being effected) whether or not any registration statement becomes effective; provided, however, that any underwriting discounts, commissions, or fees attributable to the sale of the Registrable Securities will be borne by the Holders pro rata on the basis of the number of shares so registered and the fees and expenses of any counsel, accountants, or other persons retained or employed by any Holder will be borne by such Holder.

2.9 Indemnification.

2.9.1 The Company agrees to indemnify and reimburse, to the fullest extent permitted by law, each seller of Registrable Securities, and each of its employees, advisors, agents, representatives, partners, officers, and directors and each Person who controls such seller (within the meaning of the Securities Act or the Exchange Act) and any agent or investment advisor thereof (collectively, the "Seller Affiliates") (A) against any and all losses, claims, damages, liabilities, and expenses, joint or several (including, without limitation, attorneys' fees and disbursements except as limited by Section 2.9.3) based upon, arising out of, related to or resulting from any untrue or alleged untrue statement of a material fact contained in any registration statement, prospectus, or preliminary prospectus or any amendment thereof or supplement thereto, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, (B) against any and all loss, liability, claim, damage, and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon, arising out of, related to or resulting from any such untrue statement or omission or alleged untrue statement or omission, and (C) against any and all costs and expenses (including reasonable fees and disbursements of counsel) as may be reasonably incurred in investigating, preparing, or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon, arising out of, related to or resulting from any such untrue statement or omission or alleged untrue statement or omission, or such violation of the Securities Act or Exchange Act, to the extent that any such expense or cost is not paid under subparagraph (A) or (B) above; except insofar as any such statements are made in reliance upon and in strict conformity with information furnished in writing to the Company by such seller or any Seller Affiliate for use therein or in the case of an offering that is not underwritten. The reimbursements required by this Section 2.9.1 will be made by periodic payments during the course of the investigation or defense, as and when bills are received or expenses incurred.

2.9.2 In connection with any registration statement in which a seller of Registrable Securities is participating, each such seller will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the fullest extent permitted by law, each such seller will indemnify the Company and each of its employees, advisors, agents, representatives, partners, officers and directors and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) and any agent or investment advisor thereof against any and all losses, claims, damages, liabilities, and expenses (including, without limitation, reasonable attorneys' fees and disbursements except as limited by Section 2.9.3) resulting from any untrue statement or alleged untrue statement of a material fact contained in the registration statement, prospectus, or any preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission is contained in any information or affidavit so furnished in writing to the Company by such seller or any of its Seller Affiliates specifically for inclusion in the registration statement; provided that the obligation to indemnify will be several, not joint and several, among such sellers of Registrable Securities, and the liability of each such seller of Registrable Securities will be in proportion to, and will be limited to, the net amount received by such seller from the sale of

Registrable Securities pursuant to such registration statement; provided, however, that such seller of Registrable Securities shall not be liable in any such case to the extent that prior to the filing of any such registration statement or prospectus or amendment thereof or supplement thereto, such seller has furnished in writing to the Company information expressly for use in such registration statement or prospectus or any amendment thereof or supplement thereto which corrected or made not misleading information previously furnished to the Company.

2.9.3 Any Person entitled to indemnification hereunder will (A) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give such notice shall not limit the rights of such Person) and (B) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such person unless (X) the indemnifying party has agreed to pay such fees or expenses, or (Y) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person. If such defense is not assumed by the indemnifying party as permitted hereunder, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). If such defense is assumed by the indemnifying party pursuant to the provisions hereof, such indemnifying party shall not settle or otherwise compromise the applicable claim unless (1) such settlement or compromise contains a full and unconditional release of the indemnified party or (2) the indemnified party otherwise consents in writing. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party, a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the reasonable fees and disbursements of such additional counsel or counsels.

2.9.4 Each party hereto agrees that, if for any reason the indemnification provisions contemplated by Section 2.9.1 or Section 2.9.2 are unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities, or expenses (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, liabilities, or expenses (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the actions which resulted in the losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if

contribution pursuant to this Section 2.9.4 were determined by pro rata allocation (even if the Holders or any underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 2.9.4. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities, or expenses (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or, except as provided in Section 2.9.3, defending any such action or claim. Notwithstanding the provisions of this Section 2.9.4, no Holder shall be required to contribute an amount greater than the dollar amount by which the net proceeds received by such Holder with respect to the sale of any Registrable Securities exceeds the amount of damages which such Holder has otherwise been required to pay by reason of any and all untrue or alleged untrue statements of material fact or omissions or alleged omissions of material fact made in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto related to such sale of Registrable Securities. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 2.9.4 to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

If indemnification is available under this Section 2.9, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 2.9.1 and Section 2.9.2 without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 2.9.4 subject, in the case of the Holders, to the limited dollar amounts set forth in Section 2.9.2.

2.9.5 The indemnification and contribution provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, or controlling Person of such indemnified party and will survive the transfer of securities.

2.10 Transfer of Registration Rights. The rights of each Holder under this Agreement may be assigned to any direct or indirect transferee of a Holder who agrees in writing to be subject to and bound by all the terms and conditions of this Agreement.

2.11 Rule 144. The Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, will, upon the request of the Holders, make publicly available other information) and will take such further action as the Holders may reasonably request, all to the extent required from time to time to enable the Holders to sell Company Common Stock without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of any Holder, the Company will deliver to such parties a written statement as to whether it has complied with such requirements and will, at its expense, forthwith upon the request of any such Holder, deliver to such Holder a certificate, signed by the Company's principal financial officer, stating (a) the Company's name, address and telephone number (including area code), (b) the Company's Internal Revenue Service identification

number, (c) the Company's SEC file number, (d) the number of shares of each class of capital stock outstanding as shown by the most recent report or statement published by the Company, and (e) whether the Company has filed the reports required to be filed under the Exchange Act for a period of at least ninety (90) days prior to the date of such certificate and in addition has filed the most recent annual report required to be filed thereunder.

2.12 Preservation of Rights. The Company will not (i) grant any registration rights to third parties which are more favorable than or inconsistent with the rights granted hereunder or (ii) enter into any agreement, take any action, or permit any change to occur, with respect to its securities that violates or subordinates the rights expressly granted to the Holders in this Agreement.

ARTICLE 3 TERMINATION

3.1 Termination. The Holders may exercise the registration rights granted hereunder in such manner and proportions as they shall agree among themselves. The registration rights hereunder shall cease to apply to any particular Registrable Security when: (a) a registration statement with respect to the sale of such shares of Company Common Stock shall have become effective under the Securities Act and such shares of Company Common Stock shall have been disposed of in accordance with such registration statement; (b) such shares of Company Common Stock shall have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision); (c) such shares of Company Common Stock shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force; (d) such shares shall have ceased to be outstanding, (e) in the case of Registrable Securities held by a Holder that is not GECC or any Affiliate thereof, such Holder holds less than five percent (5%) of the then outstanding Registrable Securities and such Registrable Securities are eligible for sale pursuant to Rule 144 under the Securities Act (or any successor provision) without restriction or (f) in the case of Registrable Securities held by GECC or any Affiliate thereof, such Holder holds less than three percent (3%) of the then outstanding Registrable Securities and such Registrable Securities are eligible for sale pursuant to Rule 144 under the Securities Act (or any successor provision) without restriction. The Company shall promptly upon the request of any Holder furnish to such Holder evidence of the number of Registrable Securities then outstanding.

ARTICLE 4 MISCELLANEOUS

4.1 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or email with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this [Section 4.1](#)):

If to the Company:

Synchrony Financial
777 Long Ridge Road
Stamford, CT 06902
Attention: General Counsel
Fax:
Email:

If to GECC:

General Electric Capital Corporation
901 Main Avenue
Norwalk, CT 06851
Attention: Senior Transactions Counsel
Fax: (203) 840-6493
Email: james.waterbury@ge.com

If to any other Holder, the address indicated for such Holder in the Company's stock transfer records with copies, so long as GECC owns any Registrable Securities, to GECC as provided above.

Any notice or communication hereunder shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if faxed; and five (5) calendar days after mailing if sent by registered or certified mail (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee).

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

4.2 Authority. Each of the parties hereto represents to the other that (i) it has the corporate power and authority to execute, deliver and perform this Agreement, (ii) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action and no such further action is required, (iii) it has duly and validly executed and delivered this Agreement, and (iv) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

4.3 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York other than Section 5-1401 of the General Obligations Law of the State of New York. Each party hereto submits to the non-exclusive jurisdiction of the courts of the State of New York sitting in the County of New York or the United States District Court for the Southern District of New York and the appellate courts having jurisdiction of appeals in such courts to resolve any dispute, controversy or claim arising out of, or relating to, the transactions contemplated by this Agreement, or the validity, interpretation, breach or termination of any provision of this Agreement.

4.4 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.4.

4.5 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding upon and benefit the Company, each Holder, and their respective successors and assigns.

4.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

4.7 Remedies. Any dispute, controversy or claim arising out of, or relating to, the transactions contemplated by this Agreement, or the validity, interpretation, breach or termination of any provision of this Agreement shall be resolved in accordance with Article IX of the Master Agreement.

4.8 Waivers. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver shall be effective only if it is in a writing signed by the party against whom the existence of such waiver is asserted. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement. No failure by either party to take any action or assert any right or privilege hereunder shall be deemed to be a waiver of such right or privilege in the event of the continuation or repetition of the circumstances giving rise to such right unless expressly waived in writing by the party against whom the existence of such waiver is asserted.

4.9 Amendment. This Agreement may not be amended or modified in any respect except by a written agreement signed by the Company, GECC (so long as GECC owns any Company Common Stock) and the Holders of a majority of the then outstanding Registrable Securities.

4.10 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

SYNCHRONY FINANCIAL

By: _____
Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____
Name:
Title:

EMPLOYEE MATTERS AGREEMENT

THIS EMPLOYEE MATTERS AGREEMENT (this "Employee Matters Agreement") is executed effective as of [], 2014, by and among GENERAL ELECTRIC COMPANY, a New York corporation ("GE"), GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("GECC") and Synchrony Financial, a Delaware corporation (the "Company").

Statement of Background Information

WHEREAS, GE, GECC and the Company have entered into a Master Agreement, dated [], 2014 (the "Master Agreement"); and

WHEREAS, the parties desire to set forth in writing the terms and conditions pursuant to which this Employee Matters Agreement will operate and thereby supplement the provisions of the Master Agreement.

Agreement

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth in the Master Agreement and herein, and other good and valuable consideration, and contingent upon the Closing, the parties hereby agree as follows:

ARTICLE I**DEFINITIONS**

All capitalized terms used but not defined in this Employee Matters Agreement shall have the meanings ascribed to such terms in the Master Agreement. For purposes of this Employee Matters Agreement, the following capitalized terms shall have the meanings set forth below:

"Bank" shall have the meaning ascribed to such term in Article II hereof.

"Benefits Transition Date" shall mean the first date on which members of the GE Group cease to beneficially own (excluding for such purposes shares of Company Common Stock beneficially owned by GE but not for its own account, including (in such exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of GE being a sponsor of or advisor to a mutual or similar fund that beneficially owns shares of Company Common Stock) at least fifty percent (50%) of the outstanding Company Common Stock.

"COBRA" shall mean the continuation coverage requirements under Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

"Company" shall have the meaning ascribed to such term in the preamble hereto.

"Company Employees" shall have the meaning ascribed to such term in Article III hereof.

“Company-Facing Position” shall have the meaning ascribed to such term in Section 8.01 hereof.

“Company Plans” shall mean all “employee benefit plans” as defined in Section 3(3) of ERISA and all other benefit or compensation plans, programs, policies, and arrangements, including worker’s compensation, sponsored by a member of the Company Group and covering the Employees, and shall include, on and following the Closing Date, the Synchrony 2014 Long-Term Incentive Plan described in Section 5.01 hereof.

“Company Transition Position” shall have the meaning ascribed to such term in Section 8.01 hereof.

“Employees” shall have the meaning ascribed to such term in Article III hereof.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, any successor statute thereto and all applicable regulations thereunder.

“Employee Liabilities” shall have the meaning ascribed to such term in Article II hereof.

“Employee Matters Agreement” shall have the meaning ascribed to such term in the preamble hereto, as amended or supplemented from time to time in accordance with the terms hereof.

“Excluded Employee Liabilities” shall have the meaning ascribed to such term in Article II hereof.

“GE” shall have the meaning ascribed to such term in the preamble hereto.

“GE Plans” shall mean all “employee benefit plans” as defined in Section 3(3) of ERISA and all other benefit or compensation plans, programs, policies, and arrangements, including workers’ compensation, sponsored by GE or its Affiliate (other than a member of the Company Group) and of which a member of the Company Group is a participating employer, but shall not include any Company Plan.

“GE Retirement Plans” shall mean the GE Pension Plan, GERSP, GE Excess Benefits Plan and GE Supplementary Pension Plan.

“GECC” shall have the meaning ascribed to such term in the preamble hereto.

“GERSP” shall mean the GE Retirement Savings Plan.

“India/Philippines Benefits Transition Date” shall mean the Benefits Transition Date, or such later date as may be mutually agreed to in writing by GE and the Company, but shall in no event be later than the date that is one (1) year after the Benefits Transition Date.

“International Employees” shall mean Employees who are assigned primarily to operations outside of the United States.

“International Plan” shall have the meaning ascribed to such term in Section 6.05(b) hereof.

“Master Agreement” shall have the meaning set forth in the preamble hereto.

“Restricted Employees” shall have the meaning ascribed to such term in Section 8.04 hereof.

“Synchrony 2014 Long-Term Incentive Plan” shall have the meaning ascribed to such term in Section 5.01(a) hereof.

“Synchrony Incentive Compensation Plan” shall have the meaning ascribed to such term in Section 5.01(b) hereof.

“Synchrony Plan” shall have the meaning ascribed to such term in Section 6.03(a) hereof.

“Term” shall mean the period commencing on the Closing Date and ending on (i) the Benefits Transition Date or (ii) in the case of the International Employees located in India and the Philippines, the India/Philippines Benefits Transition Date.

“U.S. Employees” shall mean Employees who are assigned primarily to operations in the United States.

ARTICLE II

ASSUMPTION OF CERTAIN OBLIGATIONS AND LIABILITIES

Effective as of the Closing Date, the Company shall, or shall cause one of its Affiliates to, assume or retain, as the case may be, any and all Liabilities (contingent or otherwise) relating to, arising out of, or resulting from the employment or services, or termination of employment or services, of any Person with respect to the Company Business, whether arising before, on or after the Closing Date, excluding (i) any Liabilities related to the GE Plans unless this Employee Matters Agreement expressly provides for such Liabilities to be assumed by the Company or one of its Affiliates and (ii) any Liabilities solely attributable to acts or omissions of GE or one of its Affiliates pertaining to payroll or benefits administration (such assumed Liabilities, the “Employee Liabilities” and such excluded Liabilities, the “Excluded Employee Liabilities”). Notwithstanding the foregoing, GE Capital Retail Bank (the “Bank”) shall not assume any Liabilities under this Employee Matters Agreement.

ARTICLE III

EMPLOYMENT

Section 3.01. Continuation of Employment. As of the Closing Date (or as soon as possible thereafter as permitted by the Laws of any country other than the United States), (i) the Company shall, or shall cause its applicable Affiliates to, employ all of the employees (including statutory employees) of the Company Group, including all such employees who have rights of employment on return from any leave or other absence (all such employees hereinafter

referred to as “Company Employees”). For purposes of this Employee Matters Agreement, (i) all Company Employees and (ii) those individuals hired after the Closing Date and before the Benefits Transition Date or the India/Philippines Benefits Transition Date, as applicable, by the Company Group shall collectively be referred to as “Employees.”

Section 3.02. Specified Inactive Employees. As of the Benefits Transition Date, GE shall, or shall cause its applicable Affiliates to, employ each Employee in the United States, Canada or Puerto Rico who is not actively employed immediately prior to the Benefits Transition Date and who has a right of employment on return from any leave or other absence (“Specified Inactive Employee”). The Company shall, or shall cause its Affiliates to, offer re-instatement or employment as a successor employer to each Specified Inactive Employee promptly upon such Specified Inactive Employee’s return to active employment.

Section 3.03. Corporate Program Rotational Employees. Each Corporate Program Rotational Employee and each employee of GE or one of its Affiliates participating in any GE or GECC “leadership program” who is engaged in the business of the Company Group on the Benefits Transition Date will complete such Employee’s rotation with the Company Group as an employee of GE or one of its Affiliates and thereafter will remain an employee of GE or such Affiliate and will cease to provide services to the Company or its Affiliates, unless otherwise mutually agreed by GE and the Company.

ARTICLE IV

PAYROLL; BENEFITS

Section 4.01. Payroll. During the Term, for those Employees who are paid through GE’s or one of its Affiliate’s payroll system immediately prior to the Closing Date, such Employees shall continue to be paid through GE’s or one of its Affiliate’s payroll system. Those Employees who are hired after the Closing Date by the Company Group shall also be paid through GE’s or one of its Affiliate’s payroll system during the Term. For those Employees with payroll withholding elections (such as those related to income taxes, qualified and non-qualified retirement plans, group health and welfare plans, etc.) in effect immediately prior to the Closing Date, such Employees’ elections shall remain the same during the Term as such elections were as of the Closing Date, except to the extent an Employee elects (in a manner permitted to employees and plan participants generally) to change any such election.

Section 4.02. GE Plans. During the Term, for those Employees who are eligible to participate in the GE Plans immediately prior to the Closing Date (or who would become eligible upon meeting certain eligibility requirements or upon satisfaction of any waiting periods under such plans), such Employees shall continue to be eligible to participate in such GE Plans and any comparable arrangements (but excluding, with respect to new awards, any GE Plan providing for cash or other bonus awards, stock options, stock awards, restricted stock, other equity-related awards or long-term performance awards, other than the GECC Executive Incentive Compensation Plan as described in Article V hereof). Those Employees who are hired after the Closing Date by the Company Group shall also be eligible to participate in the applicable GE Plans during the Term upon meeting certain eligibility requirements or upon satisfaction of any waiting periods under such plans. GE or its Affiliate, as the case may be, shall continue to be responsible for operating and administering the provisions of the GE Plans.

Section 4.03. Company Plans. During the Term, for those Employees who are eligible to participate in the Company Plans immediately prior to the Closing Date (or who would become eligible upon meeting certain eligibility requirements or upon satisfaction of any waiting periods under such plans), such Employees shall continue to be eligible to participate in such Company Plans. Those Employees who are hired after the Closing Date by the Company Group shall also be eligible to participate in the applicable Company Plans during the Term upon meeting certain eligibility requirements or upon satisfaction of any waiting periods under such plans. A member of the Company Group shall continue to be responsible for operating and administering the provisions of the Company Plans with support from GE consistent with past practice.

ARTICLE V

INCENTIVE COMPENSATION

Section 5.01. Establishment of Company Incentive Plans.

(a) **Establishment of Synchrony 2014 Long-Term Incentive Plan.** Effective as of the Closing Date, the Company shall, or shall cause one of its Affiliates to, establish, adopt and maintain a plan or plans for the benefit of selected Employees providing for cash or other bonus awards, stock options, stock awards, restricted stock, other equity-related awards and long-term performance awards (collectively, the "Synchrony 2014 Long-Term Incentive Plan").

(b) **Establishment of Synchrony Incentive Compensation Plan.** Effective as of the Benefits Transition Date, the Company shall, or shall cause one of its Affiliates to, establish, adopt and maintain a plan or plans for the benefit of selected Employees providing for annual cash or other bonus awards.

Section 5.02. Existing Arrangements.

(a) **Annual Incentive Compensation.** The Company or one of its Affiliates will pay a pro rata bonus attributable to the portion of the calendar year occurring prior to the Benefits Transition Date to eligible Employees who immediately prior to the Benefits Transition Date have participated in the GECC Executive Incentive Compensation Plan subject to the terms and practices of such plan. Such bonuses shall be paid at the same time at which GE makes bonus payments under the GECC Executive Incentive Compensation Plan to employees of GE. GE shall reimburse the Company promptly for any payments of such foregoing amounts, to the extent such amounts are related to the Employee's service to a member of the GE Group, upon the receipt of billing(s) for such amounts.

(b) **GE Stock Options.** All GE stock options that are vested and held by Employees as of the Benefits Transition Date will be exercisable in accordance with the terms of the GE 2007 Long-Term Incentive Plan applicable to dispositions (i.e., until the earlier of (i) the expiration date of the award and (ii) five (5) years from the Benefits Transition Date). All GE stock options that are unvested and held by Employees as of the Benefits Transition Date will

become fully vested on the Benefits Transition Date and will be exercisable in accordance with the terms of the GE 2007 Long-Term Incentive Plan applicable to dispositions (i.e., until the earlier of (i) the expiration date of the award and (ii) five (5) years from the Benefits Transition Date).

ARTICLE VI

ADDITIONAL COMPANY COVENANTS

Section 6.01. Termination of Participation in GE Plans Except as otherwise specifically provided in this Employee Matters Agreement, effective as of the Benefits Transition Date (or the India/Philippines Benefits Transition Date, if applicable), all Employees and their dependents will cease any participation in, and any benefit accrual under, each of the GE Plans; provided, however, that any Employee in the United States, Canada or Puerto Rico who, as of the Benefits Transition Date, has rights of employment on return from any leave or other absence will terminate participation in the GE Plans effective as of the close of business on the day before such Employee returns to active employment with the Company Group and no further benefits shall accrue under such GE Plans with respect to such Employee or any beneficiary thereof effective as of such return date.

Section 6.02. Terms and Conditions of Employment: Compensation For a period from the Closing Date until at least one (1) year (two (2) years for Employees in Canada) following the Benefits Transition Date, and subject to applicable Law (including, for avoidance of any doubt, supervisory or regulatory requirements imposed by a Bank Regulatory Agency), each Employee shall be entitled to receive while in the employ of the Company Group: (i) at least the same salary, wages, incentive compensation and bonus opportunities and (ii) at least the same (on an aggregate basis) other material terms and conditions of employment as were provided by the Company Group, or were otherwise applicable, to such Employee immediately prior to the Closing Date. The term “other material terms and conditions” in the preceding sentence is limited to practices which, if changed or eliminated, could reasonably give rise to a claim for monetary damages under applicable Law or contract.

Section 6.03. Terms and Conditions of Employment: Benefits

(a) **Synchrony Plans** Effective as of the Benefits Transition Date, the Company shall, or shall cause one of its Affiliates to, establish, adopt and maintain for a period of at least one (1) year (two (2) years for Employees in Canada) following the Benefits Transition Date, and subject to applicable Law (including, for avoidance of any doubt, supervisory or regulatory requirements imposed by a Bank Regulatory Agency), such employee benefits pursuant to plans, programs, policies and arrangements for the Employees that provide benefits to such Employees that have a comparable aggregate value to those benefits (excluding non-tax-qualified defined benefit pension plans, retiree medical plans, equity awards and the fringe benefits that apply to the Executive Band and above) provided to them pursuant to the GE Plans in effect immediately prior to the Benefits Transition Date (each such plan, program, policy and arrangement, a “Synchrony Plan”). For avoidance of any doubt, (i) no plan of the types described in Section 5.01 hereof shall be taken into account in determining whether the Synchrony Plans have a comparable aggregate value and (ii) the Company and its Affiliates shall not be obligated to maintain any defined benefit pension plan.

(b) Severance. Notwithstanding anything in this Employee Matters Agreement to the contrary, and subject to applicable Law (including, for avoidance of any doubt, supervisory or regulatory requirements imposed by a Bank Regulatory Agency), the Company shall, or shall cause one of its Affiliates to, provide severance benefits to any Employee who is laid off during the one-year period (two-year period for Employees in Canada) following the Benefits Transition Date that are at least as favorable as the severance benefits that would have been paid to such employee pursuant to the terms of the applicable GE or GECC broad-based severance plan as in effect immediately prior to the Benefits Transition Date, to be calculated, however, on the basis of the Employee's compensation and continuous service at the time of the layoff.

(c) Past Service Credit. All Employees shall be credited for service with the Company Group, GE, their respective Affiliates and their respective predecessors on and prior to the Benefits Transition Date under all Synchrony Plans and practices in which they become participants for purposes of eligibility, vesting or calculation of vacation, sick days, severance, layoff and similar benefits (excluding defined benefit pension benefit accruals) to the extent such service was credited under the corresponding GE Plan and practices.

(d) Group Health Plans. The Company shall, or shall cause one of its Affiliates to, cause the Synchrony Plans to waive any pre-existing conditions limitation and recognize expenses incurred by an Employee prior to the Benefits Transition Date for purposes of out-of-pocket maximums and deductibles with respect to the calendar year in which the Benefits Transition Date occurs; provided, however, that the Company receives all data reasonably necessary to allow the Company to satisfy its obligations under this Section 6.03(d).

(e) Vacation. Effective as of the Benefits Transition Date, the Company shall, or shall cause one of its Affiliates to, assume or retain all obligations of GE and its Affiliates for the accrued, unused vacation and paid time off (i.e., personal illness and personal business leave) of all Employees and shall reimburse GE or its Affiliates promptly for any accrued, unused vacation and paid time off required to be paid by GE or its Affiliates on or after the Benefits Transition Date to any Employee upon the receipt of periodic billings for such amounts. For a period from the Benefits Transition Date until at least three (3) years following the Benefits Transition Date, each Employee shall be entitled annually to at least the number of vacation days that such Employee was entitled to under the applicable vacation program of GE immediately prior to the Benefits Transition Date.

(f) India/Philippines International Employees. For purposes of this Section 6.03, with respect to International Employees in India and the Philippines, all references to the "Benefits Transition Date" shall be deemed to refer to the "India/Philippines Benefits Transition Date."

Section 6.04. U.S. Benefits.

(a) U.S. Retirement Plans. As of the Benefits Transition Date, Employees shall cease to accrue benefits, if any, under the GE Retirement Plans. Effective as of the Benefits Transition Date, GE shall take all necessary action, if any, to (i) effect such cessation of participation, and (ii) cause the Employees to be fully vested in any GE Retirement Plan (to the extent not then fully vested), except that with respect to the GE Supplementary Pension Plan and the GE Excess Benefit Plan, GE shall cause each Employee with at least ten (10) years of pension qualified service to be fully vested in such Employee's accrued benefits, if any, under the GE Supplementary Pension Plan and/or the GE Excess Benefit Plan. No assets or liabilities with respect to the GE Retirement Plans shall be transferred to the Company as a result of this Employee Matters Agreement. GE shall pay, or cause to be paid, directly to the Employees (including their surviving spouses and beneficiaries) any vested retirement benefits to which they are entitled under the GE Retirement Plans when eligible to receive such payments under the terms of such plans. The Company shall reimburse GE promptly for any payments of vested benefits made by GE or its applicable Affiliates under the GE Excess Benefit Plan and the GE Supplemental Pension Plan upon the receipt of periodic billings for such amounts.

(b) U.S. Post-Retirement Welfare Benefits. GE and its applicable Affiliates shall retain any obligations they may have to provide post-retirement welfare benefits in accordance with the terms of the GE Health Choice Plan and the GE Life, Disability and Medical Plan, as in effect from time to time, to all former Employees of the Company Group and their eligible dependents who are currently receiving such benefits as of the Benefits Transition Date. In addition, GE and its applicable Affiliates shall remain obligated to provide such coverage, consistent with the terms of the GE Health Choice Plan and the GE Life, Disability and Medical Plan as in effect from time to time, to all Employees and their eligible dependents who, as of the Benefits Transition Date, are participants in such plans and either (i) have completed twenty-five (25) years of continuous service or pension qualified service with the Company Group, its Affiliates and their respective predecessors or (ii) have attained at least sixty (60) years of age and have completed at least ten (10) years of continuous service, in either case upon such Employees' election to participate in the GE Health Choice Plan or the GE Life, Disability and Medical Plan. Such participation shall be under circumstances and at the applicable contribution levels entitling them to receive such benefits pursuant to the terms of the GE Health Choice Plan or the GE Life, Disability and Medical Plan, as applicable, as in effect from time to time. The Company shall reimburse GE promptly for any payments of post-retirement welfare benefits made by GE or its applicable Affiliates to the eligible Employees and their eligible dependents pursuant to such coverage upon the receipt of periodic billings for such amounts.

(c) COBRA. Following the Benefits Transition Date, the Company shall, or shall cause one of its Affiliates to, provide continuation health care coverage to all U.S. Employees and their qualified beneficiaries who incur or incurred a qualifying event in accordance with COBRA at any time with respect to claims incurred on or after the Benefits Transition Date.

(d) Flexible Spending Account Plan. With respect to any U.S. Employee who, immediately prior to the Benefits Transition Date, was a participant in a general purpose health flexible spending account plan and/or a dependent care flexible spending account plan, in

each case, maintained by GE or one of its Affiliates (collectively, the “GE FSA Plans”), the Company shall, or shall cause one of its Affiliates to, affect an FSA Transfer (as defined below) of the U.S. Employee’s account (if any) under the GE FSA Plans to the general purpose health flexible spending account plan and/or dependent care flexible spending account plan, as applicable, of the Company or one of its Affiliates. For purposes of this section, a “FSA Transfer” involves the Company or one of its Affiliates (i) effectuating the election of the U.S. Employee in effect under the applicable GE FSA Plans immediately prior to the Benefits Transition Date and (ii) assuming responsibility for administering and paying under the applicable plans of the Company or one of its Affiliates all eligible reimbursement claims of the U.S. Employee incurred in the calendar year in which the Benefits Transition Date occurs, whether such claims arose before, on or after the Benefits Transition Date. As soon as practicable following the Benefits Transition Date, GE shall cause to be transferred to the Company an amount in cash equal to (i) the sum of all contributions to the applicable GE FSA Plans made with respect to the calendar year in which the Benefits Transition Date occurs by or on behalf of the U.S. Employee prior to the Benefits Transition Date, reduced by (ii) the sum of all claims incurred by the U.S. Employee under the applicable GE FSA Plans in the calendar year in which the Benefits Transition Date occurs that are submitted for payment prior to the Benefits Transition Date.

(e) U.S. Other Welfare Benefits. Except as otherwise expressly provided in this Employee Matters Agreement, GE or one of its Affiliates shall retain responsibility under the GE Plans that are welfare benefit plans in which the Employees participate with respect to all amounts that are payable by reason of, or in connection with, any and all welfare benefit claims made by the Employees and their eligible dependents but only to the extent such claims were incurred prior to the Benefits Transition Date. However, the Company shall reimburse GE promptly for (i) (A) any payments of welfare benefits made by GE or one of its Affiliates on or after the Benefits Transition Date to eligible Employees and their eligible dependents pursuant to any self-insured GE Plans with respect to claims incurred prior to the Benefits Transition Date or (B) any payments of welfare benefits made by GE or one of its Affiliates on or after the Benefits Transition Date to eligible Employees who are inactive as of the Benefits Transition Date and their eligible dependents pursuant to any self-insured GE Plans with respect to claims incurred prior to such Employees’ return to active employment with the Company Group, and (ii) any payments of premiums made by GE or one of its Affiliates on behalf of eligible Employees who are inactive as of the Benefits Transition Date and their eligible dependents pursuant to any insured GE Plans with respect to coverage ending the day before such Employees’ return to active employment with the Company Group, in each case upon the receipt of periodic billings for such amounts. The Company and its Affiliates shall be otherwise responsible for welfare benefit claims made by the Employees and their eligible dependents to the extent such claims were incurred on or after the Benefits Transition Date.

Section 6.05. International Benefits

(a) International Employees. In the case of the International Employees, the Company shall, and shall cause its Affiliates to, comply with any applicable foreign Law governing the terms and conditions of their employment, employment practices or severance of employment.

(b) Continuation of International Company Plans. If an employee benefit plan, program, policy or arrangement is subject to the Laws of a country other than the United States (an "International Plan") and covers only International Employees, the Company shall, or shall cause one of its Affiliates to, assume or continue, as the case may be, sponsorship over and assumption of all obligations with respect to such International Plan as of the Benefits Transition Date.

(c) International Retirement Plans. To the extent that any International Plan sponsored by GE or its Affiliate (other than a member of the Company Group) is a funded defined benefit or defined contribution pension plan with assets residing in a trust or other funding vehicle, GE shall retain all assets and liabilities with respect to such Employees and their eligible dependents and beneficiaries. To the extent that any International Plan sponsored by GE or its Affiliates is a defined benefit or defined contribution plan that has no assets set aside in a trust or other funding vehicle to fund the plan, the Company shall assume or shall cause its Affiliates to assume all liabilities with respect to such Employees and their eligible dependents and beneficiaries.

(d) Reimbursement for Severance Payments. In the event that any severance or similar payment is triggered to an International Employee under a GE Plan due to the Company's failure to satisfy its obligations under this Employee Matters Agreement or applicable Law, then the Company shall reimburse GE promptly for any payments of such foregoing amounts upon the receipt of billing(s) for such amounts.

Section 6.06. No Guarantee of Continued Employment Neither the Company nor any of its Affiliates shall be obligated to continue to employ any Employee for any specific period of time, subject to applicable Law.

Section 6.07. Claims Assistance. The Company shall, and shall cause each member of the Company Group to, cause Employees to provide such assistance to GE and its Affiliates as may be required in respect of claims against GE or its Affiliates, whether asserted or threatened, to the extent that, in GE's opinion, (a) an Employee has knowledge of relevant facts or issues, or (b) an Employee's assistance is reasonably necessary in respect of any such claim. GE shall, and shall cause each member of the GE Group to, cause its employees to provide such assistance to the Company and its Affiliates as may be required in respect of claims against the Company or its Affiliates, whether asserted or threatened, to the extent that, in the Company's opinion, (a) an employee of GE or the GE Group has knowledge of relevant facts or issues, or (b) the assistance of an employee of GE or the GE Group is reasonably necessary in respect of any such claim.

ARTICLE VII

PERFORMANCE AND COOPERATION

Section 7.01. Level of Performance. In performing its obligations under this Employee Matters Agreement, each of GE and the Company agrees that it and its respective Affiliates, as applicable, shall in good faith exercise the same standard of care as each has used to perform such services for its own account and for its other employees, except as mutually agreed to in writing by GE and the Company.

Section 7.02. Delivery of Information; Cooperation Between the Parties GE and the Company shall, and shall cause their respective Affiliates to, provide each other with all such information and materials reasonably necessary to effect GE's and the Company's prompt and complete performance of their duties and obligations under this Employee Matters Agreement and the GE Plans. The parties agree that they shall cooperate with each other and shall act in such a manner as to promote the prompt and efficient completion of the obligations hereunder.

ARTICLE VIII

NON-HIRE; NON-SOLICITATION

Section 8.01. Non-Hire and Non-Solicitation by the Company Group. No member of the Company Group will either directly or indirectly, on its own behalf or in the service of or on behalf of others, hire, or attempt to hire or induce or attempt to induce to leave the employ of any member of the GE Group:

(a) through the Trigger Date,

(i) without the approval of GE, any employee of any member of the GE Group who

(A) occupies (or occupied) a position assigned to the Executive Band or above,

(B) in any capacity on or after the date that is one (1) year before the Closing Date, worked on matters supporting or relating to the Company, provided services to the Company, had supervisory responsibility over the Company or otherwise had significant interaction with or oversight over the Company or aspects of the Company's business, it being understood that all risk and regulatory personnel at GECC in the U.S. and Canada are included in this group (a "Company-Facing Position"); or

(C) worked on the transition support team or provided transition support services to the Company (a "Company Transition Position");

(ii) without first consulting with GE, any other employee of any member of the GE Group;

(b) through the eighteen (18) month anniversary of the Trigger Date, without the approval of GE, any employee of any member of the GE Group who occupies (or occupied) a position assigned to the Senior Professional Band or higher with GE and, in any capacity on or after the date that is one (1) year before the Closing Date, held a Company-Facing Position or a Company Transition Position; and

(c) through the twelve (12) month anniversary of the Trigger Date, without the approval of GE, any employee of any member of the GE Group who occupies (or occupied) a position assigned to the Leadership Professional Band or lower with GE and, in any capacity on or after the date that is one (1) year before the Closing Date, held a Company-Facing Position or a Company Transition Position.

Section 8.02. Non-Hire and Non-Solicitation by the GE Group. No member of the GE Group will either directly or indirectly, on its own behalf or in the service of or on behalf of others, hire, or attempt to hire or induce or attempt to induce to leave the employ of any member of the Company Group:

(a) through the Trigger Date, without the approval of the Company, any employee of a member of the Company Group;

(b) through the eighteen (18) month anniversary of the Trigger Date, without the approval of the Company, any employee of a member of the Company Group who occupies (or occupied) a position assigned to the Senior Professional Band or higher with GE or the Company; and

(c) through the twelve (12) month anniversary of the Trigger Date, without the approval of the Company, any employee of a member of the Company Group who occupies (or occupied) an IT, regulatory, risk or finance position assigned to the Leadership Professional Band with GE or the Company.

Section 8.03. Former Employees. For purposes of Sections 8.01 and 8.02, a person shall be considered an employee of a member of the Company Group or a member of the GE Group if he or she was employed by such an entity on November 15, 2013 or later provided that Sections 8.01 and 8.02 shall cease to apply to any individual (i) whose employment was involuntary terminated by such group, immediately upon such termination, or (ii) who voluntarily terminated employment with such group, from and after the twelve (12) month anniversary of such termination.

Section 8.04. General Solicitations. Notwithstanding the limitations in Sections 8.01 and 8.02, no member of the GE Group or the Company Group shall be prohibited from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted towards the employees covered by Sections 8.01 and 8.02, including, but not limited to, the use of an independent employment agency or search firm whose efforts are not specifically directed at such an employee.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Headings. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Employee Matters Agreement.

Section 9.02. Counterparts. This Employee Matters Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Employee Matters Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of any such Employee Matters Agreement.

Section 9.03. Assignment; No Third-Party Beneficiaries. This Employee Matters Agreement shall not be assigned by any party hereto without the prior written consent of the other parties hereto. This Employee Matters Agreement is for the sole benefit of the parties to this Employee Matters Agreement and their permitted successors and assigns and nothing in this Employee Matters Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Employee Matters Agreement.

Section 9.04. Amendment. No provision of this Employee Matters Agreement may be amended or modified except by a written instrument signed by all the parties to such agreement. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Employee Matters Agreement shall not operate or be construed as a waiver of any other subsequent breach.

Section 9.05. Severability. If any term or other provision of this Employee Matters Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Employee Matters Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Employee Matters Agreement shall negotiate in good faith to modify this Employee Matters Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Employee Matters Agreement be consummated as originally contemplated to the greatest extent possible.

Section 9.06. Entire Agreement.

(a) Except as otherwise expressly provided in this Employee Matters Agreement, this Employee Matters Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Employee Matters Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Employee Matters Agreement.

(b) In addition to the responsibilities and obligations set forth herein the parties to the Transition Services Agreement shall have certain other employment-related responsibilities and obligations as set forth therein.

Section 9.07. Coordination with Master Agreement. The following articles and sections from the Master Agreement are hereby incorporated by reference as if fully set forth

herein: Section 7.2 (Confidentiality); Section 7.4 (Allocation of Costs and Expenses); Article IX (Dispute Resolution); 10.2 (Governing Law); Section 10.4 (Force Majeure); and Section 10.5 (Notices).

IN WITNESS WHEREOF, each of the parties hereto has caused this Employee Matters Agreement to be signed as of the date first above written.

GENERAL ELECTRIC COMPANY

By: _____
Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____
Name:
Title:

SYNCHRONY FINANCIAL

By: _____
Name:
Title:

TRANSITIONAL TRADEMARK LICENSE AGREEMENT

THIS TRANSITIONAL TRADEMARK LICENSE AGREEMENT (this "Agreement"), dated as of _____, 2014 (the "Effective Date"), is made and entered into by and between GE Capital Registry, Inc. ("Licensor") and Synchrony Financial ("Company").

WHEREAS, General Electric Company ("GE"), General Electric Capital Corporation ("GECC") and Company previously entered into that certain Master Agreement, dated _____, 2014 (as amended, modified or supplemented from time to time in accordance with its terms, the "Master Agreement");

WHEREAS, the Master Agreement requires the execution and delivery of this Agreement by the Parties as of the Effective Date;

WHEREAS, GE, the parent of Licensor, owns the Licensed Marks (as defined below) and holds registrations thereof in various countries of the world for various products and services, and has granted Licensor the right to sublicense the Licensed Marks;

WHEREAS, Licensor has the right to grant the licenses granted in this Agreement to Licensee (as defined below);

WHEREAS, the Licensed Marks constitute valuable rights owned and used by GE in conducting its and its Affiliates' business and designating the origin or sponsorship of its and its Affiliates' distinctive products and services;

WHEREAS, Licensor desires to enhance and protect the goodwill of the Licensed Marks and to preserve GE's and its Affiliates' right to label products with and associate services with the Licensed Marks so as to avoid consumer confusion;

WHEREAS, Licensee and Licensor agree that certain rules regarding Licensee's use of the Licensed Marks are necessary to enhance and protect the goodwill of the Licensed Marks, and to ensure that Licensor's rights in the Licensed Marks are preserved; and

WHEREAS, in connection with the transactions contemplated by the Master Agreement, Licensor desires to grant to Licensee a license to use the Licensed Marks in accordance with the terms, and subject to the conditions, set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Licensor and Company, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Master Agreement. The following capitalized terms as used in this Agreement have the meanings set forth in this Article 1:

A. "Commercialize" means (i) with respect to products, to develop, design, offer, distribute, sell and/or otherwise commercialize and (ii) with respect to services, to perform, offer, distribute, render, sell and/or otherwise commercialize.

B. "Licensed Marks" means and is limited to (i) the Specified GE Marks and (ii) the Licensed Tagline.

C. "Licensed Tagline" means the phrase "Built from GE Heritage", but only all of the words "Built from GE Heritage" used in that order.

D. "Licensee" means collectively Company and the Permitted Sublicensees/Assignees.

E. "License Territory" means the jurisdictions set forth on Exhibit B attached hereto.

F. "New Products and Services" means all products and services not being actively Commercialized as of the Effective Date that are first Commercialized by Licensee within six (6) months after the Effective Date utilizing the Licensed Marks and (i) are of a quality that is equal to or better than the Products and Services offered by GECC and its Affiliates (including Company and its Subsidiaries) in the conduct of the Company Business prior to the Effective Date, (ii) are intended for the same or substantially similar purpose and application as such Products and Services, and (iii) are not any of the Products and Services listed in Exhibit C attached hereto; provided that, to the extent such products or services are not natural extensions of Products and Services, such products and services shall be approved by the Company Board.

G. "Party" means Licensor and Company individually, and "Parties" means Licensor and Company collectively.

H. "Permitted Assignees" means Company's direct and indirect wholly-owned Subsidiaries to which this Agreement has been assigned under Section 9.A.

I. "Permitted Sublicensees" means Company's direct and indirect wholly-owned Subsidiaries which have been granted a sublicense under Section 2.C.

J. "Permitted Sublicensees/Assignees" means Permitted Sublicensees and/or Permitted Assignees, as the context requires.

K. "Products" and "Services" mean, respectively, (i) products and services Commercialized prior to the Effective Date by GECC and its Affiliates (including Company and its Subsidiaries) in the conduct of the Company Business, (ii) products and services listed in Exhibit C attached hereto, and (iii) New Products and Services subject to the approval of Licensor as set forth in Section 3.A.

L. "Specified GE Marks" means the Marks listed and referenced in Exhibit A attached hereto alone and in such combinations with other words, phrases and logos that are (a) in use by GECC and its Affiliates in the conduct of the Company Business as of the Effective Date and (b) in conformance with the Usage Guidelines (unless otherwise approved in writing by Licensor).

M. “Standards of Quality” means at least the same high standards of quality, appearance, service and other standards that are observed immediately prior to the Effective Date by GECC and its Affiliates in the Commercialization, advertising, marketing and promotion of Products sold and Services rendered immediately prior to or as of the Effective Date, provided that the foregoing standards shall be no less than the standards that Licensee observes in its Commercialization, advertising, marketing and promotion from time to time of any products and services similar to the Products and Services.

N. “Transitional Services Agreement” means that certain Transitional Services Agreement entered into by and between GECC and the Company, dated _____, 2014 (as amended, modified or supplemented from time to time).

O. “Trigger Date” means the first date on which members of the GE Group cease to beneficially own (excluding for such purposes shares of Company Common Stock beneficially owned by GE but not for its own account, including (in such exclusion) beneficial ownership which arises by virtue of some entity that is an Affiliate of GE being a sponsor of or advisor to a mutual or similar fund that beneficially owns shares of Company Common Stock) more than fifty percent (50%) of the outstanding Company Common Stock.

P. “Usage Guidelines” means Licensor’s guidelines for use of the Licensed Marks as may be provided and amended from time to time by Licensor in its sole discretion, including the General Electric Company’s Brand Identity Guidelines (www.gebrandcentral.com/brand/design_library/); provided, however, that such guidelines shall not be more onerous than those which apply to use of the Licensed Marks by GE and its Affiliates in connection with products or services that are similar to the Products and Services.

2. LICENSE GRANT

A. Grants.

1. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Company a worldwide, non-exclusive, non-transferable, non-assignable (other than to Permitted Assignees as expressly provided in Section 9.A), royalty-free, fully paid up license, with no right to sublicense (other than to Permitted Sublicensees as expressly provided in Section 2.C), for a period not to exceed the Term, or such longer time periods as set forth in Exhibit D corresponding to each item thereon (each, a “Maximum License Term”), and only in the License Territory to use the Specified GE Marks only in connection with Products and Services Commercialized by Company and its Permitted Sublicensees/Assignees in the form in which such Specified GE Marks were applied to such materials prior to the Effective Date; provided, however, that Company shall use reasonable efforts to cease and discontinue use of such Specified GE Marks as soon as practicable after the Effective Date; and provided, further, that in each case, all such Specified GE Marks shall be removed from such applicable items following the end of the applicable Maximum License Term (except to identify Products and Services

bearing such Licensed Marks, in which case such identification may be made through the Term subject to the terms and conditions of this Agreement). All such use shall be in strict accordance with the Standards of Quality and otherwise in accordance with the terms and conditions of this Agreement.

2. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Company a worldwide, non-exclusive, non-transferable, non-assignable (other than to Permitted Assignees as expressly provided in [Section 9.A](#)), royalty-free, fully paid up license, with no right to sublicense (other than to Permitted Sublicensees as expressly provided in [Section 2.C](#)), for a period not to exceed three (3) years after the Trigger Date and only in the License Territory to use, subject to Licensor's prior written approval prior to each type of use (which approval process is described in [Section 2.B](#) below), the Licensed Tagline in connection with (i) the Products and Services Commercialized by Company and its Permitted Sublicensees/Assignees or (ii) the general promotion of the Company Business, in each case in strict accordance with the Standards of Quality and otherwise in accordance with the terms and conditions of this Agreement.

B. License Limitations: Approval Process. The foregoing license to use (i) the Specified GE Marks is limited to use on or in connection with the Products or Services only (including any advertising, display, promotional copy, and other associated materials bearing such Licensed Marks that are in the form used prior to the Effective Date or otherwise approved in advance of their use by Licensor (which approval process is described below)) and (ii) the Licensed Tagline is limited to use on or in connection with the Products or Services or in the general promotion of the Company Business only. Company shall not, and shall cause its Subsidiaries not to, except as specifically permitted in this Agreement or approved in advance by Licensor, use the Licensed Marks or give consent to the use of the Licensed Marks to any other Person in any manner. In connection with any proposed use of the Specified GE Marks or Licensed Tagline that requires Licensor's prior approval pursuant to the foregoing [Section 2.A.2](#) or subpart (i) of this Section, Licensee shall provide Licensor with prior written notice of such proposed use and Licensor shall thereafter have thirty (30) days to approve or reject such use. If Licensor fails to respond within that thirty (30) day period, Licensee may send Licensor a reminder notice in writing (with a copy to Weil, Gotshal & Manges LLP as set forth in [Section 9.D](#)) and, if Licensor fails to respond to such reminder notice within thirty (30) days of receiving such reminder notice, such submission shall be deemed approved by Licensor. If Licensor rejects any such proposed use, the Licensed Marks and any materials bearing the Licensed Marks may not be used or disseminated unless the Licensed Marks are entirely removed therefrom.

C. Permitted Sublicenses. Company may grant sublicenses of the rights and licenses granted under [Sections 2.A.1](#) and [2.A.2](#) to a direct or indirect wholly-owned Subsidiary, which Subsidiary has executed an agreement to be bound by all obligations of Company and/or Licensee under this Agreement relating to such right and license and providing Licensor standing to enforce the terms and conditions of this Agreement without joinder of Company. Company shall promptly provide a copy of such agreement to Licensor. Company shall cause the Permitted Sublicensees to comply with the terms and conditions of this Agreement.

D. Reservation of Rights. Any rights not granted to Licensee in this Agreement are specifically reserved by and for Licensor, GE and their Affiliates. Except as expressly provided in Sections 2.A, 2.B and 2.C, no licenses or other rights are implied or granted by estoppel or otherwise. Company hereby accepts, and shall cause its Permitted Sublicensees/Assignees to accept, this grant of license subject to the terms and conditions set forth in this Agreement.

3. NEW PRODUCTS AND SERVICES

A. The grant of a license to use the Licensed Marks in connection with all New Products and Services is subject to the advance written approval of Licensor as to quality, purpose, and application, such approval not to be unreasonably withheld if such New Products and Services meet the Standards of Quality. For the avoidance of doubt, nothing in this Agreement shall be construed as requiring approval by Licensor of Licensee's Commercialization of products or services that do not utilize the Licensed Marks.

B. Licensee shall submit representative samples of all New Products and Services to Licensor at the address specified in Section 9.D or such other address as specified by Licensor. Licensor shall thereafter have thirty (30) days to approve or reject each such New Product or Service. If Licensor fails to respond within such thirty (30) day period, Licensee may remind Licensor in writing and, if Licensor fails to respond to such reminder within ten (10) days of receiving such reminder, such submission shall be deemed disapproved by Licensor. No New Product or Service may be sold under or in connection with a Licensed Mark prior to receipt of written approval from Licensor.

C. On the date that is six (6) months after the Effective Date, Licensee shall provide to Licensor a complete and accurate list of all New Products and Services existing as of such date in accordance with this Agreement.

4. EXAMINATION OF PRODUCTS AND SERVICES

A. Licensor shall have the right to supervise and control the use of the Licensed Marks by Licensee with respect to the nature and quality of the Products and Services Commercialized by Licensee and the materials used to advertise, market and promote such Products and Services for the purpose of protecting and maintaining the goodwill associated with the Licensed Marks and the reputation of Licensor, GE and their Affiliates. The Steering Committee (as defined in the Transitional Services Agreement) shall monitor the progress of Licensee in ceasing use of the Licensed Marks by Licensee pursuant to the time periods for each media set forth in Exhibit D hereto, as if each media of use in Exhibit D were a Transitional Arrangement (as defined in the Transitional Services Agreement). All Products and Services (including New Products and Services and all such materials using the Licensed Marks) shall meet all requirements as set forth in Articles 2 and 3 herein and shall comply with all applicable Laws (collectively, the "Applicable Standards"). For the avoidance of doubt, nothing in this Section 4.A shall be construed as providing the Licensor with authority over any aspect of the Products and Services other than the use of the Licensed Marks in connection with the Products and Services.

B. Licensor shall have the right to obtain from Licensee, at any time during the Term upon reasonable notice, reasonable information as to the nature and quality of the Products and Services and advertising, marketing and promotional materials therefor using the Licensed Marks and the manner in which the Licensed Marks are used in connection with the Products, Services or such materials.

C. If Licensor notifies Licensee that it has a bona fide belief that the Products or Services or the use of the Licensed Marks are not in conformance with the requirements of this Agreement: (i) Licensor and its authorized representatives shall, upon reasonable notice to Licensee, have the right to visit the offices and facilities of Licensee where Products, Services or such materials using the Licensed Marks are Commercialized, advertised, marketed, or promoted in order to conduct a reasonable inspection and examination of such offices and facilities solely for the purpose of determining compliance with this Agreement, provided that the right to have such visits, inspections and examinations shall be exercised in such manner and at such times so as not to interfere unreasonably with the business or operations of the Licensee; (ii) upon Licensor's reasonable request, Licensee shall furnish Licensor representative samples of all Products to which the Licensed Marks are affixed and representative samples showing all other uses of the Licensed Marks by Licensee; and (iii) upon Licensor's reasonable request, and upon reasonable notice, Licensee shall permit Licensor to promptly examine and audit documents, books and records pertaining specifically to the Commercialization, servicing, quality, performance, and other characteristics of Products and Services as Licensor may reasonably require to verify that all Products and Services using the Licensed Marks and all advertising, marketing and promotional materials therefor meet the Standards of Quality and that Licensee's use of the Licensed Marks complies with Licensee's obligations under this Agreement. In conducting any such inspection or audit under this Section 4.C, Licensor shall take all steps reasonably required by Licensee to minimize disruption to Licensee's business and to avoid disclosure of Licensee's confidential and proprietary information and materials, including executing reasonable nondisclosure agreements, provided that such steps and agreements shall not prevent Licensor from pursuing any claims that it may have in connection with this Agreement. Licensee shall submit representative samples of all marketing, advertising and promotional material in use as of the Effective Date incorporating the Licensed Marks ("New Promotional Materials") (including packaging for Products) to Licensor at the address specified in Section 9.D or such other address as specified by Licensor. Licensor shall thereafter have thirty (30) days to approve or reject each such New Promotional Material; provided that Licensor shall only reject such New Promotional Material if Licensor reasonably believes that such New Promotional Material does not comply with this Agreement and the Standards of Quality. If Licensor fails to respond within that thirty (30) day period, Licensee may send Licensor a reminder notice in writing (with a copy to Weil, Gotshal & Manges LLP as set forth in Section 9.D) and, if Licensor fails to respond to such reminder notice within thirty (30) days of receiving such reminder, such submission shall be deemed approved by Licensor. If Licensor rejects any such proposed use, such New Promotional Material may not be used or disseminated unless the Licensed Marks are entirely removed therefrom.

D. Licensee may display, advertise and/or sell the Products and Services on or in connection with the World Wide Web or other Internet-based services (collectively, the “Internet”) provided that Licensee strictly adheres to the terms of this Agreement, including the following conditions: (i) the Licensed Marks shall neither be used in the domain name of Licensee’s website(s) nor as part (nor whole) of the URL(s) relating to Licensee’s website(s) or any other website(s) controlled by Licensee, unless specifically approved by Licensor in its sole discretion and (ii) Licensee shall not link from web pages featuring the Licensed Marks and/or the Products and Services to any website owned by the GE or its Affiliates, unless Licensee has obtained written approval from Licensor for use of such link.

E. If, at any time, the Commercialization, advertising, marketing, promotion, servicing, quality or performance of any Products or Services fail, in the reasonable opinion of Licensor, to conform to the Standards of Quality or any other requirement of this Agreement, and Licensor notifies Licensee using the Licensed Marks of such failure, Licensee shall take all necessary steps to bring such Products and Services into conformance with the Standards of Quality and other requirements of this Agreement. If Licensee fails to cure any such non-conformity within thirty (30) days of such notice of nonconformity, then, without prejudice to Licensor’s right to terminate the Agreement pursuant to Section 7.B, Licensee shall use its best efforts to promptly cease Commercializing, advertising, marketing, promoting, and servicing such non-conforming Products and Services and/or advertising, marketing and promotional materials in connection with the Licensed Marks. Licensee acknowledges that any use of the Licensed Marks during a suspension period in contravention of this Section 4.E shall be deemed unauthorized and infringing.

5. USE OF LICENSED MARKS

A. Under the license and rights granted herein, Licensee is authorized to use the Licensed Marks only as provided in Article 2.

B. Licensee shall comply with the Usage Guidelines with respect to the appearance and manner of use of the Licensed Marks. In using the Licensed Marks, Licensee shall indicate that the Licensed Marks are registered trademarks of GE. Any use of the Licensed Marks not specifically provided for by the Usage Guidelines (including any uses not contemplated by the Usage Guidelines, any uses in contravention of the Usage Guidelines and any clarifications of the Usage Guidelines) shall be adopted by Licensee only upon prior written approval by Licensor.

C. Without limiting Section 5.B, all use of the Licensed Marks by Licensee hereunder shall be in accordance in all respects with the provisions of this Agreement, and with the Usage Guidelines. Licensee shall not: (i) unless otherwise approved in writing by Licensor in advance of such use, alter the Licensed Marks in any manner, including proportions, colors, elements, or otherwise; or animate, morph or otherwise distort its perspective or two-dimensional appearance; or alter any proprietary indicators, such as “TM,” or ®, which appear with the Licensed Marks; (ii) use the Licensed Marks in any manner that (a) disparages GE or its Affiliates, or their products or services, (b) infringes Licensor’s, GE’s or their Affiliates’ Intellectual Property rights, or (c) violates any applicable Laws; (iii) use the Licensed Marks in any manner that implies sponsorship or endorsement of Licensee or its products and services by Licensor, GE or their Affiliates; (iv) use the Licensed Marks as a feature or design element of or alongside or in conjunction with any other logo or any other company’s name and/or Mark other

than as permitted with respect to the Licensed Tagline in the form agreed upon in advance of any such use by Licensor in writing; (v) intentionally or negligently (a) commit or cause to be committed any illegal or unethical acts or (b) engage in any conduct that disparages, disputes, attacks, challenges, impairs, dilutes or is likely to harm the reputation or goodwill associated with Licensor, GE or any of their Affiliates, or their products or services, or the Licensed Marks or the rights of Licensor, GE and their Affiliates therein; or (vi) use the Licensed Marks in connection with any Licensed Products or Services or advertising, marketing, promotional or other materials that infringe, misappropriate or violate any Intellectual Property of any third party.

D. Licensee shall comply with all applicable Laws pertaining to the Licensed Marks, including those pertaining to the proper use and designation of Licensed Marks and pertaining to the Commercialization, advertising, marketing and promotion of Products and Services.

E. Licensee shall use its reasonable best efforts (taking into consideration among other things any adverse impact or consequences that might arise from Licensee's continued use of the Licensed Marks) to cease use of the Licensed Marks upon notice from Licensor to Licensee that, in the good faith opinion of Licensor, such use of the Licensed Marks might result in any trademark liability on the part of either Licensor, GE or their Affiliates or Licensee or a challenge to any of the Licensed Marks. Licensee shall comply fully and promptly with all guidelines provided to Licensee from time to time by Licensor for the purpose of distinguishing the Licensor's Marks and preventing confusion of itself and another entity.

F. Licensee shall supply Licensor with such information as Licensor may reasonably request in order for Licensor to acquire, maintain and renew registrations of the Licensed Marks, to record this Agreement, to enter Licensee as a registered or authorized users of the Licensed Marks or for any purpose reasonably related to Licensor's maintenance and protection of the Licensed Marks (including information concerning sales and other dispositions of Products and Services that are required in connection with the foregoing). Licensee shall fully cooperate with Licensor's reasonable requests in the execution, filing, and prosecution of any registration of a Mark or copyright relating to the Licensed Marks that Licensor may desire to obtain. For the foregoing purpose, Licensee shall supply to Licensor such samples, labels, letterheads and other similar materials bearing the Licensed Marks as may be reasonably required by Licensor.

G. Licensor and GE retain the sole right to protect at their sole discretion the Licensed Marks, including deciding whether and how to file and prosecute applications to register the Licensed Marks, whether to abandon such applications or registrations, and whether to discontinue payment of any maintenance or renewal fees with respect to any such registrations. Notwithstanding anything to the contrary in Article 2, Licensee will not use the Licensed Marks, nor may any particular Product or Service be Commercialized, marketed, advertised, or promoted (i) in any jurisdiction where the Licensed Marks have not been registered in the relevant Mark class(es) for Products and Services, until an appropriate Mark search has been conducted and an application to register the particular Licensed Mark in the relevant Mark class(es) for Products and Services has been filed in such jurisdiction, or Licensor determines in good faith on the advice of its trademark counsel that (a) it would be preferable not to seek to register such Licensed Mark in such jurisdiction but that there is no material

impediment to the use of such Licensed Mark therein or (b) use of such Licensed Mark without registration is not likely to adversely affect Licensor's rights in and to such Licensed Mark in such jurisdiction, and (ii) in a jurisdiction where entry of Licensee as a registered or authorized users is required by Law, prior to the execution of an appropriate registered user agreement or similar agreement and the filing thereof with the appropriate governmental agency. In the event that Licensee desires to Commercialize, market, advertise or promote any Product or Service under a Licensed Mark in any jurisdiction where such Licensed Mark has not been registered in the relevant Mark class(es), Licensee shall provide prior written notice thereof to Licensor and Licensee shall pay all reasonable, preapproved, documented costs for the Mark search and for any application to register such Licensed Mark in such jurisdiction. Not in limitation of the foregoing or Licensor's rights hereunder (including pursuant to Articles 7 and 8), in the event that Licensor determines that Licensee is using the Licensed Marks in a jurisdiction where such Licensed Marks are not registered in the appropriate Mark class(es) for Products and Services, Licensor at its sole discretion shall have the option to require such registration at Licensee's expense. GE will own all right, title and interest in and to any and all registrations and applications for registration of the Licensed Marks, whether filed before or after the Effective Date.

H. Other than with the prior written consent of Licensor, to be granted or withheld in Licensor's sole discretion, Licensee shall not enter into any agreements relating to the placement of paid listings for "keyword" or similar Website searches that consist of any of the Licensed Marks either alone or in combination with other words or phrases. Upon expiration or termination of this Agreement, Licensee shall assign any agreements relating to the placement of listings in response to Website search terms and keywords that include the Licensed Marks to Licensor, unless such agreements by their own terms are non-assignable, in which case Licensee shall terminate such agreements.

6. OWNERSHIP AND VALIDITY OF LICENSED MARKS

A. Licensee admits the validity, and GE's ownership, of the Licensed Marks and agrees that any and all goodwill, rights or interests that might be acquired by the use of the Licensed Marks by Licensee shall inure to the sole benefit of GE. If Licensee obtains rights or interests in the Licensed Marks, Licensee hereby transfers, and shall execute upon request by Licensor any additional documents or instruments necessary or desirable to transfer, those rights or interests to GE and its Affiliates. Licensee admits and agrees that, as between the Licensor and Licensee, Licensee has been extended only a mere permissive right to use the Licensed Marks as provided in this Agreement which is not coupled with any ownership interest.

B. Licensee agrees not to: (i) use or register in any jurisdiction any Marks confusingly similar to, or consisting in whole or in part of, the Licensed Marks, (ii) register the Licensed Marks in any jurisdiction, without in each case the express prior written consent of Licensor, or (iii) use the Licensed Marks in any trade name, service name, corporate name or designation including any of the Licensed Marks. Whenever Licensee becomes aware of any reasonable likelihood of confusion or risk thereof between a Mark used by Licensee and a Licensed Mark, Licensee shall take appropriate steps to promptly remedy or avoid such confusion or risk of confusion.

C. Licensee shall give Licensor notice promptly of any known or presumed infringements or other violations of the Licensed Marks of which it becomes aware. Licensee shall render to Licensor full and prompt cooperation (and, subject to [Article 5](#), at Licensor's expense) for the enforcement and protection of the Licensed Marks. Licensor shall retain all rights to bring all actions and proceedings in connection with infringement or other violations of the Licensed Marks at its sole discretion. If Licensor decides to enforce the Licensed Marks against an infringer, all costs incurred and recoveries made shall be for the account of Licensor.

D. Licensee will not at any time during the Term, and any time thereafter for as long as Licensor, GE or any of their Affiliates shall own any rights in the Licensed Marks, willingly do or cause to be done any act or thing disparaging, disputing, attacking, challenging, impairing, diluting, or in any way tending to harm the reputation or goodwill associated with Licensor, GE, GECC, or their Affiliates or any of the Licensed Marks.

E. Licensee has no right, and shall not represent that it has any right, to bind or obligate Licensor in any way.

7. TERM AND TERMINATION

A. Unless sooner terminated pursuant to any provision of this [Article 7](#), and subject to the survival of certain provisions as set forth in [Section 7.G](#), the term of this Agreement shall commence on the Effective Date and continue until the Trigger Date ("[Term](#)").

B. In the event that Company or any of its Permitted Sublicensees/Assignees breach in any material respect any representation, warranty or covenant of this Agreement, and Licensor gives Company written notice of such breach (which notice shall provide a description of the breach that is reasonable under the circumstances), Company and any such Permitted Sublicensee/Assignee shall have thirty (30) days from its receipt of such notice to remedy such breach. If such breach is not remedied within such thirty (30) day period, Licensor shall have the right to terminate this Agreement, in whole or in part, at any time thereafter by giving Company notice of such termination.

C. This Agreement shall automatically terminate upon notice to Company (i) in its entirety upon any of the following events with respect to Company and (ii) with respect to any Permitted Sublicensee/Assignee, upon any of the following events with respect to such Permitted Sublicensee/Assignee:

1. any merger or consolidation of Company or such Permitted Sublicensee/Assignee with a third party that is not an Affiliate of Licensee;
2. the sale of all or substantially all of the assets of Company or such Permitted Sublicensee/Assignee to a third party that is not an Affiliate of Licensee; or
3. a change of control of Company or such Permitted Sublicensee/Assignee whereby any third party that is not an Affiliate of Licensee acquires fifty percent (50%) or more of the outstanding voting securities of Company or such Permitted Sublicensee/Assignee or the power, directly or indirectly, to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of Company or such Permitted Sublicensee/Assignee.

D. In the event of any termination in connection with any such merger, consolidation, sale, or change of control, Licensee may submit to Licensor a written request to continue its then-current use of the Licensed Marks for a transition period (which in each case shall not be longer than the applicable Maximum License Term), which period will be subject to Licensor's prior written approval, which approval will not be unreasonably withheld.

E. This Agreement shall automatically terminate with respect to Company or a Permitted Sublicensee/Assignee without notice to Licensee by Licensor in the event that Company or such Permitted Sublicensee/Assignee commences, or has commenced against it, proceedings under bankruptcy, insolvency or debtor's relief laws or similar laws in any other jurisdiction, which proceedings are not dismissed within sixty (60) days; Company or such Permitted Sublicensee/Assignee makes a general assignment for the benefit of its creditors; or Company or such Permitted Sublicensee/Assignee ceases operations or is liquidated or dissolved.

F. Upon any expiration or termination of this Agreement, Licensee shall cease and completely discontinue use of the Licensed Marks other than as provided in: (i) Section 2.A.1 with respect to the Specified GE Marks solely as to the items for the applicable Maximum License Terms that extend beyond the Term; and (ii) Section 2.A.2 with respect to the Licensed Tagline for the remainder of the period set forth therein.

G. The following provisions of this Agreement shall survive any termination or expiration of this Agreement: (i) the licenses granted pursuant to Sections 2.A.1 (solely for the applicable Maximum License Term for such items in Exhibit D that are intended to survive the Term) and Section 2.A.2 (only for the time period set forth therein); (ii) all other terms and conditions of this Agreement applicable to such license grants; and (iii) Sections 6.A, 6.B and 6.D and Articles 8 and 9. Subject to the preceding sentence and except as expressly provided otherwise herein, upon termination or expiration of this Agreement, all licenses granted to Licensee herein shall immediately terminate.

8. INDEMNIFICATION; DISCLAIMERS; ASSUMPTION OF RISK

A. Licensee shall fully indemnify and hold harmless Licensor, GE and their Affiliates and their directors, officers, partners, employees and agents (collectively, "GECC Indemnified Parties") from and against any and all claims, losses, damages, liabilities, costs (including reasonable attorneys' fees), and expenses asserted against or suffered by any such party and arising out of or relating to (i) Licensee's breach of this Agreement; (ii) any claim that Licensee's use of the Licensed Marks other than in accordance with the terms set forth in this Agreement, infringes or otherwise violates the Intellectual Property rights of any third party; and (iii) any claim arising from products or services Commercialized, advertised, marketed or promoted by Licensee from and after the Effective Date under or in connection with the Licensed Marks.

B. EACH PARTY AGREES AND ACKNOWLEDGES THAT THE LICENSED MARKS ARE LICENSED HEREUNDER AS IS, WITH ALL FAULTS, WITHOUT WARRANTY OF ANY KIND, AND SUBJECT TO ALL EXISTING LICENSES AND RIGHTS GRANTED, AND THAT LICENSOR DOES NOT MAKE, AND LICENSOR HEREBY SPECIFICALLY DISCLAIMS, ANY REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

C. Each of Licensor and Licensee expressly disclaims that it is owed any duties not expressly set forth in this Agreement, and waives and releases any and all tort claims and causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement.

D. Licensee hereby assumes all risk and liability resulting from Licensee's use of the Licensed Marks.

9. MISCELLANEOUS PROVISIONS

A. Assignment. This Agreement shall not be assigned, in whole or in part, by operation of Law or otherwise without the prior written consent of both Parties, except that (i) Licensor may assign any or all of its rights and obligations under this Agreement to any of its Affiliates or (ii) Licensee may assign any or all of its rights and obligations under this Agreement to any of its direct or indirect wholly-owned Subsidiaries, provided that (x) such Subsidiary executes an agreement to be bound by all of the obligations under this Agreement, (y) Company has a continuing obligation to cause such Subsidiary to perform under this Agreement and (z) Company guarantees the performance of such Subsidiary. Any attempted assignment in violation of this Section 9.A shall be void. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties and their permitted successors and assigns.

B. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of Laws principles of the State of New York other than Section 5-1401 of the General Obligations Law of the State of New York.

C. Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

D. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to Licensor and Licensee at the following addresses (or at such other address as shall be specified in a notice given in accordance with this Section 9.D):

Licensor:

GE Capital Registry, Inc.
120 Long Ridge Road, 2C-34
Stamford, CT 06902-1247
Attention: George Thompson
Facsimile:

with a copy (which shall not constitute notice) to:

General Electric Company
Corporate Trademark Operation
3135 Easton Turnpike
Fairfield, CT 06828
Attention: Kathryn Barrett Park
Facsimile: (203) 373-2181

with a copy (which shall not constitute notice) to:

General Electric Company
3135 Easton Turnpike
Fairfield, CT 06828
Attention: Senior Counsel for Transactions
Facsimile: (203) 373-3008

with a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Howard Chatzinoff, Esq.
Facsimile: (212) 310-8007

Licensee:

Synchrony Financial
777 Long Ridge Road
Stamford, CT 06902
Attention: General Counsel
Fax: (203) 567-8103

E. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

F. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Exhibits hereto), together with the Master Agreement, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

G. No Third Party Beneficiaries. Except as provided in Section 2.C with respect to Permitted Sublicensees and Article 8 with respect to GECC Indemnified Parties, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

H. Public Announcements. The Parties shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

I. Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties hereto. No waiver by any party hereto of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party hereto so waiving. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

J. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, and Exhibit are references to the Articles, Sections, paragraphs, and Exhibits to this Agreement unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the table of contents and headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

K. Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or the validity, interpretation, breach or termination of any provision of this Agreement shall be resolved in accordance with Article IX of the Master Agreement.

L. Specific Performance. Licensee acknowledges and agrees that the breach of this Agreement would cause irreparable damage to Licensor, GE and their Affiliates and that none of Licensor, GE and their Affiliates will have an adequate remedy at law. Therefore, the obligations of Licensee under this Agreement shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which Licensor may have under this Agreement or otherwise.

M. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.M.

N. Relationship of the Parties. Nothing contained herein is intended or shall be deemed to make either Party the agent, employee, partner or joint venturer of the other Party or be deemed to provide such Party with the power or authority to act on behalf of the other Party or to bind the other Party to any contract, agreement or arrangement with any other individual or entity.

O. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first written above.

GE CAPITAL REGISTRY, INC.

By: _____
Name:
Title:

SYNCHRONY FINANCIAL

By: _____
Name:
Title:

Signature Page to Transitional Trademark License Agreement

EXHIBIT A

Specified GE Marks

Exhibit B

License Territory

Exhibit C

Near-Launch Products and Services

Exhibit D

Maximum License Terms

INTELLECTUAL PROPERTY CROSS LICENSE AGREEMENT

This INTELLECTUAL PROPERTY CROSS LICENSE AGREEMENT (this "Agreement"), dated as of _____, 2014 (the "Effective Date"), is made and entered into by and between General Electric Company, a New York corporation ("GE") and General Electric Capital Corporation, a Delaware corporation ("GECC"), on the one hand, and Synchrony Financial, a Delaware corporation ("Company"), on the other hand.

WHEREAS, GE, GECC and Company previously entered into that certain Master Agreement, dated as of _____, 2014 (as amended, modified or supplemented from time to time in accordance with its terms, the "Master Agreement");

WHEREAS, the Master Agreement requires the execution and delivery of this Agreement by the parties hereto as of the Effective Date;

WHEREAS, GE and its Affiliates Control certain Intellectual Property that they desire to license to Company and its Subsidiaries in accordance with the terms, and subject to the conditions, set forth herein; and

WHEREAS, Company and its Subsidiaries Control certain Intellectual Property that they desire to license to GE and its Affiliates in accordance with the terms, and subject to the conditions, set forth herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. Certain Defined Terms. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Master Agreement. The following capitalized terms used in this Agreement shall have the meanings set forth below:

(a) "Company Intellectual Property" means Intellectual Property that is (i) Controlled by Company and its Subsidiaries as of the Effective Date or the date it is assigned to Company and such Subsidiaries pursuant to the Master Agreement and (ii) in Use, held for Use or Contemplated To Be Used by GE and its Affiliates as of the Effective Date or the date of such assignment.

(b) "Contemplated To Be Used" means that there are contemporaneous books or records, whether in hard copy or electronic or digital format (including emails, databases, and other file formats) evidencing a specific, good faith intention of future Use.

(c) “Control” or “Controlled” means, with respect to any Intellectual Property, the right to grant a license or sublicense to such Intellectual Property as provided for herein without (i) violating the terms of any agreement or other arrangement with any third party (ii) requiring any consent, approvals or waivers from any third party, or any breach or default by the Party being granted any such license or sublicense being deemed a breach or default affecting the rights of the Party granting such license or sublicense, or (iii) requiring the payment of material compensation to any third party.

(d) “FSB” means GE Capital Retail Bank.

(e) “GE Intellectual Property” means Intellectual Property that is (i) Controlled by GE and its Affiliates as of the Effective Date or the date it is assigned to GE and its Affiliates pursuant to the Master Agreement and (ii) in Use, held for Use or Contemplated To Be Used by the Company and its Subsidiaries as of the Effective Date or the date of such assignment, but specifically excludes (A) the GE Materials, (B) Intellectual Property Controlled by GE and its Affiliates that is expressly made available under the Transitional Services Agreement, (C) any and all rights in internet protocol addresses, and (D) any Patents that are subject to standard-setting organization obligations.

(f) “GE Materials” means, collectively, (i) the accounting policies and related documentation of GE and its Affiliates (“Accounting Policies”), (ii) Six Sigma and LEAN Software, documentation and materials of GE and its Affiliates (the “Six Sigma Materials”), (iii) the corporate policies and manuals of GE and its Affiliates, and (iv) the training materials of GE and its Affiliates.

(g) “Improvement” means any modification, derivative work or improvement of any Technology, whether patented or not and whether patentable or not.

(h) “Intellectual Property” means all of the following, whether protected, created or arising under the laws of the United States or any other foreign jurisdiction, including: (i) all invention disclosures (whether patentable or unpatentable and whether or not reduced to practice) and all United States and non-U.S. patents, patent applications (along with all patents issuing thereon), statutory invention registrations, divisions, continuations, continuations-in-part, substitute applications of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions (collectively, “Patents”), (ii) copyrights, mask work rights, database rights and design rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof; and all rights therein whether provided by international treaties or conventions or otherwise, (iii) trade secrets, and (iv) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i)—(iii) above. As used in this Agreement, the term “Intellectual Property” expressly excludes (x) trademarks, service marks, trade names, service names, trade dress, logos, monograms, domain names, domain name locators, and other identifiers of source, including all goodwill associated therewith, and any and all common law rights, and registrations and applications for registration thereof, all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, and (y) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations.

(i) “Licensee” means a Party receiving a license or sublicense under this Agreement.

(j) "Licensor" means a Party granting a license under this Agreement.

(k) "Party" means, on the one hand, GE and its Affiliates (including GECC) and, on the other hand, Company and its Subsidiaries, and "Parties" means, collectively, GE and its Affiliates and Company and its Subsidiaries. To the extent the term "Party" or "Parties" is used in this Agreement and the context applies to a right or obligation that would be enjoyed or performed by of an Affiliate of GE or GECC, or a Subsidiary of Company, such right shall be deemed to flow to the Affiliate or Subsidiary, as applicable, while GE and GECC shall cause the applicable Affiliate to perform the obligation, and Company shall cause the applicable Subsidiary to perform the obligation.

(l) "party hereto" means, on the one hand, GE and GECC, and on the other hand, Company. "parties hereto" means, collectively, GE, GECC and Company.

(m) "Representatives" means, with respect to a Person, the Affiliates of such Person (or in the case of Company, the Subsidiaries of Company) and the directors, officers, partners, employees, agents, consultants, contractors, advisors, legal counsel, accountants and other representatives of such Person and its Affiliates (or in the case of Company, the Subsidiaries of Company).

(n) "Software" means the object and source code versions of computer programs and associated documentation, training materials and configurations to use and modify such programs, including programmer, administrator, end user and other documentation.

(o) "Technology" means, collectively, all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, inventions (whether patentable or unpatentable and whether or not reduced to practice) apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar materials, and all recordings, graphs, drawings, reports, analyses, other writings, and other tangible embodiments of the foregoing, in any form, whether or not specifically listed herein, and all related technology, including Software.

(p) "Use" means to use and practice, license, sublicense, and otherwise exploit; to make, have made, use, sell, offer to sell, have sold, import and otherwise provide, commercialize and legally dispose of products and services under; and to develop and create Improvements in connection with.

ARTICLE II LICENSE GRANT

Section 2.01. Grant from GE to Company and its Subsidiaries.

(a) GE hereby grants and agrees to grant, and shall cause its Affiliates to grant and agree to grant, to Company and its Subsidiaries a non-exclusive, irrevocable, royalty-free, fully paid-up, worldwide, perpetual right and license, with no right to sublicense except as expressly provided in Section 2.01(b), under the GE Intellectual Property: (i) to allow

employees, directors and officers of Company and its Subsidiaries to use and practice the GE Intellectual Property solely for internal purposes; (ii) to make, have made, use, sell, offer to sell, have sold, import, and otherwise provide, commercialize and legally dispose of products and services under the GE Intellectual Property; and (iii) to develop and create Improvements in connection with the GE Intellectual Property. As a condition to having any product or service made by any third party pursuant to the foregoing sentence, Company and its Subsidiaries will obtain a written agreement from such third party (a) with confidentiality undertakings that are no less restrictive than those contained in this Agreement and (b) that provides that such third party will make such products or services only on behalf of and at the direction of Company and its Subsidiaries. For the avoidance of doubt, the licenses granted in this Section 2.01(a) cover Technology embodying Intellectual Property identified in this Section 2.01(a).

(b) Company and its Subsidiaries may grant sublicenses of the rights and licenses granted under this Section 2.01 to an acquirer of any of the businesses, operations or assets of Company or its Subsidiaries to which this Agreement relates with regard solely to such business, operations or assets (and not any other businesses, operations, or assets of such acquirer), which acquirer executes an agreement to be bound by all obligations of Company and its Subsidiaries under this Agreement relating to such right and license. Company and its Subsidiaries shall promptly provide a copy of such agreement to GE.

(c) Subject to the terms and conditions of Article VI, Company and its Subsidiaries may permit their suppliers, contractors and consultants to exercise any or all of the rights and licenses granted to Company and its Subsidiaries under this Section 2.01 on behalf of and at the direction of Company and its Subsidiaries (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Notwithstanding anything in this Agreement to the contrary, Company and its Subsidiaries will not Use the Intellectual Property set forth on Exhibit A (the "GE Restricted Intellectual Property") in the territories and fields set forth on Exhibit A without the prior written consent of GE, which shall not be unreasonably withheld.

Section 2.02. Grant from Company to GE and its Affiliates

(a) Company hereby grants and agrees to grant, and shall cause its Subsidiaries to grant and agree to grant, to GE and its Affiliates a non-exclusive, irrevocable, royalty-free, fully paid-up, worldwide, perpetual right and license, with no right to sublicense except as expressly provided in Section 2.02(b), under the Company Intellectual Property: (i) to allow employees, directors and officers of GE and its Affiliates to use and practice the Company Intellectual Property solely for internal purposes; (ii) to make, have made, use, sell, offer to sell; have sold, import, and otherwise provide, commercialize and legally dispose of products and services under the Company Intellectual Property; and (iii) to develop and create Improvements in connection with the Company Intellectual Property. As a condition to having any product or service made by any third party pursuant to the foregoing sentence, GE and its Affiliates will obtain a written agreement from such third party (a) with confidentiality undertakings that are no less restrictive than those contained in this Agreement and (b) that provides that such third party will make such products or services only on behalf of and at the direction of GE and its Affiliates. For the avoidance of doubt, the licenses granted in this Section 2.02(a) cover Technology embodying Intellectual Property identified in this Section 2.02(a).

(b) GE and its Affiliates may grant sublicenses of the right and license granted under this Section 2.02 to an acquirer of any of the businesses, operations or assets of GE or its Affiliates to which this Agreement relates with regard solely to such business, operations or assets (and not any other businesses, operations, or assets of such acquirer), which acquirer executes an agreement to be bound by all obligations of GE and its Affiliates under this Agreement relating to such right and license. GE and its Affiliates shall promptly provide a copy such agreement to Company.

(c) Subject to the terms and conditions of Article VI, GE and its Affiliates may permit their suppliers, contractors and consultants to exercise any or all of the rights and licenses granted to GE and its Affiliates under this Section 2.02 on behalf of and at the direction of GE and its Affiliates (and not solely for the benefit of such suppliers, contractors and consultants).

(d) Notwithstanding anything in this Agreement to the contrary, GE and its Affiliates will not Use in the United States and Canada the Company Intellectual Property set forth on Exhibit B (the "Company Restricted Intellectual Property") in the fields set forth on Exhibit B without the prior written consent of Company, which shall not be unreasonably withheld. For the avoidance of doubt, it shall not be deemed unreasonable to withhold consent if any such Use is for or in connection with a competitor, customer or potential customer of the Company and its Subsidiaries.

Section 2.03. Third Party Licenses. To the extent that any Intellectual Property owned by a third party is licensed under Sections 2.01 or 2.02, the license of such Intellectual Property hereunder shall be subject to all of the terms and conditions of the relevant agreement between the Licensor and such third party pursuant to which such Intellectual Property has been licensed to Licensor.

Section 2.04. Improvements. As between the Parties, Improvements made after the Effective Date and all Intellectual Property rights therein shall be owned by the Party making such Improvement or on whose behalf such Improvement was made. For the avoidance of doubt, (i) such Party making such Improvement shall not own any Intellectual Property rights licensed to such Party hereunder and (ii) such Party may freely assign or license such Improvements but shall not have the right to assign any underlying Intellectual Property of the other Party and shall only have the right to sublicense the underlying Intellectual Property of the other Party as expressly set forth herein. No rights are granted hereunder to a Party to any Improvements made by, or on behalf of another Party or any Intellectual Property rights therein to the extent such Improvement was made after the Effective Date.

Section 2.05. Section 365(n) of the Bankruptcy Code. All rights and licenses granted under this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code.

Section 2.06. Customers. Each Party agrees that it shall use reasonable efforts to not knowingly bring any legal action or proceeding against, or otherwise communicate with, any customer of another Party with respect to any alleged infringement, misappropriation or violation of any Intellectual Property of such other Party to the extent licensed hereunder based on such customer's use of the other Party's products or services without first providing the other Party written notice of such alleged infringement, misappropriation or violation.

Section 2.07. Reservation of Rights. All rights not expressly granted by a Party hereunder are reserved by such Party. Without limiting the generality of the foregoing, the Parties expressly acknowledge that nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in this Article II. The licenses granted in Sections 2.01 and 2.02 are subject to, and limited by, any and all licenses, rights, limitations and restrictions with respect to, as applicable, the GE Intellectual Property and the Company Intellectual Property previously granted to or otherwise obtained by any third party that are in effect as of the Effective Date.

ARTICLE III COVENANTS

Section 3.01. Further Assistance. Until one (1) year after the Effective Date, each Party hereby covenants and agrees that it shall, at the request and expense of another Party, use commercially reasonable efforts to assist the other Party in its efforts to obtain any third party consent, approval or waiver necessary to enable such other Party to obtain a license to any Intellectual Property (for the avoidance of doubt, other than Intellectual Property excluded pursuant to Section 1.01(e)(A)-(D)) that, but for the requirements set forth in the definition of Control, would be the subject of a license granted pursuant to Section 2.01 or 2.02 hereunder; provided, however, that such Party shall not be required to seek broader rights or more favorable terms for the other Party than those applicable to such Party prior to the date hereof or as may be applicable to such Party from time to time thereafter. For the avoidance of doubt, Licensor shall not be required to compensate any third party, commence or participate in litigation or offer or grant any accommodation (financial or otherwise) to any third party to obtain any such consent or approval under this Section 3.01. The Parties acknowledge and agree that there can be no assurance that such Party's efforts will be successful or that the other Party will be able to obtain such licenses or rights on acceptable terms or at all.

Section 3.02. Ownership. No Party shall represent that it has any ownership interest in any Intellectual Property of another Party licensed hereunder.

Section 3.03. Prosecution and Maintenance. Each Party retains the sole right to protect at its sole discretion the Intellectual Property and Technology owned by such Party, including deciding whether and how to file and prosecute applications for registration (including for patents, copyrights and mask work rights) included in such Intellectual Property, whether to abandon prosecution of such applications, and whether to discontinue payment of any maintenance or renewal fees with respect to any such registration.

Section 3.04. Third Party Infringements, Misappropriations, Violations.

(a) Each Party shall promptly notify the other Party in writing of any actual or possible infringements, misappropriations or other violations by a third party of the Intellectual Property of the other Party being licensed hereunder that come to such Party's attention, as well as the identity of such third party or alleged third party and any evidence of such infringement, misappropriation or other violation within such Party's custody or control that such Party is reasonably able to provide. The other Party shall have the sole right to determine at its sole discretion whether any action shall be taken in response to such infringements, misappropriations or other violations.

(b) Each Party shall promptly notify another Party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the Use of the Intellectual Property of the other Party (or any element or portion thereof) licensed hereunder, as well as the identity of such third party and any evidence relating to such purported infringement, misappropriation or other violation within such Party's custody or control that such Party is reasonably able to provide. Such Party shall cooperate fully with the other Party to avoid infringing, misappropriating or violating any third party rights, and shall discontinue all Use of such Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of the other Party to discontinue such Use.

(c) Each Party shall promptly notify another Party in writing upon learning of the existence or possible existence of rights held by any third party that may be infringed, misappropriated or otherwise violated by the Use of the Intellectual Property (or any element or portion thereof) licensed to the other Party hereunder, as well as the identity of such third party. The other Party shall cooperate fully with such Party to avoid infringing, misappropriating or violating any third party rights, and shall discontinue all Use of such Intellectual Property that is the subject of such purported infringement, misappropriation or other violation upon the reasonable request of such Party to discontinue such Use and shall provide such Party any evidence relating to such purported infringement, misappropriation or other violation within the other Party's custody or control that such Party is reasonably able to provide.

Section 3.05. Patent Marking. Each Party acknowledges and agrees that it shall comply with all reasonable requests of another Party relative to patent markings required to comply with or obtain the benefit of statutory notice or other provisions.

Section 3.06. Cooperation Regarding Restrictions and Limitations Applicable to Licensed Intellectual Property. Until one (1) year after the Effective Date, each Party, at the request of another Party, agrees to use commercially reasonable, good faith efforts to provide the other Party such copies of agreements (subject to any confidentiality restrictions that would prevent disclosure of such agreements) or other information (including summaries of the applicable limitations) that are sufficient to inform the other Party about any limitations or restrictions on the Use of the Intellectual Property licensed to it hereunder and set forth on Exhibit A or B hereto, as applicable, or other specific Intellectual Property licensed hereunder and identified by the other Party in writing to such Party, which has not already been provided to the other Party and which is not otherwise in the possession of the other Party. Such Party shall not have any liability to the other Party resulting or arising from the failure or inability to provide such agreements or information.

ARTICLE IV
GE MATERIALS

Section 4.01. Prior to the Trigger Date. Until the Trigger Date and subject to the limitations and conditions set forth in Section 4.04, GE shall permit Company and its Subsidiaries to use the GE Materials in accordance with GE's standard policies, procedures and guidelines for use thereof by its Subsidiaries.

Section 4.02. Accounting Policies. On and after the Trigger Date and subject to the limitations and conditions set forth in Section 4.04, GE shall permit Company and its Subsidiaries to use the GE Materials that are identified as "Accounting Policies" and are in use as of the Trigger Date: (i) with the modifications required by Section 4.04(d), for the accounting and reporting purposes of Company and its Subsidiaries (the "Company Accounting Policies") and (ii) for historical purposes of Company and its Subsidiaries.

Section 4.03. Company Policies and Training Materials. On and after the Trigger Date and subject to the limitations and conditions set forth in Section 4.04, GE shall permit Company and its Subsidiaries to adopt and use the corporate policies, manuals and training materials included in the GE Materials that are in use as of the Trigger Date, with the modifications required by Section 4.04(d), as Company and its Subsidiaries' own policies, procedures and guidelines (the "Company Policies and Training Materials").

Section 4.04. Certain Limitations and Conditions.

(a) On and after the Trigger Date, GE shall have no obligation under this Agreement (i) to notify Company and its Subsidiaries' of any changes or proposed changes to any of the GE Materials, (ii) to include Company and its Subsidiaries' in any consideration of proposed changes to any of the GE Materials, (iii) to provide draft changes of any of the GE Materials to Company and its Subsidiaries for review or comment, or (iv) to Company and its Subsidiaries' with any updated materials relating to any of the GE Materials.

(b) The parties hereto acknowledge and agree that, except as expressly set forth above in this Article IV, GE reserves all rights in, to and under, including all Intellectual Property rights with respect to, the GE Materials and no rights with respect to ownership or use shall vest in Company and its Subsidiaries. Further, Company and its Subsidiaries agree to use the same degree of care that Company and its Subsidiaries use with respect to their own information and materials of a similar nature, but in no event less than a reasonable degree of care, to ensure that the GE Materials are not used for any purpose other than the purposes set forth above. Company and its Subsidiaries will allow GE reasonable access to personnel and information as reasonably necessary to determine Company's and its Subsidiaries' compliance with the provisions set forth above. If the Company and its Subsidiaries cease to avail themselves of any of the GE Materials referred to in this Article IV or upon expiration of any period during which the Company and its Subsidiaries are permitted to use any of the GE Materials, GE and the Company shall cooperate in good faith to take reasonable appropriate actions to effectuate such cessation or expiration and protect GE's and its Affiliates' rights and interests in the GE Materials.

(c) It is understood and agreed that GE makes no representation or warranty as to the suitability of the GE Materials for use by Company and its Subsidiaries or any of their respective divested businesses.

(d) On and after the Trigger Date, and except as set forth in Section 2.A.1 of the Transitional Trademark License Agreement, notwithstanding anything in this Agreement to the contrary, the text of any Company Accounting Policies and Company Policies and Training Materials shall not contain (i) any references to GE or its Affiliates, GE or its Affiliates' publications, GE or its Affiliates' personnel (including, without limitation, senior management) or (ii) the title of any policy, manual or other materials in the GE Materials (i.e., "Integrity: the Spirit and Letter of Our Commitment"), any portion thereof, or any confusingly similar phrase; provided such restriction shall not apply to any wholly descriptive title or phrase not confusingly similar to any GE Name and Marks.

(e) Subject to the limitations and conditions set forth in this Section 4.04, Company and its Subsidiaries may create (and their respective contractors may create on their behalf), and Company and its Subsidiaries shall own, derivative works and modifications of the Company Accounting Policies and the Company Policies and Training Materials.

(f) The Company Accounting Policies and the Company Policies and Training Materials may only be (i) used by Company and its Subsidiaries' employees (including contractors), customers (including brokers and licensed agents) and suppliers, (ii) disclosed as required by applicable Law, and (iii) used by an acquirer of Company and its Subsidiaries or any of the businesses, operations or assets of Company and its Subsidiaries to which this Agreement relates, provided that such acquirer executes an agreement to be bound by all obligations of Company and its Subsidiaries under this Agreement relating to such Company Accounting Policies and Company Policies and Training Materials (a copy of which agreement is provided to GE) and provided further that such acquirer shall be limited to use of such Company Accounting Policies and Company Policies and Training Materials solely in connection with such businesses, operations or assets (and not any other businesses, operations or assets of the acquirer).

(g) To the extent that any GE Materials owned by a third party are provided under this Article IV, the provision of such GE Materials hereunder and any use thereof by the Company and its Subsidiaries along with any and all related Company Accounting Policies and Company Policies and Training Materials shall be subject to all of the terms and conditions of the relevant agreement between GE and/or its Affiliate and such third party pursuant to which such GE Materials have been provided to GE.

Section 4.05. Six Sigma Materials

(a) GE, subject to any existing legal or contractual obligations in connection with GE's agreements with the Six Sigma Providers (as defined below) that require GE to assert a claim, agrees not to assert any claim that GE may, now or in the future, have against the Company or its Subsidiaries arising solely out of the Company's or its Subsidiaries' internal use

of Six Sigma Materials owned by GE or any of its Affiliates relating to the Six Sigma program in use by the Company or its Subsidiaries prior to the Effective Date by its or their employees. Notwithstanding the foregoing, GE's agreement not to assert claims against the Company or its Subsidiaries shall not extend to any claim that GE may have at any time against Company or any of its Subsidiaries arising out of or in connection with, and solely to the extent of, (a) any breach of any obligation to maintain the confidentiality of the Six Sigma Materials, (b) use of the GE Name and Marks in connection with the Six Sigma Materials, (c) any use, other than the Company's or its Subsidiaries' internal use in the Business with its employees in accordance with the foregoing, of the Six Sigma Materials, including use of the Six Sigma Materials by the customers or suppliers of the Business, or (d) any claim arising out of circumstances or facts relating to a claim or proceeding against GE or any of its Affiliates by or on behalf of a Six Sigma Provider or any Affiliate thereof. The Company and its Subsidiaries acknowledge and agree that the Six Sigma Materials and other materials owned by others and relating to the Six Sigma program are confidential and proprietary information. Further, the Company agrees to, and shall cause each of its Subsidiaries to, take all actions necessary or advisable to ensure that the Six Sigma Materials and such other materials are not disclosed to any Person other than the Company and its Subsidiaries unless the Company or one of its Subsidiaries procures from the Six Sigma Providers the right to disclose such Six Sigma Materials.

(b) If and to the extent requested by the Company, GE shall use commercially reasonable efforts to assist the Company in its efforts to obtain non-exclusive licenses (or other appropriate rights) to use, duplicate distribute, practice and otherwise exploit as necessary, materials, concepts, software and methodology necessary for the Company and its Subsidiaries to continue the Six Sigma program in use by the Business immediately prior to the Effective Date from the Six Sigma Academy, Maurice L. Berryman, Minitab, Inc., Decisioneering, Inc., PROMODEL Corporation and any other Person with whom GE has a license relating to such Six Sigma program (each, a "Six Sigma Provider"); provided, however, that GE shall not be required to pay any fees or other payments or incur any obligations to enable Company to obtain any such license or rights. The Parties acknowledge and agree that there can be no assurance that GE's efforts will be successful or that Company or any of its Subsidiaries will be able to obtain such licenses or rights on acceptable terms or at all.

(c) If and to the extent that on or prior to the Trigger Date the Company and its Subsidiaries have not obtained licenses (or other appropriate rights) from Six Sigma Providers to use, duplicate and distribute, as necessary, the materials, concepts, software and methodology described in Section 4.05(b), the Company and its Subsidiaries shall cease using any and all such materials, concepts, software and methodologies owned by the party or parties with whom the Company has been unable to obtain such licenses or other rights and return to GE on the Trigger Date all such materials, concepts, software and methodologies.

ARTICLE V TERM AND TERMINATION

Section 5.01. Term. This Agreement shall remain in full force and effect in perpetuity unless terminated in accordance with its terms.

Section 5.02. No Termination. This Agreement may only be terminated upon the mutual written agreement of the parties hereto. In the event of a breach of this Agreement, the sole and exclusive remedy of a non-breaching Party shall be to recover monetary damages and/or to obtain injunctive or equitable relief.

ARTICLE VI CONFIDENTIALITY

Section 6.01. Confidential Information. The provisions of this Article VI shall apply to any confidential or proprietary information or materials included in the GE Intellectual Property or the Company Intellectual Property licensed, and the GE Materials provided, pursuant to this Agreement ("Confidential Information"). Each Party ("Receiving Party") shall keep all Confidential Information of another Party ("Disclosing Party") confidential and shall not and shall cause their Representatives not to, directly or indirectly disclose, reveal, divulge or communicate to any Person (other than its Representatives who reasonably need to know such Confidential Information and are licensed to receive such Confidential Information under Article II and its legal counsel) any such Confidential Information without the prior written consent of the Disclosing Party. The Receiving Party shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Disclosing Party's Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care.

Section 6.02. Exclusions. The confidentiality obligations in this Article VI shall not apply to any Confidential Information which:

- (a) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party),
- (b) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party bound by a confidentiality agreement with or other obligation of secrecy which was breached by the disclosure,
- (c) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such Confidential Information and without otherwise violating any confidentiality agreement with or other obligation of secrecy to the Disclosing Party,
- (d) was in the possession of the Receiving Party at the time of disclosure by the Disclosing Party without restriction as to confidentiality, or
- (e) is required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to be disclosed by any Governmental Authority (including bank regulators acting in accordance with their authority) or pursuant to applicable Law, provided that the Receiving Party (i) uses all reasonable efforts to provide the Disclosing Party with written notice of such request or demand as promptly as

practicable under the circumstances so that the Disclosing Party shall have an opportunity to seek an appropriate protective order or other appropriate remedy, (ii) furnishes only that portion of the Confidential Information which is in the opinion of the Receiving Party's counsel legally required, and (iii) takes, and causes its Representatives to take, all other reasonable steps necessary to obtain confidential treatment for any such Confidential Information required to be furnished. Subject to the foregoing, the Party that received such request or demand may thereafter disclose or provide any Confidential Information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

Section 6.03. Confidentiality Obligations. The Receiving Party shall ensure, by instruction, Contract, or otherwise with its Representatives that such Representatives comply with the provisions of this Article VI. The Receiving Party shall indemnify and hold harmless the Disclosing Party in the event of any breach by the Receiving Party's Representatives of this Article VI. The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its Representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

ARTICLE VII INDEMNIFICATION; DISCLAIMERS; ASSUMPTION OF RISK

Section 7.01. Indemnification by Company. Company shall fully indemnify and hold harmless GE and its Affiliates and their respective directors, officers, employees and agents (collectively, "GE Indemnified Parties") from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) and expenses (collectively, "Damages") incurred by any such GE Indemnified Party based on any third party claim arising out of or relating to (i) except for any third party Intellectual Property covered by Section 7.04, Company's or its Subsidiaries' breach of this Agreement or (ii) the performance, rendering, offering to perform or render, sale, offering for sale, development, promotion or other disposition of products or services by Company or any of its Subsidiaries of products and services using or based on the GE Intellectual Property licensed hereunder (including products liability claims) or other Use of the GE Intellectual Property or GE Materials.

Section 7.02. Indemnification by GE. GE shall fully indemnify and hold harmless Company and its Subsidiaries and their respective directors, officers, employees and agents (collectively, "Company Indemnified Parties") from and against any and all Damages incurred by any such Company Indemnified Party based on any third party claim arising out of or relating to (i) except for any third party Intellectual Property covered by Section 7.04, GE's or its Affiliates' breach of this Agreement or (ii) the performance, rendering, offering to perform or render, sale, offering for sale, development, promotion or other disposition of products or services by GE or any of its Affiliates of products and services using or based on the Company Intellectual Property licensed hereunder (including products liability claims) or other Use of the Company Intellectual Property.

Section 7.03. Indemnity Procedures. Any indemnified party submitting an indemnity claim under Section 7.01 or 7.02, as applicable ("Indemnified Party"), shall:
(a) promptly notify the indemnifying Party under Section 7.01 or 7.02, as applicable ("Indemnifying

Party”), of such claim in writing and furnish the Indemnifying Party with a copy of the applicable communication, notice or other action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this clause (a) shall relieve the Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party’s ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party’s expense) and the sole right to compromise and settle such suit or proceeding; provided, however, that in the case of the foregoing clauses (b) and/or (c), the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party and (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding. Notwithstanding anything in this Article VII to the contrary, with respect to any claim covered by Section 7.01 or 7.02, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

Section 7.04. Third Party IP. To the extent that any Intellectual Property owned by a third party is sublicensed under Section 2.01 or 2.02 by a Licensor, such Licensor shall offer to provide the Licensee with the benefit of any representations, warranties and indemnities in connection with such Intellectual Property that are permitted to be offered by such Licensor to the Licensee under and subject to the terms and conditions of the applicable agreement

Section 7.05. DISCLAIMER OF WARRANTIES. SUBJECT TO SECTION 7.04 BUT OTHERWISE NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE INTELLECTUAL PROPERTY LICENSED BY THE LICENSOR PURSUANT TO THIS AGREEMENT IS FURNISHED “AS IS”, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUALITY, USEFULNESS, COMMERCIAL UTILITY, ADEQUACY, OR COMPLIANCE WITH ANY LAW, DOMESTIC OR FOREIGN, AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE. EACH OF THE PARTIES EXPRESSLY DISCLAIMS THAT IT IS OWED ANY DUTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT, AND WAIVES AND RELEASES ANY AND ALL TORT CLAIMS AND CAUSES OF ACTION THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT, OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

Section 7.06. DISCLAIMER OF CONSEQUENTIAL AND OTHER DAMAGES OTHER THAN IN CONNECTION WITH ANY BREACH OF ARTICLE VI. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (PROVIDED THAT ANY SUCH LIABILITY WITH RESPECT TO A THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) OF SUCH OTHER PARTY ARISING IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 7.07. Assumption of Risk. The Licensee hereby assumes all risk and liability in connection with its use of the GE Intellectual Property or the Company Intellectual Property, as the case may be.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.01. Assignment.

(a) This Agreement shall not be assignable, in whole or in part, by any party hereto to any third party, including Affiliates of any party hereto, without the prior written consent of the other parties hereto, and any attempted assignment without such consent shall be null and void. Notwithstanding the foregoing, this Agreement may be assigned by any party hereto as follows without obtaining the prior written consent of the other parties hereto:

(i) GE, in its sole discretion, may assign this Agreement, and any or all of its rights under this Agreement, and may delegate any or all of its duties under this Agreement to any Affiliate of GE at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such duties, provided that GE shall continue to remain liable for the performance by such assignee.

(ii) Company, in its sole discretion, may assign this Agreement, and any or all of its rights under this Agreement, and may delegate any or all of its duties under this Agreement to any Subsidiary of Company at any time, which expressly accepts such assignment in writing and assumes, as applicable, any such duties, provided that Company shall continue to remain liable for the performance by such assignee.

(iii) Each party hereto may assign any or all of its rights, or delegate any or all of its duties, under this Agreement to (i) an acquirer of all or substantially all of the equity or assets of the business of such party to which this Agreement relates or (ii) the surviving entity in any merger, consolidation, equity exchange or reorganization involving such party, provided that such acquirer or surviving entity, as the case may be, executes an agreement to be bound by all the obligations of such party under this Agreement and a copy of such agreement is provided to the other parties hereto.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their successors, legal representatives, and permitted assigns. All license rights and covenants contained herein shall run with all Intellectual Property of the Parties licensed hereunder and shall be binding on any successors in interest or assigns thereof.

Section 8.02. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of Laws principles of the State of New York other than Section 5-1401 of the General Obligations Law of the State of New York.

Section 8.03. Force Majeure. No Party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (i) notify the other Parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

Section 8.04. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.04):

If to GE and its Affiliates, to:

General Electric Company
3135 Easton Turnpike
Fairfield, CT 06828
Attention: Senior Counsel for Transactions
Fax: (203) 373-3008

General Electric Capital Corporation
901 Main Avenue
Norwalk, CT 06851
Attention: William Bandon, Lead Executive Counsel – IT, Sourcing and Operations
Fax: (203) 907-1806

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Howard Chatzinoff, Esq.
Fax: (212) 310-8007

If to Company and its Subsidiaries, to:

Synchrony Financial
777 Long Ridge Road
Stamford, CT 06902
Attention: General Counsel
Fax: (203) 567-8103

Section 8.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 8.06. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Exhibits hereto), together with the Master Agreement, constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

Section 8.07. No Third-Party Beneficiaries. Except as provided in Article VII with respect to the GE Indemnified Parties and Company Indemnified Parties, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.08. Public Announcements. The Parties shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

Section 8.09. Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties hereto. No waiver by any party hereto of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party hereto so waiving. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

Section 8.10. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, and Exhibit are references to the Articles, Sections, paragraphs, and Exhibits to this Agreement unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the table of contents and headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

Section 8.11. Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement or the validity, interpretation, breach or termination of any provision of this Agreement shall be resolved in accordance with Article IX of the Master Agreement.

Section 8.12. Specific Performance. Each Party acknowledges and agrees that the breach of this Agreement would cause irreparable damage to another Party affected thereby and that such Party will not have an adequate remedy at law. Therefore, the obligations of the Parties under this Agreement shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any Party may have under this Agreement or otherwise.

Section 8.13. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.13.

Section 8.14. Relationship of the Parties. Nothing contained herein is intended or shall be deemed to make a Party the agent, employee, partner or joint venturer of the other Parties or be deemed to provide such Party with the power or authority to act on behalf of the other Parties or to bind the other Parties to any contract, agreement or arrangement with any other individual or entity.

Section 8.15. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, GE, GECC and Company have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GENERAL ELECTRIC COMPANY

By _____
Name:
Title:

GENERAL ELECTRIC CAPITAL CORPORATION

By _____
Name:
Title:

SYNCHRONY FINANCIAL

By _____
Name:
Title:

EXHIBITS

EXHIBIT A GE Restricted Intellectual Property

EXHIBIT B Company Restricted Intellectual Property

EXHIBIT A

GE Restricted Intellectual Property

EXHIBIT B

Company Restricted Intellectual Property



GE Capital
Retail Finance

Margaret M Keane
President & CEO

777 Long Ridge Road
Stamford, CT 06902
USA

T +1 203 585 6150
F + 1 203 585 6652

[Date]

FirstName LastName

RE: Retail Finance Transaction Award

Dear FirstName:

As you know, GE Capital is contemplating a potential IPO of GE Capital Retail Bank and GE Capital Retail Finance, Inc. (collectively the “Company”). This transaction will include an Initial Public Offering (“IPO”), when shares of the new company are offered to the public, and a subsequent Change In Control (“CIC”), at which point GE’s ownership of the new entity will be less than fifty percent (50%). In connection with this transaction, you have been identified as a key employee who we believe is critical to both the IPO and the CIC.

Consequently, we are offering you and other select employees a special Transaction Award (the “Award”), as outlined below. We want to make you this special offer in order to help incent you to remain dedicated to this new venture while, as always, putting forth your best efforts toward a successful transition. This Award is beyond your normal base salary, incentive compensation and benefits.

I. Eligibility Factors:

In order to be eligible for any award, you must:

- Stay on active payroll in your current role, or another role in the Company if approved by the Company’s Human Resources Leader, and maintain fully satisfactory performance up until the applicable payment dates;
- Maintain full compliance with the Company’s policies, such as the Employee Innovation and Proprietary Information Agreement, “Integrity: The Spirit and Letter of Our Commitment”, or any other applicable integrity and workplace policies;
- Agree to abide by the terms of the non-compete/non-solicit provisions set forth below in section IV; and
- Agree to keep the terms of this letter strictly confidential and not disclose them to any person at any time, other than your spouse, legal or financial advisor(s).

II. Award Payment:

If you satisfy all of the conditions described in Section I, you will be eligible for an Award equal to **100%** of your current base salary plus your 2012 Bonus/Incentive Compensation payment (which was paid in February 2013) for a total Award amount of \$Amount distributed according to the following schedule:

- a.) 50% of the total Award amount (less any amounts required for taxes and other deductions) to be paid within sixty (60) days of the IPO;
- b.) 50% of the total Award amount (less any amounts required for taxes and other deductions) to be paid within sixty (60) days of the CIC.

Award payments are not subject to deductions for pension, S&SP or any other employee benefit program.

III. Termination of Employment

If you retire or take a leave of absence of greater than six months before any of the payment dates set forth above, you may receive a pro rata portion of any unpaid Award amounts in an amount and as determined by the Company.

If you are laid off for lack of work before any of the payment dates set forth above, you will receive all unpaid award amounts within sixty (60) days of your separation, contingent upon execution of the Company's standard form of separation agreement, including a general release of all claims. If you were to pass away prior to receiving any portion of the payments, any unpaid amounts will be awarded within sixty (60) days of notification.

If your employment terminates for any other reason, such as voluntary resignation or termination for "Cause" (as determined by the Company), you will forfeit any unpaid Award amounts.

IV. Non-Compete/Non-Solicit:

In consideration of your eligibility for this Award, you agree that, as allowed by applicable law, while you remain employed by the Company, and for eighteen (18) months thereafter, you will not, without prior written authorization by the Human Resources Leader for the Company, on your own behalf or in connection with any other person, directly or indirectly: (1) solicit or encourage any Company employee to terminate his/her employment relationship or to accept any other employment; (2) hire any person who is, or was, within one year before or after the date of your separation from employment, a Company employee; (3) provide any information regarding a Company employee, including, but not limited to compensation data, performance evaluations, etc., to any person, including, but not limited to recruiters and prospective employers; or (4) solicit, do business with, or interfere in any way with the business relationship between the Company and any of its customers or clients. In addition, you agree that, as allowed by applicable law, if you voluntarily terminate your employment with the Company within twenty four (24) months after the CIC, you will not enter into an employment or contractual relationship, either directly or indirectly, to provide services similar to those you provided to the Company to any competitor of the Company in the US consumer credit industry for eighteen (18) months from your termination of employment.

V. Other terms:

This Transaction Award is offered only in relation to the currently contemplated IPO, and will not be applicable to any other sales, transfers or dispositions of any or all of the assets of the Company. Your selection for eligibility for this Award does not imply participation in any future programs or plans that the Company may offer and does not change your at will employment status. The Award may be amended or cancelled at any time and will be interpreted at the Company's discretion. You understand that all terms relating to the Award are contained in this letter.

I ACKNOWLEDGE THAT I UNDERSTAND AND AGREE TO ABIDE BY THIS AGREEMENT AND INTEND TO BE LEGALLY BOUND BY IT.

GE Capital Retail Bank/GE Capital Retail Finance, Inc.

EMPLOYEE

By: _____
Margaret Keane
President & CEO

Employee Signature

Date: _____

Date: _____

Last Name, First Name
SSO#
Function

OPERATING AGREEMENT

**By and Between
GE Capital Retail Bank
and
The Office of the Comptroller of the Currency**

WHEREAS, GE Capital Retail Bank, Draper, Utah (“Bank”) is a federal savings association supervised by the Office of the Comptroller of the Currency (“OCC”);

WHEREAS, the Bank is currently wholly owned directly by GE Consumer Finance, Inc. (“Finance”), which is owned by General Electric Capital Corporation (“Holding Company”);

WHEREAS, a plan is in place for a directly owned subsidiary of Finance, known as GE Capital Retail Finance Corporation (“Retail Finance”), to directly own the Bank through a corporate restructuring known as “Project Granite”;

WHEREAS, the Bank filed with the OCC on September 21, 2012, an application under the Bank Merger Act and 12 C.F.R. § 163.22(a) to acquire approximately \$6.5 billion of deposits from MetLife N.A. (“Bank Merger Act application”);

WHEREAS, the OCC approved the Bank Merger Act application on December 12, 2012 and subject to certain conditions imposed in writing, including a condition that the Bank enter into this Operating Agreement (“Agreement”) with the OCC;

WHEREAS, the Holding Company, the Immediate Parent Company, the Bank, and the OCC seek to ensure that the Bank operates in a safe and sound manner and in accordance with all applicable laws, rules and regulations;

NOW THEREFORE, it is agreed between the OCC, by and through its authorized representative, and the Bank, by and through its Board of Directors (“Board”), that the Bank shall enter into and at all times operate in compliance with the articles of this Agreement in all material respects.

**ARTICLE I
JURISDICTION**

(1) The Bank is a federal savings association examined by the OCC pursuant to the Home Owners’ Loan Act of 1933, as amended, 12 U.S.C. § 1461 et seq. and is a “Federal savings association” within the meaning of 12 U.S.C. § 1813(b)(2).

(2) The OCC is the “appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

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(3) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818.

(4) This Agreement shall not be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 163.555, unless the OCC informs the Bank otherwise.

(5) This Agreement shall not be construed to be a “written agreement, order [or] capital directive” within the meaning of 12 C.F.R. § 165.4, unless the OCC informs the Bank otherwise.

ARTICLE II
THE BANK’S MINIMUM CAPITAL AND LIQUIDITY REQUIREMENTS

(1) At all times, the Bank shall continue to maintain capital (the Bank’s “Minimum Capital Requirement”) at least equal to the greater of:

- (a) the amount required in order for the Bank to have total risk-based capital of at least eleven percent, Tier 1 risk-based capital of at least seven percent, and a leverage ratio of at least six percent; or
- (b) such other higher amount as the OCC may require pursuant to the exercise of its regulatory authority under 12 U.S.C. § 1818, 12 C.F.R. Part 167, or in connection with any action on any application, notice, or other request made by the Bank.

(2) At all times, the Bank shall maintain liquidity in the form of Liquid Assets in an amount at least equal to the greater of five hundred million dollars (\$500,000,000) or ninety (90) days coverage of operating expenses (the Bank’s “Minimum Liquidity Requirement”).

(3) Within thirty (30) days after the Effective Date of this Agreement, the Board shall adopt (and/or update as appropriate), implement, and maintain a system to analyze and maintain levels of capital and liquidity commensurate with the Bank’s risk profile, in conformance with OCC Bulletin 2012-16, Capital Planning – Guidance for Evaluating Capital Planning and Adequacy (June 7, 2012), the “Liquidity” booklet of the Comptroller’s Handbook (June 2012) as applicable, and any subsequent OCC guidance. The Board shall review the Bank’s capital and liquidity periodically, and at least annually for capital and quarterly for liquidity, to determine if the Bank requires additional capital or liquidity. At any time the Board determines the Bank requires capital in excess of the Minimum Capital Requirement (the Bank’s “Additional Capital Requirement”) or liquidity in excess of the Minimum Liquidity Requirement (the Bank’s “Additional Liquidity Requirement”), the Bank shall seek the assistance of the Holding Company and Immediate Parent Company as necessary and promptly raise capital and/or increase liquidity to meet the Additional Capital Requirement and/or the Additional Liquidity Requirement.

CONFIDENTIAL TREATMENT REQUESTED

(4) The Bank shall not declare or pay a dividend or reduce its capital unless:

- (a) the Bank is in compliance with the Minimum Capital Requirement of paragraph (1) and the Minimum Liquidity Requirement of paragraph (2) and would remain in compliance immediately following the declaration or payment of any dividend or any reduction in capital;
- (b) the Bank is in compliance with the Business Plan required under Article IV in all material respects and would remain in compliance following the dividend or capital reduction;
- (c) the Bank is in compliance with the provisions of this Agreement in all material respects and would remain in compliance following the dividend or capital reduction; and
- (d) the declaration or payment of the dividend or the reduction in capital is in compliance with 12 C.F.R. Part 163, Subpart E.

(5) If the Bank fails to maintain the level of capital required by the Minimum Capital Requirement or the level of liquidity required by the Minimum Liquidity Requirement or fails to comply with paragraph (4), then the Bank shall be deemed not in compliance with this Article, and the Bank shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 165. For purposes of this requirement, an action “necessary to carry out the purpose of this section” under 12 U.S.C. § 1831o(e)(5) shall include restoration of the Bank’s capital and liquidity to levels that comply with the Minimum Capital Requirement and the Minimum Liquidity Requirement, and any other action deemed advisable by the OCC to address the Bank’s capital or liquidity deficiency or the safety and soundness of its operations.

ARTICLE III
CAPITAL ASSURANCE AND LIQUIDITY MAINTENANCE AGREEMENT

(1) No later than three (3) business days after the Effective Date of this Agreement, the Bank shall execute and at all times maintain a legally enforceable Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) with Holding Company and Immediate Parent Company in a form acceptable to the OCC that sets forth the Bank’s right and obligation to seek and obtain all necessary capital and liquidity support from Holding Company and Immediate Parent Company and Holding Company’s and Immediate Parent Company’s obligation to provide the Bank with such support.

(2) The terms of the CALMA at a minimum shall require Holding Company and Immediate Parent Company to provide the Bank with all financial support necessary to ensure the maintenance of capital and liquidity required under Article II of this Agreement.

(3) Notwithstanding the foregoing, it shall not be a violation of this Agreement if the CALMA terminates in accordance with Section 5(B) of the CALMA.

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(4) Upon execution of the CALMA, the Bank shall forward a copy to the OCC, along with certified copies of the resolutions adopted by the Bank's Board, by Holding Company's board of directors, and by Immediate Parent Company's board of directors evidencing their respective approvals and authorizations to enter into and be bound by the CALMA.

(5) The Bank shall take all actions necessary to exercise its rights and enforce the terms of the CALMA, if and when necessary. Any Bank demand or request to Holding Company or Immediate Parent Company for compliance with the CALMA shall be in writing, and the Bank shall provide the OCC with a copy of such written demand or request within one (1) day after delivery to Holding Company or Immediate Parent Company.

(6) The Bank shall not modify, amend or terminate, nor agree or consent to a modification, amendment or termination of the CALMA without obtaining a prior written supervisory non-objection from the OCC.

ARTICLE IV
BUSINESS PLAN; NO SIGNIFICANT DEVIATION

(1) Until the Business Plan required under paragraph (2) has been submitted by the Bank for OCC review, has received a written determination of no supervisory objection ("Supervisory Non-Objection") within 30 days of submission (provided that the OCC shall be deemed to have provided Supervisory Non-Objection if the OCC does not provide the Bank with a written determination within the stated timeframe), and is being implemented by the Bank, the Bank shall not materially change its related business, policies, or operations, other than implementation of the acquired business, implementation of Project Granite, and actions in the ordinary course of business, without providing notice and obtaining Supervisory Non-Objection of the OCC with respect to such change.

(2) Within one hundred twenty (120) days after the Effective Date of this Agreement the Bank shall submit a revised Business Plan that includes: (a) the Bank's existing business plan and any modifications to that plan as of December 4, 2012, (b) the Bank's plan to diversify its funding consistent with supervisory guidance, and (c) the Bank's plan to integrate and develop the business platform acquired from MetLife Bank, to the OCC for Supervisory Non-Objection, provided, however, that Supervisory Non-Objection is deemed to be provided with respect to elements (a) and (b) above. The revised Business Plan shall meaningfully reduce the Bank's reliance on brokered deposits and other volatile sources of funds. The revised Business Plan shall include measurable risk reduction targets and details addressing plan compliance monitoring and reporting. The revised Business Plan shall cover calendar years 2013 and 2014.

(3) Once the Bank receives the Supervisory Non-Objection from the OCC required by paragraph (2) of this Article, the Bank shall promptly adopt, implement, and thereafter adhere to the Business Plan in all material respects.

(4) Once the Business Plan is adopted, the Bank shall not make a material change to or significantly deviate from the Business Plan unless the Bank has first given the OCC at least thirty (30) days prior written notice of its intent to do so, and obtained the OCC's prior

CONFIDENTIAL TREATMENT REQUESTED

Supervisory Non-Objection. The Bank's request for Supervisory Non-Objection to a material change or significant deviation shall include, at a minimum, (a) an assessment of the adequacy of the Bank's management, staffing levels, organizational structure, financial condition, capital adequacy, funding sources, management information systems, and internal controls, and (b) the Bank's evaluation of its capability to identify, measure, monitor, and control any risks associated with the proposed significant deviation.

(5) Once the Bank receives Supervisory Non-Objection from the OCC for a material change or significant deviation from the Business Plan, the Bank shall revise the Business Plan to reflect the change and the Bank shall implement and thereafter adhere to the revised Business Plan in all material respects. If, after receiving Supervisory Non-Objection from the OCC for a significant deviation from or change to its Business Plan, the Bank decides not to make such change, the Bank shall, within ten (10) days of its decision, provide written notice to the OCC.

(6) For purposes of this Article, significant deviations or changes that may have a material impact on the Business Plan include, but are not limited to, any significant deviations from or material changes consistent with the description provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual* (February 2009).

(7) The Bank shall not operate or conduct business in a manner materially inconsistent with the most recent Business Plan that has received Supervisory Non-Objection from the OCC.

(8) The Board shall ensure that performance under the Business Plan is reviewed at least quarterly. All reports furnished to the Board for reviewing the Bank's performance, and documentation of the Board's reviews, shall be maintained at the Bank and be readily available to OCC personnel upon request.

(9) The Board shall ensure that the Business Plan is updated by December 31, 2013 to cover calendar year 2014. If there is no material change to the Business Plan in the update other than the updated financial projections, the Bank shall so certify to the OCC within ten (10) days of the Board's review and update. If the Bank proposes a material change to the Business Plan in the update, the Bank shall submit the amended Business Plan to the OCC for review and Supervisory Non-Objection and shall not implement any proposed material change until it has received Supervisory Non-Objection from the OCC.

ARTICLE V
AUDIT; DIRECTORS; RISK MANAGEMENT

(1) In addition to complying with the board composition requirements of 12 C.F.R. § 163.33, within five (5) days after the Effective Date of this Agreement and at all times thereafter, at least forty percent (40%) of the members of the Bank's Board must be independent directors. For purposes of this provision, an "independent director" is one that (a) is not an officer or employee of the Bank, (b) is not an officer, principal, managing member, or employee of the

CONFIDENTIAL TREATMENT REQUESTED

Holding Company or the Immediate Parent Company or any other affiliate (as defined herein), (c) is otherwise “independent of management” within the meaning of 12 C.F.R. Part 363, and (d) has not been otherwise determined by the OCC to lack sufficient independence.

(2) The Bank shall maintain an Audit Committee that shall be comprised of at least five (5) Bank directors, none of whom are officers or employees of the Bank, and all of whom are independent directors as defined in paragraph (1).

(3) The Board shall ensure that an independent audit of the Bank is performed during the first three years of operations after the date of this Agreement. The Bank shall maintain available to OCC examiners: (i) a copy of the audited financial statements and the independent public auditor’s report thereon within 120 days after the end of the Bank’s year; (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 calendar days after their receipt by the Bank; and (iii) written notification within 15 days after a change in the Bank’s independent accountant.

(4) During the three years immediately following the effective date of this Agreement, at least fifteen (15) calendar days before appointing any new senior executive officer (as defined in 12 C.F.R. § 163.555) or seating any new director, the Bank shall provide prior notice to the OCC. If the OCC does not object to the notice, or request additional information regarding the notice, within fifteen (15) calendar days of OCC’s receipt of the notice, then the Bank may proceed with the action proposed in the notice. If the OCC objects to the notice or requests additional information regarding the notice within fifteen (15) days of the OCC’s receipt of the notice, the Bank shall not proceed with the action proposed in the notice until it obtains Supervisory Non-Objection from the OCC.

(5) The Bank shall maintain and adhere to its existing risk management program (including appropriate written policies and procedures) and shall ensure, on an ongoing basis, that it remains consistent with the size, complexity and geographic diversification of the Bank’s business model and corporate structure. The Bank shall, independently of the Holding Company and Immediate Parent Company, complete and maintain on an ongoing basis, a risk assessment of its relationship with, and dependence on, the Holding Company and the Immediate Parent Company, focusing on the identification, measurement, monitoring, and management of any risk factors that could potentially and negatively impact the Bank; at a minimum, the risk assessment shall consider the Holding Company’s and Immediate Parent Company’ financial condition, performance, and reputational risk under a variety of scenarios; and based on this assessment, the Bank shall take actions to ensure that appropriate corporate separateness will be maintained between the Bank and such companies, that appropriate contingency plans are maintained and encompass deposit activities and any other services or support provided by the relationship, and that any potential deterioration of such companies will not negatively impact the Bank.

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ARTICLE VI
TRANSACTIONS WITH AFFILIATES

(1) The Board shall ensure that all contracts, agreements, and transactions between the Bank and any affiliate, both domestic and foreign, are fair and equitable to the Bank, are in the Bank's best interest, and are conducted in compliance with 12 U.S.C. § 1468(a), 12 U.S.C. §§ 371c and 371c-1, 12 C.F.R. Part 223 (Regulation W), other applicable federal law, and this Article.

(2) Within sixty (60) days after the Effective Date of this Agreement, the Bank shall adopt (and/or update as appropriate), implement and thereafter adhere to written policies and procedures concerning contracts, agreements, transactions, and other relationships between the Bank and any affiliate. The policies and procedures shall include measures to ensure that the Bank's interests are independently assessed and appropriately protected and that the contracts, agreements, transactions, and relationships comply with applicable law and are on terms and conditions that are at least as favorable to the Bank as those for comparable transactions with unrelated third parties.

(3) During the three years immediately following the effective date of this Agreement, no later than thirty (30) days after each quarter-end, the Bank shall submit a report to the OCC in sufficient detail so as to demonstrate compliance with 12 U.S.C. § 1468(a), 12 U.S.C. §§ 371c and 371c-1, and Regulation W. As required by applicable law and regulation, a written list of all transactions, contracts, and agreements, and copies of any contracts and agreements, with any affiliate shall be maintained at the Bank and readily available to OCC personnel upon request.

(4) During the three years immediately following the effective date of this Agreement, at least fifteen (15) calendar days before entering into any new, material contract for services with any affiliate, the Bank shall provide prior notice to the OCC. If the OCC does not object to the notice, or request additional information regarding the notice, within fifteen (15) calendar days of OCC's receipt of the notice, the Bank may proceed with the action proposed in the notice. If the OCC objects to the notice or requests additional information regarding the notice within fifteen (15) days of the OCC's receipt of the notice, the Bank shall not proceed with the action proposed in the notice until it obtains Supervisory Non-Objection from the OCC.

(5) During the three years immediately following the effective date of this Agreement, the Bank shall provide written notice to the OCC at least thirty (30) days prior to entering into any new, material transaction or series of transactions with a non-U.S. affiliate unless the OCC agrees to a shorter period; and shall, prior to entering into any new, material transaction or series of transactions with a non-U.S. affiliate, and until such transaction or series of transactions is consummated or terminated, obtain and maintain current financial information on that affiliate and make that information available for examiner review at the Bank's main office in the U.S. At a minimum, such financial information shall include an annual income statement and balance sheet no more than 18 months old, expressed in U.S. dollars, and written in English.

(6) The Bank shall submit annually to the OCC the Holding Company's Form FR Y-6 within thirty (30) days of the date it is filed with the Federal Reserve.

CONFIDENTIAL TREATMENT REQUESTED

ARTICLE VII
FINANCIAL CONDITION MONITORING; NOTICE TO OCC

(1) The Bank shall ensure that it monitors the Holding Company, the Immediate Parent Company, and the Bank's other affiliates sufficiently for the Bank to identify financial or other developments that could have a material adverse effect on the Bank. The Bank shall maintain and have available for examiner review current financial information on the Holding Company and the Immediate Parent Company, and the Bank's determination regarding the financial condition of the Holding Company and the Immediate Parent Company. The Bank shall notify the OCC in writing within five (5) business days after discovery of any material change to the financial condition of the Holding Company, the Immediate Parent Company, or any other Bank affiliate that could adversely affect the ability of the Holding Company or the Immediate Parent Company to comply with its obligations under the CALMA or that could adversely affect the Bank's ability to comply with its obligations under this Agreement. For purposes of this paragraph, "material" shall have the same meaning accorded to that term in Securities and Exchange Commission Staff Accounting Bulletin No. 99 on Materiality.

(2) The Bank shall provide written notification to the OCC within thirty (30) days of becoming aware of any person who acquires control, directly or indirectly, of ten (10) percent or more of the voting shares of either the Holding Company or the Immediate Parent Company.

(3) The Bank shall notify the OCC in writing within five (5) business days after:

- (a) The Bank discovers any material breach or violation of Articles II, III, IV, V, VI or VII of this Agreement by the Bank;
- (b) The Bank determines that a future material breach or violation of Articles II, III, IV, V, VI, or VII of this Agreement by the Bank is probable;
- (c) The Bank discovers any material breach or violation of any provision of the CALMA by the Holding Company or the Immediate Parent Company; or
- (d) The Bank determines that a future material breach or violation of any provision of the CALMA by the Holding Company or the Immediate Parent Company is probable.

ARTICLE VIII
DISPOSITION PLAN

(1) The Board shall, within five (5) business days following notice from the OCC, prepare and submit to the OCC a Disposition Plan acceptable to the OCC, if the OCC determines in writing, in its sole discretion, that:

- (a) there is a material existing or imminent breach or violation of Articles II or III of this Agreement and such breach or violation is deemed to be significant;

CONFIDENTIAL TREATMENT REQUESTED

-
- (b) there is a material existing or imminent breach or violation of Article IV of this Agreement, which has not been cured within thirty (30) days of receiving written notice of such material breach or violation from the OCC;
 - (c) there is a material existing or imminent breach of the CALMA by the Bank or the Holding Company or the Immediate Parent Company and such breach or violation is deemed to be significant; or
 - (d) there has been a material adverse change in the financial condition of the Holding Company or the Immediate Parent Company and the Holding Company and the Immediate Parent Company are deemed likely to be unable to fulfill their obligations under the CALMA. For purposes of this paragraph, "material" shall have the same meaning accorded to that term in Securities and Exchange Commission Staff Accounting Bulletin No. 99 on Materiality.

(2) Upon obtaining a written non-objection to the Disposition Plan from the OCC and receiving a written direction from the OCC to begin implementing such Disposition Plan, the Board shall promptly implement and thereafter adhere to the Disposition Plan, provided that such implementation is not required if the breach, violation or change arising under subsection (1)(a)-(d) that is the basis for such direction has been cured within fifteen (15) days of issuance of such direction.

(3) The Disposition Plan shall detail in writing the Board's proposal to: (i) sell, (ii) merge, or (iii) dissolve the Bank, without loss or cost to the OCC or the Federal Deposit Insurance Corporation. In the event that the Disposition Plan submitted by the Board outlines a sale or merger of the Bank, the Disposition Plan, at a minimum, shall address the steps that will be taken to ensure that the sale or merger occurs not later than thirty (30) calendar days after the Board's receipt of the OCC's direction to begin implementing the Disposition Plan and the receipt of all necessary regulatory approvals. If the Disposition Plan outlines a dissolution of the Bank, the Disposition Plan shall detail the actions and steps necessary to accomplish the dissolution in conformance with 12 C.F.R. §146.4 and the dates by which each step of the dissolution shall be completed, including the date by which the Bank proposes to terminate its corporate existence. In the event of dissolution, the Bank shall hold a shareholder vote pursuant to 12 C.F.R. §146.4 and commence dissolution within thirty (30) days of receiving the OCC's direction to begin implementing the Disposition Plan.

(4) The Disposition Plan shall include provisions addressing any potential harm caused or likely to be caused to the clients, customers, and creditors of the Bank, the steps the Bank will take to mitigate such harm, and the steps the Bank will take to compensate clients, customers, and creditors for harm that is not mitigated.

(5) Failure to submit a timely Disposition Plan that is acceptable to the OCC, or failure to implement and adhere to the Disposition Plan after the Board obtains a written supervisory non-objection from the OCC, shall be deemed by the OCC to constitute a violation of this Agreement.

CONFIDENTIAL TREATMENT REQUESTED

ARTICLE IX
TERMINATION OF CREDIT EXTENSION

(1) Upon notice from the OCC, the Bank shall immediately cease to extend new or additional credit, including, but not limited to, credit that would produce any new or additional Credit Card Receivables when the OCC, in its sole discretion, has determined in writing that:

- (a) an existing or imminent material breach or violation of Article II or Article III is deemed significant, is deemed likely to pose an imminent threat to the financial condition of the Bank, and has not been cured within five (5) days of receiving written notice of such material breach or violation from the OCC;
- (b) an existing or imminent material breach or violation identified pursuant to paragraph (1) of Article VII is deemed significant, is deemed likely to pose an imminent threat to the financial condition of the Bank, and has not been cured within five (5) days of receiving written notice of such material breach or violation from the OCC;
- (c) a material adverse change in the financial condition of the Holding Company or the Immediate Parent Company is such that the Holding Company and the Immediate Parent Company are deemed likely to be unable to fulfill their obligations under the CALMA; and such change in financial condition is deemed likely to pose an imminent threat to the financial condition of the Bank and has not been remedied within five (5) days of receiving written notice from the OCC;
- (d) a Disposition Plan has been required under Article VIII and has not been adopted or implemented in a timely manner; or
- (e) the Bank is not timely meeting the terms of a Disposition Plan adopted and implemented under Article VIII.

ARTICLE X
DEFINITIONS

(1) For purposes of this Agreement, the term "Liquid Assets" shall mean: (i) unencumbered cash; (ii) deposits at insured depository institutions with a maturity of 90 days or less; (iii) United States government obligations maturing within 90 days or less; and (iv) such

CONFIDENTIAL TREATMENT REQUESTED

other assets as to which the Bank has obtained a written non-objection from the OCC. The term Liquid Assets shall not include any assets that are pledged in any manner, nor any assets that are not free and kept free from any lien, encumbrance, charge, right of set off, credit or preference in connection with any claim against the Bank. The term Liquid Assets shall not include any obligation of the Holding Company or Immediate Parent Company.

(2) For purposes of this Agreement, the term “Immediate Parent Company” includes Finance at any time when Finance is a direct or indirect parent of the Bank, and includes Retail Finance at any time that Retail Finance is a direct or indirect parent of the Bank.

(3) For purposes of this Agreement, the term “affiliate” is as defined in Regulation W (12 C.F.R. § 223.2).

ARTICLE XI CONCLUDING PROVISIONS

(1) Effective Date. This Agreement shall become effective immediately upon its execution by all parties hereto (“Effective Date”).

(2) Term of Agreement. The term of this Agreement shall commence on the Effective Date and will continue unless or until (a) it is terminated in writing by the OCC, (b) the consummation of a merger, consolidation, or other business combination in which the Bank is not the resulting entity, or (c) the Bank otherwise ceases to be a Federal savings association.

(3) Amendment, Exception, Modification or Waiver. The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or are excepted, modified, waived, or terminated in writing by the Comptroller or his duly authorized representative. The Bank may seek termination of all or any portion of this Agreement, or exceptions, modifications, or waivers of all or any portion hereof, from the OCC at any time, which relief may be granted by the OCC in its sole judgment.

(4) Extensions of Time. Any time limitations imposed by this Agreement shall begin to run from the Effective Date of this Agreement. Such time requirements may be extended in writing by the Comptroller or his duly authorized representative for good cause upon written application by the Board.

(5) Other Action. It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(6) Board Responsibility. In each instance in this Agreement in which the Board is required to act, the Board shall be obligated to take such measures within the scope of their authority necessary to accomplish such act, and, to the extent that such measures involve directions to management of the Bank, the Board shall be obligated to ensure that management of the Bank follows such directions.

CONFIDENTIAL TREATMENT REQUESTED

(7) Controlling Agreement. To the extent that any of the provisions of this Agreement conflict with the terms found in any existing agreement between the Comptroller and the Bank, the provisions of this Agreement shall control.

(8) Agreement not a Contract. This Agreement is intended, and shall be construed to be a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the OCC or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither it nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no OCC officer or employee has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC’s exercise of its supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements, or negotiations between the parties, whether oral or written.

(9) Execution in Counterparts. This Agreement may be executed in counterparts each of which shall be considered an original and all of which together shall constitute one and the same instrument.

(10) Notices. All notices, written submissions, or other correspondence required by, included in, or relating to this Agreement shall be in writing and shall be made by electronic mail or facsimile transmission, with a copy sent by overnight mail, to the following persons:

If to the OCC:

Deputy Comptroller for Large Banks
Office of the Comptroller of the Currency
With a copy to: OCC Supervisory Office

If to the Bank:

Board of Directors
GE Capital Retail Bank
170 Election Road
Draper, Utah 84020
ATTN: Kurt Grossheim

CONFIDENTIAL TREATMENT REQUESTED

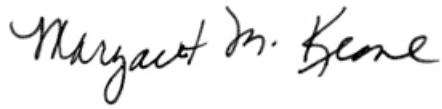
IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

Vance Price
Deputy Comptroller for Large Banks

Date

CONFIDENTIAL TREATMENT REQUESTED

IN TESTIMONY WHEREOF, the undersigned, as the directors of the Bank, have hereunto set their hands on behalf of the Bank.



Margaret Keane

January 11, 2013
Date



Kurt Grossheim

January 11, 2013
Date



Brian Doubles

January 11, 2013
Date



Henry Greig

January 11, 2013
Date

Ryan Zanin

January 11, 2013
Date

Kevin Bailey

January 11, 2013
Date

Smith Hickenlooper

January 11, 2013
Date

George Sutton

January 11, 2013
Date

Jack Zimmermann

January 11, 2013
Date

Steve Courchaine

January 11, 2013
Date

Preston Jackson

January 11, 2013
Date

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January 11, 2013

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January 11, 2013

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Kevin Bailey

January 11, 2013

Date

Smith Hickenlooper

January 11, 2013

Date

George Sutton

January 11, 2013

Date



John (Jack) Zimmermann

January 11, 2013

Date

Steve Courchaine

January 11, 2013

Date

Preston Jackson

January 11, 2013

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January 11, 2013

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George Sutton

January 11, 2013

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Jack Zimmermann

January 11, 2013

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Steve Courchaine

January 11, 2013

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Preston Jackson

January 11, 2013

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January 11, 2013
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Kurt Grossheim

January 11, 2013
Date

Brian Doubles

January 11, 2013
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Henry Greig

January 11, 2013
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Ryan Zanin

January 11, 2013
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January 11, 2013
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Smith Hickenlooper

January 11, 2013
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George Sutton

January 11, 2013
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Jack Zimmermann

January 11, 2013
Date

Steve Courchaine

January 11, 2013
Date



Preston Jackson

January 11, 2013
Date

CONFIDENTIAL TREATMENT REQUESTED

CAPITAL ASSURANCE AND LIQUIDITY MAINTENANCE AGREEMENT

This Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) is entered into by and among GE Capital Retail Bank, Draper, Utah (“Bank”), General Electric Capital Corporation (“Holding Company”), and each Immediate Parent Company (as “Immediate Parent Company” is defined in the Operating Agreement).

WHEREAS, the Bank filed with the Office of the Comptroller of the Currency (“OCC”) on September 21, 2012, an application under the Bank Merger Act and 12 C.F.R. § 163.22(a) to acquire approximately \$6.5 billion of deposits from MetLife, N.A. (“Bank Merger Act Application”);

WHEREAS, the OCC approved the Bank Merger Act Application on December 12, 2012, subject to certain conditions imposed in writing, including conditions that the Bank enter into an operating agreement with the OCC, and that the Bank enter into this CALMA with the Immediate Parent Company and the Holding Company;

WHEREAS, on or about January 11, 2013, the Bank and the OCC entered into an operating agreement (“Operating Agreement”);

WHEREAS, the Operating Agreement requires, among other things, that the Bank, Holding Company and Immediate Parent Company enter into this CALMA;

WHEREAS, the Holding Company and Immediate Parent Company acknowledge that the Federal Deposit Insurance Act contemplates that savings and loan holding companies will serve as a source of strength to their subsidiary savings associations, and that this CALMA furthers that purpose;

WHEREAS, the Bank is wholly owned directly by Immediate Parent Company and indirectly by the Holding Company and therefore Immediate Parent Company and the Holding Company control the Bank;

NOW THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged by the parties, the Holding Company, Immediate Parent Company, and the Bank hereby enter into this CALMA setting forth the Holding Company’s and Immediate Parent Company’s continuing obligation to provide to the Bank necessary capital and liquidity support, in order to ensure that the Bank continues to operate safely and soundly and in accordance with all applicable laws, rules and regulations, and in accordance with the terms of the Operating Agreement, and hereby agree as follows:

CONFIDENTIAL TREATMENT REQUESTED

1. CAPITAL ASSURANCES

A. The Bank's Minimum Capital Requirement. The parties acknowledge that the Bank is obligated to maintain sufficient capital such that the Bank's capital meets or exceeds the levels required by the Operating Agreement or any modifications thereof (the Bank's "Minimum Capital Requirement").

B. The Bank's Additional Capital Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain capital commensurate with its risk profile. If the Bank's analysis determines that the Bank requires a level of capital greater than the Bank's Minimum Capital Requirement, the Bank, the Holding Company, and Immediate Parent Company shall promptly raise such additional capital (the Bank's "Additional Capital Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for it to secure capital infusions to remain in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to make such capital infusions. Any request to the Holding Company and Immediate Parent Company for such capital infusions shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Capital Infusions from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to make such capital infusions as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. If at any time, the Bank's capital level falls below the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement (the Bank's "Capital Deficiency"), the Holding Company and Immediate Parent Company agree they will, at the request of the Bank, contribute sufficient additional capital in a form acceptable to the Bank, subject to the OCC's right to raise a supervisory objection, so as to bring the Bank into compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. Such capital contribution shall be: (i) made not later than ten (10) business days after receiving notification of the Bank's Capital Deficiency and request from the Bank; (ii) in the form of equity, cash, or if appropriate, other acceptable assets; and (iii) accounted for pursuant to Generally Accepted Accounting Principles ("GAAP").

2. LIQUIDITY MAINTENANCE

A. The Bank's Minimum Liquidity Requirement. The parties acknowledge that the Bank is required to maintain liquidity in accordance with the terms of the Operating Agreement or any modifications thereof (the Bank's "Minimum Liquidity Requirement").

CONFIDENTIAL TREATMENT REQUESTED

B. The Bank's Additional Liquidity Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain liquidity commensurate with its risk profile. If the Bank's analysis determines that the Bank's liquidity needs exceed the Bank's Minimum Liquidity Requirement, the Bank, the Holding Company and Immediate Parent Company shall promptly increase liquidity to meet such needs (the Bank's "Additional Liquidity Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for the Bank to secure financial support to remain in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to provide such financial support. Any Bank request to the Holding Company or Immediate Parent Company for such financial support shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Financial Support from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to provide such financial support as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement. The Holding Company and Immediate Parent Company each agree to serve as a source of strength to the Bank. If at any time the Bank's liquidity levels fall below the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement (the Bank's "Liquidity Deficiency"), the Holding Company and Immediate Parent Company agree that within ten (10) business days of receiving notification from the Bank regarding the Bank's Liquidity Deficiency, or sooner if circumstances warrant, the Holding Company and Immediate Parent Company shall provide the Bank with adequate financial support in such amount, form and duration as may be necessary for the Bank to meet the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement.

3. MONITORING OF HOLDING COMPANY AND IMMEDIATE PARENT COMPANY.

A. Monitoring. The Holding Company and Immediate Parent Company acknowledge that the Operating Agreement requires the Bank to monitor the Holding Company and Immediate Parent Company sufficiently for the Bank to reliably determine their financial condition and assess any other developments that could adversely affect the Bank in any material way, and that the Operating Agreement requires the Bank to maintain and have available for examiner review current financial information on the Holding Company and Immediate Parent Company. In order to assist the Bank in meeting its obligations under the Operating Agreement, the Holding Company and Immediate Parent Company agree to provide such information as requested by the Bank to fulfill its obligations under the Operating Agreement.

CONFIDENTIAL TREATMENT REQUESTED

B. Examinations. The Holding Company and Immediate Parent Company acknowledge that the OCC has the authority, under 12 U.S.C. § 1464(d), to make such examinations of all affiliates of the Bank, including, but not limited to the Holding Company and Immediate Parent Company, as shall be necessary to disclose fully the relations between the Bank and its affiliates and the effect of such relations upon the Bank. The Holding Company and the Immediate Parent Company agree to consent to such examinations of the Holding Company, the Immediate Parent Company, and any subsidiaries thereof, as the OCC deems necessary, pursuant to 12 U.S.C. § 1464(d).

C. Reporting. The Holding Company and Immediate Parent Company agree to submit to the OCC and Federal Reserve Form FR Y-6 filed annually by the Holding Company with the Federal Reserve and such other reports as may be requested by the OCC or Federal Reserve, to keep the OCC and Federal Reserve informed as to the financial condition of the Holding Company, the Immediate Parent Company, and any other affiliate of the Bank, the effect of any relationship between the Bank and any affiliate of the Bank, systems for monitoring and controlling financial and operating risks, and compliance by the Holding Company and its subsidiaries with applicable provisions of this CALMA and any other written agreement entered into with any regulatory agency.

D. Records. The Holding Company and Immediate Parent Company each shall maintain such records as the OCC may deem necessary to assess the risks to the Bank.

4. BORROWINGS AND CERTAIN TRANSFERS BY HOLDING COMPANY AND IMMEDIATE PARENT COMPANY. In order to enable the OCC to assess the capacity of the Holding Company and the Immediate Parent Company to fulfill their obligations under this CALMA, the Holding Company and the Immediate Parent Company agree to the provisions of this section.

A. Non-compliance With Covenants. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within fifteen (15) days of the expiration of any applicable waiver or cure period, of any material breach of any material covenant in (i) any agreements with its non-affiliated lenders, including credit agreements, bond indentures, or similar documents, or (ii) any funding or related agreements with non-affiliated parties including those agreements related to securitizations and issuances of preferred securities (such covenants are herein collectively referred to as "Covenants").

B. Executed Agreements With Lenders. The Holding Company and the Immediate Parent Company each shall provide the OCC and the Federal Reserve with copies of any new material executed agreements with its non-affiliated lenders, other than borrowings in the ordinary course of business, within thirty (30) days after execution, and if any material Covenants are materially modified after the date of the execution of such agreements, each affected company shall notify the OCC of their modification within thirty (30) days after execution of their modification.

CONFIDENTIAL TREATMENT REQUESTED

C. Additional Debt. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within thirty (30) days after incurring any material additional indebtedness from non-affiliated lenders, other than borrowings in the ordinary course of business.

D. Certain Transfers. The Holding Company and the Immediate Parent Company shall provide written notice to the OCC and the Federal Reserve within thirty (30) days after the transfer of any material portion of its assets (including any interest in the Bank or any other subsidiary) to any other party, except in the ordinary course of business.

5. GENERAL PROVISIONS

A. Effective Date. This CALMA shall become effective immediately upon its execution by the parties ("Effective Date").

B. Term and Termination. The term of this CALMA shall commence on the Effective Date and will continue until the earliest to occur of (i) the termination of the Operating Agreement; (ii) such time as neither General Electric Company, the Holding Company, nor the Immediate Parent Company controls the Bank (as "control" is defined herein); or (iii) a date that is mutually agreed upon by the parties. The Bank reserves the right to seek the OCC's supervisory non-objection in writing prior to termination of this CALMA pursuant to subsection (iii) hereof. For the avoidance of doubt, the parties to this CALMA acknowledge that, subject to subsections (i)-(iii) hereof, the Holding Company will continue to be subject to this CALMA, and all of the Holding Company's obligations under this CALMA shall continue, notwithstanding any cessation of the Holding Company's status as a savings and loan holding company of the Bank, for so long as General Electric Company directly or indirectly controls the Bank. For the purposes of this subsection, "control" means direct or indirect ownership of 25% or more of a class of voting stock of the Bank, or direct or indirect ownership of securities constituting 25% or more of the equity of the Bank. In addition, the Holding Company shall obtain the Supervisory Non-Objection (as the term is defined in the Operating Agreement) of the OCC prior to: (i) dissolving the Holding Company; (ii) taking any action that would cause the Holding Company's total consolidated assets to decrease below thirty (30) percent of the Holding Company's total consolidated assets as of November 30, 2012; or (iii) taking any action that would cause the Holding Company to be unable to fulfill its obligations under this CALMA.

C. Modification or Amendment. This CALMA may be modified or amended only by the mutual written consent of the parties. The Bank reserves the right to seek the OCC's written non-objection prior to modifying or amending this CALMA.

D. Assignability. This CALMA shall not be assigned or transferred, in whole or in part.

E. Joint and Several Liability. The obligations, liabilities, agreements and commitments of the Holding Company and Immediate Parent Company under Articles 1 and 2 of this CALMA are joint and several.

CONFIDENTIAL TREATMENT REQUESTED

F. Successors in Interest. This CALMA shall remain in full force and effect against any successors in interest to the Bank or Immediate Parent Company, including any conservator or receiver appointed for or on behalf of the Bank.

G. Conservatorship or Receivership of the Bank. In the event of the appointment of a conservator or receiver for the Bank, the obligations of the Holding Company and Immediate Parent Company under this CALMA shall survive said appointment.

H. No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties hereto shall operate as a waiver or termination thereof, nor shall any exercise or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy or any other right or remedy.

I. Entire Agreement. This CALMA constitutes the entire agreement between the parties with respect to the subject matter at issue, and supersedes all prior written or oral communications, representations, understanding and agreements relating to the subject matter of this CALMA.

J. Severability. If any portion of this CALMA shall be held by a court of competent jurisdiction to be invalid, illegal, unenforceable, or inoperative, then, so far as is reasonable and possible, the remainder of this CALMA shall be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. The parties shall endeavor in good faith to replace the invalid, illegal, unenforceable or inoperative provision(s) with valid provision(s) the economic effect of which comes as close as possible to that of the invalid, illegal, unenforceable or inoperative provision(s).

K. Notices. All notices or other communication required hereunder shall be in writing and shall be made by electronic mail or facsimile transmission, with a copy sent by overnight mail, to the following persons:

If to the Bank:

Board of Directors
GE Capital Retail Bank
170 Election Road
Draper, Utah 84020
Attention: Kurt Grossheim

If to Holding Company and any Immediate Parent Company:

GE Consumer Finance, Inc.
777 Long Ridge Rd.
Stamford, CT 06902
Attention: Jonathan Mothner

CONFIDENTIAL TREATMENT REQUESTED

If to the OCC:

Assistant Deputy Comptroller
Office of the Comptroller of the Currency
With a copy to: OCC Supervisory Office

Such notice or communication shall be deemed to have been given or made as of the date that the notice or communication was delivered to the overnight mail carrier.

L. Governing Law. To the extent that Federal law does not control, this CALMA shall be governed, construed and controlled by the laws of the State of Utah.

M. Attorney's Fees. The prevailing party in any action between the parties arising from or relating to this CALMA shall be entitled to recover from the other party all reasonable attorneys' fees and other costs incurred in such action or proceeding.

M. Board Resolutions. The Bank's Board of Directors has approved a resolution authorizing its entry into this CALMA (the "Bank's Resolution"), the Holding Company's Board of Directors has approved a resolution authorizing its entry into this CALMA ("Holding Company's Resolution"), and Immediate Parent Company's respective Board of Directors have each approved a resolution authorizing such company entry into this CALMA ("Immediate Parent Company's Resolution"). Certified copies of the Bank's Resolution, the Holding Company's Resolution, the Immediate Parent Company's Resolution are attached hereto as Exhibit A and incorporated herein by reference.

CONFIDENTIAL TREATMENT REQUESTED

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Bank, has hereunto set his hand on behalf of GE Capital Retail Bank.



Kurt Grossheim
Title President

January 11, 2013
Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of General Electric Capital Corporation, has hereunto set his hand on behalf of General Electric Capital Corporation.

Title

January 11, 2013
Date

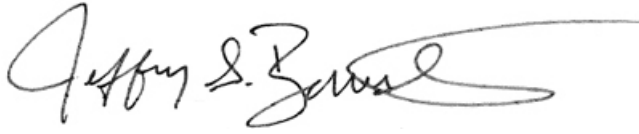
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Kurt Grossheim
Title President

January 11, 2013
Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of General Electric Capital Corporation, has hereunto set his hand on behalf of General Electric Capital Corporation.

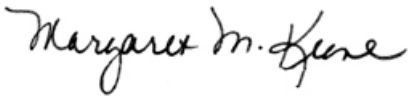


Title Senior Vice President & Chief Financial Officer

January 11, 2013
Date

CONFIDENTIAL TREATMENT REQUESTED

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Consumer Finance, Inc., has hereunto set his hand on behalf of GE Consumer Finance, Inc.



Margaret Keane
Title President & CEO

January 11, 2013
Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Finance Corporation, has hereunto set his hand on behalf of GE Capital Retail Finance Corporation.



Brian Doubles
Title Vice President, CFO & Treasurer

January 11, 2013
Date

CONFIDENTIAL TREATMENT REQUESTED

Exhibit A

The Bank's Resolution, Holding Company's Resolution, Finance's Resolution, and Retail Finance's Resolution

CONFIDENTIAL TREATMENT REQUESTED

GE CAPITAL RETAIL BANK

SECRETARY'S CERTIFICATE

I, Jonathan Mothner, Secretary of GE Capital Retail Bank ("GECRB"), hereby certifies that the resolutions attached hereto as Attachment 1 are true and correct copies of resolutions duly adopted by the Board of Directors of GECRB at a Special Meeting of the Board on December 7, 2012. Such resolutions have not been amended, modified or rescinded and remain in full force as of the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name as of January 10, 2013.



Jonathan Mothner
Secretary

ATTACHMENT 1

**RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
GE CAPITAL RETAIL BANK**

December 7, 2012

APPROVAL OF (i) OPERATING AGREEMENT BETWEEN GE CAPITAL RETAIL BANK; and (ii) CAPITAL AND LIQUIDITY MANAGEMENT AGREEMENT

WHEREAS, the Board of Directors (“Board”) of GE Capital Retail Bank, a federal savings bank (the “Bank”), has previously approved a transaction (the “Transaction”) with MetLife Bank, N.A. (“MetLife”) pursuant to which the Bank will purchase from MetLife certain contracts, business property and records and will assume from MetLife certain deposits, liabilities, transferred employees and certain tax liabilities;

WHEREAS, in connection with its approval of the Transaction, the Office of the Comptroller of the Currency (the “OCC”) requires that the Bank enter into a certain Operating Agreement with the OCC whose terms will impose certain obligations, conditions and restrictions on Bank operations, activities and management (the “Operating Agreement”);

WHEREAS, as an additional condition to its approval of the Transaction, the OCC requires that the Bank, GE Capital Corporation and any intermediate holding company between the Bank and GE Capital Corporation (the “GE Non-Bank Parties”) enter into a Capital and Liquidity Management Agreement (“CALMA”, and together with the Operating Agreement, the “Agreements”), whose terms establish certain capital and liquidity standards for the Bank and impose certain obligations, restrictions and requirements on the GE Non-Bank Parties in relation to the maintenance of such capital and liquidity standards;

WHEREAS, the Board has reviewed with management the terms, conditions and provisions of the Agreements and all of the requirements associated therewith;

WHEREAS, the Board has carefully considered the terms, conditions and provisions of the Agreements and all of the requirements associated therewith and has carefully assessed the Bank’s ability to perform its obligations thereunder; and

WHEREAS, the Board wishes to approve the form, terms and provisions of the Agreements and declare the Bank’s intent to comply fully with the Agreements and the requirements associated therewith.

GE Capital Retail Bank
BOD Resolutions (Approving CALMA & OA)

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the Agreements in the form and on the terms and conditions substantially as presented to the Board, with such changes thereto as may be approved by the President, Chief Executive Officer, Chief Financial Officer or any Executive Vice President of the Bank, and any other individual whom the President may appoint to act on behalf of the Bank as attorney in fact with respect to this approval (the "Authorized Officers"); and it is further

RESOLVED, that any Authorized Officer be, and any one or more of them hereby is, authorized, empowered and directed to execute any agreements, documents, consents and instrument as may be necessary and appropriate in connection with the Agreements and to do all such further things, in the name and on behalf of the Bank under its seal or otherwise, and to pay or incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that the Authorized Officers or any of them be, and each of them hereby is, authorized, empowered and directed to take all such further action, to execute, deliver and file all regulatory filings in the name and on behalf of the Bank and under its seal or otherwise, and to pay and incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that any and all action heretofore taken by any officer or director of the Bank, or any employee acting under their direction, in connection with the documents and transactions referred or contemplated by the foregoing resolutions are hereby ratified, approved and confirmed.

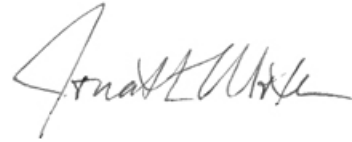
GE Capital Retail Bank
BOD Resolutions (Approving CALMA & OA)

GENERAL ELECTRIC CAPITAL CORPORATION

ATTESTING SECRETARY'S CERTIFICATE

I, Jonathan Mothner, Attesting Secretary of General Electric Capital Corporation ("GECC"), hereby certifies that the resolutions attached hereto as Attachment 1 are true and correct copies of resolutions duly adopted by the Executive Committee of the Board of Directors of GECC on December 11, 2012. Such resolutions have not been amended, modified or rescinded and remain in full force as of the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name as of January 10, 2013.

A handwritten signature in black ink, appearing to read "Jonathan Mothner", written in a cursive style.

Jonathan Mothner
Attesting Secretary

ATTACHMENT 1

**RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
GENERAL ELECTRIC CAPITAL CORPORATION
a Delaware corporation**

December 11, 2012

APPROVAL OF THE CAPITAL ASSURANCE and LIQUIDITY MAINTENANCE AGREEMENT AND OPERATING AGREEMENT

WHEREAS, the Board of Directors (the "Board") of General Electric Capital Corporation, a Delaware corporation ("GECC"), has previously approved a transaction (the "Transaction") pursuant to which GECC's indirect wholly-owned subsidiary, GE Capital Retail Bank (the "Bank"), will purchase from MetLife Bank, N.A. ("MetLife") certain contracts, business property and records and will assume from MetLife certain deposits, liabilities, transferred employees and certain tax liabilities;

WHEREAS, as a condition to its approval of the Transaction, the Office of the Comptroller of the Currency (the "OCC") requires that (i) the Bank enter into a certain Operating Agreement with the OCC whose terms will impose certain obligations, conditions and restrictions on Bank operations, activities and management (the "Operating Agreement") and (ii) the Bank, GECC and any intermediate holding company between the Bank and GECC (GECC, along with any such intermediate holding company, the "GE Non-Bank Parties") enter into a Capital Assurance and Liquidity Maintenance Agreement (the "CALMA") and, together with the Operating Agreement, the "Agreements") whose terms establish certain capital and liquidity standards for the Bank and impose certain obligations, restrictions and requirements on the GE Non-Bank Parties in relation to the maintenance of such capital and liquidity standards;

WHEREAS, the Board has reviewed with management the terms of the Agreements and all of the transactions and payments contemplated thereby;

WHEREAS, the Board has carefully considered the terms of the Agreements and all of the transactions and payments contemplated thereby; and

WHEREAS, the Board wishes to approve the form, terms and provisions of the Agreements and declare the advisability of GECC's entry into the CALMA and the transactions contemplated thereby.

GECC
Resolutions Approving CALMA

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the terms and provisions of the Agreements and GECC's entry into the CALMA on the terms and conditions substantially as presented to the Board, with such changes thereto as maybe approved by the executive officers and vice presidents of GECC (the "Authorized Officers"); and it is further

RESOLVED, any Authorized Officer be, and any one or more of them hereby is, authorized, empowered and directed to execute any agreements, documents, consents and instrument as may be necessary and appropriate in connection with the Agreements and to do all such further things, in the name and on behalf of GECC under its seal or otherwise, and to pay or incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that any specific resolutions that may be required to have been adopted by the Board in connection with the transactions contemplated by the foregoing resolutions be, and the same hereby are, adopted, and that each Authorized Officer be, and hereby is, authorized in the name and on behalf of GECC to certify as to the adoption of any and all such resolutions; and it is further

RESOLVED, that any and all action heretofore taken by any officer or director of GECC in connection with the documents and transactions referred or contemplated by the foregoing resolutions are hereby ratified, approved and confirmed.

GECC
Resolutions Approving CALMA

GE CAPITAL RETAIL FINANCE CORPORATION

SECRETARY'S CERTIFICATE

I, Jonathan Mothner, Secretary of GE Capital Retail Finance Corporation ("GECRFC"), hereby certify that the resolutions attached hereto as Attachment 1 are true and correct copies of resolutions duly adopted by the Board of Directors of GECRFC by unanimous written consent on January 8, 2013. Such resolutions have not been amended, modified or rescinded and remain in full force as of the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name as of January 10, 2013.



Jonathan Mothner
Secretary

**GE CAPITAL RETAIL FINANCE CORPORATION
UNANIMOUS WRITTEN CONSENT IN LIEU OF
A MEETING OF THE BOARD OF DIRECTORS**

(APPROVAL OF CAPITAL AND LIQUIDITY MANAGEMENT AGREEMENT)

The undersigned, being all of the members of the Board of Directors ("Board") of GE Capital Retail Finance Corporation, a Delaware corporation (the "Corporation"), in accordance with the provisions of Sections 141(f) and 229 of the General Corporation Law of the State of Delaware and in accordance with the Corporation's Bylaws, hereby waive all notice of the time, place and purpose of a meeting and do hereby consent in writing to the following actions and the adoption of the following resolutions with the same effect as though such resolutions had been adopted at a meeting duly called and convened:

WHEREAS, the Corporation's affiliate, GE Capital Retail Bank, a federal savings bank (the "Bank"), has previously approved a transaction (the "Transaction") with MetLife Bank, N.A. ("MetLife") pursuant to which the Bank will purchase from MetLife certain contracts, business property and records and will assume from MetLife certain deposits, liabilities, transferred employees and certain tax liabilities;

WHEREAS, in connection with its approval of the Transaction, the Office of the Comptroller of the Currency (the "OCC") has required that the Bank enter into a certain Operating Agreement with the OCC whose terms will impose certain obligations, conditions and restrictions on Bank operations, activities and management (the "Operating Agreement");

WHEREAS, as an additional condition to its approval of the Transaction, the OCC has required that the Bank, GE Capital Corporation and any intermediate holding company (an "Intermediate Holding Company") between the Bank and GE Capital Corporation (collectively, the "GE Non-Bank Parties") enter into a Capital and Liquidity Management Agreement (the "CALMA"), whose terms establish certain capital and liquidity standards for the Bank and impose certain obligations, restrictions and requirements on the GE Non-Bank Parties in relation to the maintenance of such capital and liquidity standards;

WHEREAS, the Corporation anticipates becoming an Intermediate Holding Company upon the satisfaction of such requirements, if any, as may arise under applicable law, including any regulatory approvals as may be deemed necessary or advisable;

WHEREAS, in connection with the Corporation's becoming an Intermediate Holding Company, the OCC will require the Corporation to enter into the CALMA;

WHEREAS, the Board has reviewed with management the terms, conditions and provisions of the CALMA and all of the requirements associated therewith;

GE Capital Retail Finance Corporation:
BOD UWC (Approving CALMA)

WHEREAS, the Board has carefully considered the terms, conditions and provisions of the CALMA and all of the requirements associated therewith and has carefully assessed the Corporation's ability to perform its obligations thereunder; and

WHEREAS, the Board wishes to approve entering into the CALMA and declare the Corporation's intent to comply fully with the CALMA and the requirements associated therewith, in each case, upon or in connection with the Corporation's becoming an Intermediate Holding Company of the Bank.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the CALMA in the form attached hereto as Exhibit A, with such changes thereto as may be approved by the President, Chief Financial Officer, any Vice President of the Corporation or its General Counsel, and any other individual whom the President may appoint to act on behalf of the Corporation as attorney in fact with respect to this approval (the "Authorized Officers"); and it is further

RESOLVED, that any Authorized Officer be, and any one or more of them hereby is, authorized, empowered and directed to execute the CALMA and any agreements, documents, consents and instrument as may be necessary and appropriate in connection therewith and to do all such further things, in the name and on behalf of the Corporation under its seal or otherwise, and to pay or incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that the Authorized Officers or any of them be, and each of them hereby is, authorized, empowered and directed to take all such further action, to execute, deliver and file all regulatory filings in the name and on behalf of the Corporation and under its seal or otherwise, and to pay and incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

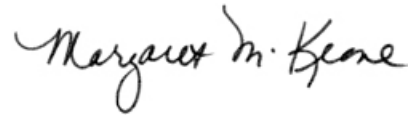
RESOLVED, that any and all action heretofore taken by any officer or director of the Corporation, or any employee acting under their direction, in connection with the documents and transactions referred or contemplated by the foregoing resolutions are hereby ratified, approved and confirmed,

* * * * *

GE Capital Retail Finance Corporation:
BOD UWC (Approving CALMA)

This Consent may be executed in any number of counterparts, each of which, when taken together shall constitute one and the same Consent

IN WITNESS WHEREOF, the undersigned directors of the Corporation have executed this Consent as of the 8th day of January, 2013.



Margaret Keane



Brian Doubles



Henry Greig

being all of the Directors of the Board of Directors of the Corporation

GE Capital Retail Finance Corporation:
BOD UWC (Approving CALMA)

GE Capital Retail Finance Corporation:
BOD UWC (Approving CALMA)

CAPITAL ASSURANCE AND LIQUIDITY MAINTENANCE AGREEMENT

This Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) is entered into by and among GE Capital Retail Bank, Draper, Utah (“Bank”), General Electric Capital Corporation (“Holding Company”), and each Immediate Parent Company (as “Immediate Parent Company” is defined in the Operating Agreement).

WHEREAS, the Bank filed with the Office of the Comptroller of the Currency (“OCC”) on September 21, 2012, an application under the Bank Merger Act and 12 C.F.R. § 163.22(a) to acquire approximately \$6.5 billion of deposits from MetLife, N.A. (“Bank Merger Act Application”);

WHEREAS, the OCC approved the Bank Merger Act Application on _____, subject to certain conditions imposed in writing, including conditions that the Bank enter into an operating agreement with the OCC, and that the Bank enter into this CALMA with the Immediate Parent Company and the Holding Company;

WHEREAS, on or about _____, 2012, the Bank and the OCC entered into an operating agreement (“Operating Agreement”);

WHEREAS, the Operating Agreement requires, among other things, that the Bank, Holding Company and Immediate Parent Company enter into this CALMA;

WHEREAS, the Holding Company and Immediate Parent Company acknowledge that the Federal Deposit Insurance Act contemplates that savings and loan holding companies will serve as a source of strength to their subsidiary savings associations, and that this CALMA furthers that purpose;

WHEREAS, the Bank is wholly owned directly by Immediate Parent Company and indirectly by the Holding Company and therefore Immediate Parent Company and the Holding Company control the Bank;

NOW THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged by the parties, the Holding Company, Immediate Parent Company, and the Bank hereby enter into this CALMA setting forth the Holding Company’s and Immediate Parent Company’s continuing obligation to provide to the Bank necessary capital and liquidity support, in order to ensure that the Bank continues to operate safely and soundly and in accordance with all applicable laws, rules and regulations, and in accordance with the terms of the Operating Agreement, and hereby agree as follows:

CONFIDENTIAL TREATMENT REQUESTED

1. CAPITAL ASSURANCES

A. The Bank's Minimum Capital Requirement. The parties acknowledge that the Bank is obligated to maintain sufficient capital such that the Bank's capital meets or exceeds the levels required by the Operating Agreement or any modifications thereof (the Bank's "Minimum Capital Requirement").

B. The Bank's Additional Capital Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain capital commensurate with its risk profile. If the Bank's analysis determines that the Bank requires a level of capital greater than the Bank's Minimum Capital Requirement, the Bank, the Holding Company, and Immediate Parent Company shall promptly raise such additional capital (the Bank's "Additional Capital Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for it to secure capital infusions to remain in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to make such capital infusions. Any request to the Holding Company and Immediate Parent Company for such capital infusions shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Capital Infusions from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to make such capital infusions as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. If at any time, the Bank's capital level falls below the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement (the Bank's "Capital Deficiency"), the Holding Company and Immediate Parent Company agree they will, at the request of the Bank, contribute sufficient additional capital in a form acceptable to the Bank, subject to the OCC's right to raise a supervisory objection, so as to bring the Bank into compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. Such capital contribution shall be: (i) made not later than ten (10) business days after receiving notification of the Bank's Capital Deficiency and request from the Bank; (ii) in the form of equity, cash, or if appropriate, other acceptable assets; and (iii) accounted for pursuant to Generally Accepted Accounting Principles ("GAAP").

2. LIQUIDITY MAINTENANCE

A. The Bank's Minimum Liquidity Requirement. The parties acknowledge that the Bank is required to maintain liquidity in accordance with the terms of the Operating Agreement or any modifications thereof (the Bank's "Minimum Liquidity Requirement").

CONFIDENTIAL TREATMENT REQUESTED

B. The Bank's Additional Liquidity Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain liquidity commensurate with its risk profile. If the Bank's analysis determines that the Bank's liquidity needs exceed the Bank's Minimum Liquidity Requirement, the Bank, the Holding Company and Immediate Parent Company shall promptly increase liquidity to meet such needs (the Bank's "Additional Liquidity Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for the Bank to secure financial support to remain in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to provide such financial support. Any Bank request to the Holding Company or Immediate Parent Company for such financial support shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Financial Support from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to provide such financial support as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement. The Holding Company and Immediate Parent Company each agree to serve as a source of strength to the Bank. If at any time the Bank's liquidity levels fall below the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement (the Bank's "Liquidity Deficiency"), the Holding Company and Immediate Parent Company agree that within ten (10) business days of receiving notification from the Bank regarding the Bank's Liquidity Deficiency, or sooner if circumstances warrant, the Holding Company and Immediate Parent Company shall provide the Bank with adequate financial support in such amount, form and duration as may be necessary for the Bank to meet the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement.

3. MONITORING OF HOLDING COMPANY AND IMMEDIATE PARENT COMPANY.

A. Monitoring. The Holding Company and Immediate Parent Company acknowledge that the Operating Agreement requires the Bank to monitor the Holding Company and Immediate Parent Company sufficiently for the Bank to reliably determine their financial condition and assess any other developments that could adversely affect the Bank in any material way, and that the Operating Agreement requires the Bank to maintain and have available for examiner review current financial information on the Holding Company and Immediate Parent Company. In order to assist the Bank in meeting its obligations under the Operating Agreement, the Holding Company and Immediate Parent Company agree to provide such information as requested by the Bank to fulfill its obligations under the Operating Agreement.

CONFIDENTIAL TREATMENT REQUESTED

B. Examinations. The Holding Company and Immediate Parent Company acknowledge that the OCC has the authority, under 12 U.S.C. § 1464(d), to make such examinations of all affiliates of the Bank, including, but not limited to the Holding Company and Immediate Parent Company, as shall be necessary to disclose fully the relations between the Bank and its affiliates and the effect of such relations upon the Bank. The Holding Company and the Immediate Parent Company agree to consent to such examinations of the Holding Company, the Immediate Parent Company, and any subsidiaries thereof, as the OCC deems necessary, pursuant to 12 U.S.C. § 1464(d).

C. Reporting. The Holding Company and Immediate Parent Company agree to submit to the OCC and Federal Reserve Form FR Y-6 filed annually by the Holding Company with the Federal Reserve and such other reports as may be requested by the OCC or Federal Reserve, to keep the OCC and Federal Reserve informed as to the financial condition of the Holding Company, the Immediate Parent Company, and any other affiliate of the Bank, the effect of any relationship between the Bank and any affiliate of the Bank, systems for monitoring and controlling financial and operating risks, and compliance by the Holding Company and its subsidiaries with applicable provisions of this CALMA and any other written agreement entered into with any regulatory agency.

D. Records. The Holding Company and Immediate Parent Company each shall maintain such records as the OCC may deem necessary to assess the risks to the Bank.

4. BORROWINGS AND CERTAIN TRANSFERS BY HOLDING COMPANY AND IMMEDIATE PARENT COMPANY. In order to enable the OCC to assess the capacity of the Holding Company and the Immediate Parent Company to fulfill their obligations under this CALMA, the Holding Company and the Immediate Parent Company agree to the provisions of this section.

A. Non-compliance With Covenants. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within fifteen (15) days of the expiration of any applicable waiver or cure period, of any material breach of any material covenant in (i) any agreements with its non-affiliated lenders, including credit agreements, bond indentures, or similar documents, or (ii) any funding or related agreements with non-affiliated parties including those agreements related to securitizations and issuances of preferred securities (such covenants are herein collectively referred to as "Covenants").

B. Executed Agreements With Lenders. The Holding Company and the Immediate Parent Company each shall provide the OCC and the Federal Reserve with copies of any new material executed agreements with its non-affiliated lenders, other than borrowings in the ordinary course of business, within thirty (30) days after execution, and if any material Covenants are materially modified after the date of the execution of such agreements, each affected company shall notify the OCC of their modification within thirty (30) days after execution of their modification.

CONFIDENTIAL TREATMENT REQUESTED

C. Additional Debt. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within thirty (30) days after incurring any material additional indebtedness from non-affiliated lenders, other than borrowings in the ordinary course of business.

D. Certain Transfers. The Holding Company and the Immediate Parent Company shall provide written notice to the OCC and the Federal Reserve within thirty (30) days after the transfer of any material portion of its assets (including any interest in the Bank or any other subsidiary) to any other party, except in the ordinary course of business.

5. GENERAL PROVISIONS

A. Effective Date. This CALMA shall become effective immediately upon its execution by the parties ("Effective Date").

B. Term and Termination. The term of this CALMA shall commence on the Effective Date and will continue until the earliest to occur of (i) the termination of the Operating Agreement; (ii) such time as neither General Electric Company, the Holding Company, nor the Immediate Parent Company controls the Bank (as "control" is defined herein); or (iii) a date that is mutually agreed upon by the parties. The Bank reserves the right to seek the OCC's supervisory non-objection in writing prior to termination of this CALMA pursuant to subsection (iii) hereof. For the avoidance of doubt, the parties to this CALMA acknowledge that, subject to subsections (i)-(iii) hereof, the Holding Company will continue to be subject to this CALMA, and all of the Holding Company's obligations under this CALMA shall continue, notwithstanding any cessation of the Holding Company's status as a savings and loan holding company of the Bank, for so long as General Electric Company directly or indirectly controls the Bank. For the purposes of this subsection, "control" means direct or indirect ownership of 25% or more of a class of voting stock of the Bank, or direct or indirect ownership of securities constituting 25% or more of the equity of the Bank. In addition, the Holding Company shall obtain the Supervisory Non-Objection (as the term is defined in the Operating Agreement) of the OCC prior to: (i) dissolving the Holding Company; (ii) taking any action that would cause the Holding Company's total consolidated assets to decrease below thirty (30) percent of the Holding Company's total consolidated assets as of November 30, 2012; or (iii) taking any action that would cause the Holding Company to be unable to fulfill its obligations under this CALMA.

C. Modification or Amendment. This CALMA may be modified or amended only by the mutual written consent of the parties. The Bank reserves the right to seek the OCC's written non-objection prior to modifying or amending this CALMA.

D. Assignability. This CALMA shall not be assigned or transferred, in whole or in part.

E. Joint and Several Liability. The obligations, liabilities, agreements and commitments of the Holding Company and Immediate Parent Company under Articles 1 and 2 of this CALMA are joint and several.

CONFIDENTIAL TREATMENT REQUESTED

F. Successors in Interest. This CALMA shall remain in full force and effect against any successors in interest to the Bank or Immediate Parent Company, including any conservator or receiver appointed for or on behalf of the Bank.

G. Conservatorship or Receivership of the Bank. In the event of the appointment of a conservator or receiver for the Bank, the obligations of the Holding Company and Immediate Parent Company under this CALMA shall survive said appointment.

H. No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties hereto shall operate as a waiver or termination thereof, nor shall any exercise or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy or any other right or remedy.

I. Entire Agreement. This CALMA constitutes the entire agreement between the parties with respect to the subject matter at issue, and supersedes all prior written or oral communications, representations, understanding and agreements relating to the subject matter of this CALMA.

J. Severability. If any portion of this CALMA shall be held by a court of competent jurisdiction to be invalid, illegal, unenforceable, or inoperative, then, so far as is reasonable and possible, the remainder of this CALMA shall be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. The parties shall endeavor in good faith to replace the invalid, illegal, unenforceable or inoperative provision(s) with valid provision(s) the economic effect of which comes as close as possible to that of the invalid, illegal, unenforceable or inoperative provision(s).

K. Notices. All notices or other communication required hereunder shall be in writing and shall be made by electronic mail or facsimile transmission, with a copy sent by overnight mail, to the following persons:

If to the Bank:

Board of Directors
XXXXXXXXXXXX, FSB
XXXXXXXXXXXX
XXXXXXXXXXXX
Attention: Chairman of the Board

If to Holding Company and any Immediate Parent Company:

Holding Company, Inc.
XXXXXXXXXXXXXXXX
XXXXXXXXXX XXXXX
Attention: XXXXXXXXXX

CONFIDENTIAL TREATMENT REQUESTED

If to the OCC:

Assistant Deputy Comptroller
Office of the Comptroller of the Currency

Fax:

Such notice or communication shall be deemed to have been given or made as of the date that the notice or communication was delivered to the overnight mail carrier.

L. Governing Law. To the extent that Federal law does not control, this CALMA shall be governed, construed and controlled by the laws of the State of Utah.

M. Attorney's Fees. The prevailing party in any action between the parties arising from or relating to this CALMA shall be entitled to recover from the other party all reasonable attorneys' fees and other costs incurred in such action or proceeding.

M. Board Resolutions. The Bank's Board of Directors has approved a resolution authorizing its entry into this CALMA (the "Bank's Resolution"), the Holding Company's Board of Directors has approved a resolution authorizing its entry into this CALMA ("Holding Company's Resolution"), and Immediate Parent Company's respective Board of Directors have each approved a resolution authorizing such company entry into this CALMA ("Immediate Parent Company's Resolution"). Certified copies of the Bank's Resolution, the Holding Company's Resolution, the Immediate Parent Company's Resolution are attached hereto as Exhibit A and incorporated herein by reference.

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Bank, has hereunto set his hand on behalf of GE Capital Retail Bank.

XXXXXXXXXX
Title

Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of General Electric Capital Corporation, has hereunto set his hand on behalf of General Electric Capital Corporation.

XXXXXXXXXX
Title

Date

CONFIDENTIAL TREATMENT REQUESTED

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Consumer Finance, Inc., has hereunto set his hand on behalf of GE Consumer Finance, Inc.

XXXXXXXXXX
Title

Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Finance Corporation, has hereunto set his hand on behalf of GE Capital Retail Finance Corporation.

XXXXXXXXXX
Title

Date

CONFIDENTIAL TREATMENT REQUESTED

Exhibit A
The Bank's Resolution, Holding Company's Resolution, Finance's Resolution, and Retail
Finance's Resolution

CONFIDENTIAL TREATMENT REQUESTED

GE CONSUMER FINANCE, INC.

SECRETARY'S CERTIFICATE

I, Jonathan Mothner, Secretary of GE Consumer Finance, Inc. ("GECF"), hereby certify that the resolutions attached hereto as Attachment 1 are true and correct copies of resolutions duly adopted by the Board of Directors of GE CF by unanimous written consent on January 8, 2013. Such resolutions have not been amended, modified or rescinded and remain in full force as of the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name as of January 10, 2013.



Jonathan Mothner
Secretary

Attachment 1

**GE CONSUMER FINANCE, INC.
UNANIMOUS WRITTEN CONSENT IN LIEU OF
A MEETING OF THE BOARD OF DIRECTORS**

(APPROVAL OF CAPITAL AND LIQUIDITY MANAGEMENT AGREEMENT)

The undersigned, being all of the members of the Board of Directors ("Board") of GE Consumer Finance, Inc., a Delaware corporation (the "Corporation"), in accordance with the provisions of Sections 141(f) and 229 of the General Corporation Law of the State of Delaware and in accordance with the Corporation's Bylaws, hereby waive all notice of the time, place and purpose of a meeting and do hereby consent in writing to the following actions and the adoption of the following resolutions with the same effect as though such resolutions had been adopted at a meeting duly called and convened:

WHEREAS, the Corporation's subsidiary, GE Capital Retail Bank, a federal savings bank (the "Bank"), has previously approved a transaction (the "Transaction") with MetLife Bank, N.A. ("MetLife") pursuant to which the Bank will purchase from MetLife certain contracts, business property and records and will assume from MetLife certain deposits, liabilities, transferred employees and certain tax liabilities;

WHEREAS, in connection with its approval of the Transaction, the Office of the Comptroller of the Currency (the "OCC") has required that the Bank enter into a certain Operating Agreement with the OCC whose terms will impose certain obligations, conditions and restrictions on Bank operations, activities and management (the "Operating Agreement");

WHEREAS, as an additional condition to its approval of the Transaction, the OCC has required that the Bank, GE Capital Corporation and any intermediate holding company between the Bank and GE Capital Corporation (collectively, the "GE Non-Bank Parties"), including the Corporation, enter into a Capital and Liquidity Management Agreement (the "CALMA"), whose terms establish certain capital and liquidity standards for the Bank and impose certain obligations, restrictions and requirements on the GE Non-Bank Parties, including the Corporation, in relation to the maintenance of such capital and liquidity standards;

WHEREAS, the Board has reviewed with management the Transaction and determined that the Transaction is in the best interests of the Bank and the Corporation;

WHEREAS, the Board has reviewed with management the terms, conditions and provisions of the CALMA and all of the requirements associated therewith;

WHEREAS, the Board has carefully considered the terms, conditions and provisions of the CALMA and all of the requirements associated therewith and has carefully assessed the Corporation's ability to perform its obligations thereunder; and

WHEREAS, the Board wishes to approve the CALMA and declare the Corporation's intent to comply fully with the CALMA and the requirements associated therewith.

GE Consumer Finance, Inc.:
BOD UWC (Approving CALMA)

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the CALMA in the form attached hereto as Exhibit A, with such changes thereto as may be approved by the President, Chief Financial Officer, any Vice President of the Corporation or its General Counsel, and any other individual whom the President may appoint to act on behalf of the Corporation as attorney in fact with respect to this approval (the "Authorized Officers"); and it is further

RESOLVED, that any Authorized Officer be, and any one or more of them hereby is, authorized, empowered and directed to execute the CALMA and any agreements, documents, consents and instrument as may be necessary and appropriate in connection therewith and to do all such further things, in the name and on behalf of the Corporation under its seal or otherwise, and to pay or incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that the Authorized Officers or any of them be, and each of them hereby is, authorized, empowered and directed to take all such further action, to execute, deliver and file all regulatory filings in the name and on behalf of the Corporation and under its seal or otherwise, and to pay and incur all such fees and expenses, as in their judgment may be necessary or advisable in order to carry out the intent and purpose of the foregoing resolutions; and it is further

RESOLVED, that any and all action heretofore taken by any officer or director of the Corporation, or any employee acting under their direction, in connection with the documents and transactions referred or contemplated by the foregoing resolutions are hereby ratified, approved and confirmed.

* * * * *

GE Consumer Finance, Inc.:
BOD UWC (Approving CALMA)

This Consent may be executed in any number of counterparts, each of which, when taken together shall constitute one and the same Consent

IN WITNESS WHEREOF, the undersigned directors of the Corporation have executed this Consent as of the 8th day of January, 2013.



Margaret Keane



Brian Doubles

being all of the Directors of the Board of Directors of the Corporation

GE Consumer Finance, Inc.:
BOD UWC (Approving CALMA)

GE Consumer Finance, Inc.:
BOD UWC (Approving CALMA)

CAPITAL ASSURANCE AND LIQUIDITY MAINTENANCE AGREEMENT

This Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) is entered into by and among GE Capital Retail Bank, Draper, Utah (“Bank”), General Electric Capital Corporation (“Holding Company”), and each Immediate Parent Company (as “Immediate Parent Company” is defined in the Operating Agreement).

WHEREAS, the Bank filed with the Office of the Comptroller of the Currency (“OCC”) on September 21, 2012, an application under the Bank Merger Act and 12 C.F.R. § 163.22(a) to acquire approximately \$6.5 billion of deposits from MetLife, N.A. (“Bank Merger Act Application”);

WHEREAS, the OCC approved the Bank Merger Act Application on _____, subject to certain conditions imposed in writing, including conditions that the Bank enter into an operating agreement with the OCC, and that the Bank enter into this CALMA with the Immediate Parent Company and the Holding Company;

WHEREAS, on or about _____, 2012, the Bank and the OCC entered into an operating agreement (“Operating Agreement”);

WHEREAS, the Operating Agreement requires, among other things, that the Bank, Holding Company and Immediate Parent Company enter into this CALMA;

WHEREAS, the Holding Company and Immediate Parent Company acknowledge that the Federal Deposit Insurance Act contemplates that savings and loan holding companies will serve as a source of strength to their subsidiary savings associations, and that this CALMA furthers that purpose;

WHEREAS, the Bank is wholly owned directly by Immediate Parent Company and indirectly by the Holding Company and therefore Immediate Parent Company and the Holding Company control the Bank;

NOW THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged by the parties, the Holding Company, Immediate Parent Company, and the Bank hereby enter into this CALMA setting forth the Holding Company’s and Immediate Parent Company’s continuing obligation to provide to the Bank necessary capital and liquidity support, in order to ensure that the Bank continues to operate safely and soundly and in accordance with all applicable laws, rules and regulations, and in accordance with the terms of the Operating Agreement, and hereby agree as follows:

CONFIDENTIAL TREATMENT REQUESTED

1. CAPITAL ASSURANCES

A. The Bank's Minimum Capital Requirement. The parties acknowledge that the Bank is obligated to maintain sufficient capital such that the Bank's capital meets or exceeds the levels required by the Operating Agreement or any modifications thereof (the Bank's "Minimum Capital Requirement").

B. The Bank's Additional Capital Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain capital commensurate with its risk profile. If the Bank's analysis determines that the Bank requires a level of capital greater than the Bank's Minimum Capital Requirement, the Bank, the Holding Company, and Immediate Parent Company shall promptly raise such additional capital (the Bank's "Additional Capital Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for it to secure capital infusions to remain in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to make such capital infusions. Any request to the Holding Company and Immediate Parent Company for such capital infusions shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Capital Infusions from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to make such capital infusions as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. If at any time, the Bank's capital level falls below the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement (the Bank's "Capital Deficiency"), the Holding Company and Immediate Parent Company agree they will, at the request of the Bank, contribute sufficient additional capital in a form acceptable to the Bank, subject to the OCC's right to raise a supervisory objection, so as to bring the Bank into compliance with the Bank's Minimum Capital Requirement or the Bank's Additional Capital Requirement. Such capital contribution shall be: (i) made not later than ten (10) business days after receiving notification of the Bank's Capital Deficiency and request from the Bank; (ii) in the form of equity, cash, or if appropriate, other acceptable assets; and (iii) accounted for pursuant to Generally Accepted Accounting Principles ("GAAP").

2. LIQUIDITY MAINTENANCE

A. The Bank's Minimum Liquidity Requirement. The parties acknowledge that the Bank is required to maintain liquidity in accordance with the terms of the Operating Agreement or any modifications thereof (the Bank's "Minimum Liquidity Requirement").

CONFIDENTIAL TREATMENT REQUESTED

B. The Bank's Additional Liquidity Requirement. The parties acknowledge that, under the terms of the Operating Agreement, the Bank is required to maintain a system to analyze and maintain liquidity commensurate with its risk profile. If the Bank's analysis determines that the Bank's liquidity needs exceed the Bank's Minimum Liquidity Requirement, the Bank, the Holding Company and Immediate Parent Company shall promptly increase liquidity to meet such needs (the Bank's "Additional Liquidity Requirement").

C. The Bank's Obligation to Notify the Holding Company and Immediate Parent Company of Deficiency and Seek the Holding Company's and Immediate Parent Company's Assistance. The Bank agrees that if it becomes necessary for the Bank to secure financial support to remain in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement, the Bank shall immediately notify and request the Holding Company and Immediate Parent Company to provide such financial support. Any Bank request to the Holding Company or Immediate Parent Company for such financial support shall be in writing, and the Bank shall provide the OCC with a copy of such written demand within three (3) business days after delivery to the Holding Company or Immediate Parent Company.

D. Financial Support from the Holding Company and Immediate Parent Company. The Holding Company and Immediate Parent Company hereby agree to provide such financial support as may be requested by the Bank from time to time to ensure the Bank remains in compliance with the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement. The Holding Company and Immediate Parent Company each agree to serve as a source of strength to the Bank. If at any time the Bank's liquidity levels fall below the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement (the Bank's "Liquidity Deficiency"), the Holding Company and Immediate Parent Company agree that within ten (10) business days of receiving notification from the Bank regarding the Bank's Liquidity Deficiency, or sooner if circumstances warrant, the Holding Company and Immediate Parent Company shall provide the Bank with adequate financial support in such amount, form and duration as may be necessary for the Bank to meet the Bank's Minimum Liquidity Requirement or the Bank's Additional Liquidity Requirement.

3. MONITORING OF HOLDING COMPANY AND IMMEDIATE PARENT COMPANY.

A. Monitoring. The Holding Company and Immediate Parent Company acknowledge that the Operating Agreement requires the Bank to monitor the Holding Company and Immediate Parent Company sufficiently for the Bank to reliably determine their financial condition and assess any other developments that could adversely affect the Bank in any material way, and that the Operating Agreement requires the Bank to maintain and have available for examiner review current financial information on the Holding Company and Immediate Parent Company. In order to assist the Bank in meeting its obligations under the Operating Agreement, the Holding Company and Immediate Parent Company agree to provide such information as requested by the Bank to fulfill its obligations under the Operating Agreement.

CONFIDENTIAL TREATMENT REQUESTED

B. Examinations. The Holding Company and Immediate Parent Company acknowledge that the OCC has the authority, under 12 U.S.C. § 1464(d), to make such examinations of all affiliates of the Bank, including, but not limited to the Holding Company and Immediate Parent Company, as shall be necessary to disclose fully the relations between the Bank and its affiliates and the effect of such relations upon the Bank. The Holding Company and the Immediate Parent Company agree to consent to such examinations of the Holding Company, the Immediate Parent Company, and any subsidiaries thereof, as the OCC deems necessary, pursuant to 12 U.S.C. § 1464(d).

C. Reporting. The Holding Company and Immediate Parent Company agree to submit to the OCC and Federal Reserve Form FR Y-6 filed annually by the Holding Company with the Federal Reserve and such other reports as may be requested by the OCC or Federal Reserve, to keep the OCC and Federal Reserve informed as to the financial condition of the Holding Company, the Immediate Parent Company, and any other affiliate of the Bank, the effect of any relationship between the Bank and any affiliate of the Bank, systems for monitoring and controlling financial and operating risks, and compliance by the Holding Company and its subsidiaries with applicable provisions of this CALMA and any other written agreement entered into with any regulatory agency.

D. Records. The Holding Company and Immediate Parent Company each shall maintain such records as the OCC may deem necessary to assess the risks to the Bank.

4. BORROWINGS AND CERTAIN TRANSFERS BY HOLDING COMPANY AND IMMEDIATE PARENT COMPANY. In order to enable the OCC to assess the capacity of the Holding Company and the Immediate Parent Company to fulfill their obligations under this CALMA, the Holding Company and the Immediate Parent Company agree to the provisions of this section.

A. Non-compliance With Covenants. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within fifteen (15) days of the expiration of any applicable waiver or cure period, of any material breach of any material covenant in (i) any agreements with its non-affiliated lenders, including credit agreements, bond indentures, or similar documents, or (ii) any funding or related agreements with non-affiliated parties including those agreements related to securitizations and issuances of preferred securities (such covenants are herein collectively referred to as "Covenants").

B. Executed Agreements With Lenders. The Holding Company and the Immediate Parent Company each shall provide the OCC and the Federal Reserve with copies of any new material executed agreements with its non-affiliated lenders, other than borrowings in the ordinary course of business, within thirty (30) days after execution, and if any material Covenants are materially modified after the date of the execution of such agreements, each affected company shall notify the OCC of their modification within thirty (30) days after execution of their modification.

CONFIDENTIAL TREATMENT REQUESTED

C. Additional Debt. The Holding Company and the Immediate Parent Company each shall notify the OCC and the Federal Reserve within thirty (30) days after incurring any material additional indebtedness from non-affiliated lenders, other than borrowings in the ordinary course of business.

D. Certain Transfers. The Holding Company and the Immediate Parent Company shall provide written notice to the OCC and the Federal Reserve within thirty (30) days after the transfer of any material portion of its assets (including any interest in the Bank or any other subsidiary) to any other party, except in the ordinary course of business.

5. GENERAL PROVISIONS

A. Effective Date. This CALMA shall become effective immediately upon its execution by the parties ("Effective Date").

B. Term and Termination. The term of this CALMA shall commence on the Effective Date and will continue until the earliest to occur of (i) the termination of the Operating Agreement; (ii) such time as neither General Electric Company, the Holding Company, nor the Immediate Parent Company controls the Bank (as "control" is defined herein); or (iii) a date that is mutually agreed upon by the parties. The Bank reserves the right to seek the OCC's supervisory non-objection in writing prior to termination of this CALMA pursuant to subsection (iii) hereof. For the avoidance of doubt, the parties to this CALMA acknowledge that, subject to subsections (i)-(iii) hereof, the Holding Company will continue to be subject to this CALMA, and all of the Holding Company's obligations under this CALMA shall continue, notwithstanding any cessation of the Holding Company's status as a savings and loan holding company of the Bank, for so long as General Electric Company directly or indirectly controls the Bank. For the purposes of this subsection, "control" means direct or indirect ownership of 25% or more of a class of voting stock of the Bank, or direct or indirect ownership of securities constituting 25% or more of the equity of the Bank. In addition, the Holding Company shall obtain the Supervisory Non-Objection (as the term is defined in the Operating Agreement) of the OCC prior to: (i) dissolving the Holding Company; (ii) taking any action that would cause the Holding Company's total consolidated assets to decrease below thirty (30) percent of the Holding Company's total consolidated assets as of November 30, 2012; or (iii) taking any action that would cause the Holding Company to be unable to fulfill its obligations under this CALMA.

C. Modification or Amendment. This CALMA may be modified or amended only by the mutual written consent of the parties. The Bank reserves the right to seek the OCC's written non-objection prior to modifying or amending this CALMA.

D. Assignability. This CALMA shall not be assigned or transferred, in whole or in part.

E. Joint and Several Liability. The obligations, liabilities, agreements and commitments of the Holding Company and Immediate Parent Company under Articles 1 and 2 of this CALMA are joint and several.

CONFIDENTIAL TREATMENT REQUESTED

F. Successors in Interest. This CALMA shall remain in full force and effect against any successors in interest to the Bank or Immediate Parent Company, including any conservator or receiver appointed for or on behalf of the Bank.

G. Conservatorship or Receivership of the Bank. In the event of the appointment of a conservator or receiver for the Bank, the obligations of the Holding Company and Immediate Parent Company under this CALMA shall survive said appointment.

H. No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties hereto shall operate as a waiver or termination thereof, nor shall any exercise or partial exercise of any right or remedy preclude any other or further exercise of such right or remedy or any other right or remedy.

I. Entire Agreement. This CALMA constitutes the entire agreement between the parties with respect to the subject matter at issue, and supersedes all prior written or oral communications, representations, understanding and agreements relating to the subject matter of this CALMA.

J. Severability. If any portion of this CALMA shall be held by a court of competent jurisdiction to be invalid, illegal, unenforceable, or inoperative, then, so far as is reasonable and possible, the remainder of this CALMA shall be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. The parties shall endeavor in good faith to replace the invalid, illegal, unenforceable or inoperative provision(s) with valid provision(s) the economic effect of which comes as close as possible to that of the invalid, illegal, unenforceable or inoperative provision(s).

K. Notices. All notices or other communication required hereunder shall be in writing and shall be made by electronic mail or facsimile transmission, with a copy sent by overnight mail, to the following persons:

If to the Bank:

Board of Directors
XXXXXXXXXXXX, FSB
XXXXXXXXXXXX
XXXXXXXXXXXX
Attention: Chairman of the Board

If to Holding Company and any Immediate Parent Company:

Holding Company, Inc.
XXXXXXXXXXXXXXXX
XXXXXXXXXX XXXXX
Attention: XXXXXXXXXX

CONFIDENTIAL TREATMENT REQUESTED

If to the OCC:

Assistant Deputy Comptroller
Office of the Comptroller of the Currency

Fax:

Such notice or communication shall be deemed to have been given or made as of the date that the notice or communication was delivered to the overnight mail carrier.

L. Governing Law. To the extent that Federal law does not control, this CALMA shall be governed, construed and controlled by the laws of the State of Utah.

M. Attorney's Fees. The prevailing party in any action between the parties arising from or relating to this CALMA shall be entitled to recover from the other party all reasonable attorneys' fees and other costs incurred in such action or proceeding.

M. Board Resolutions. The Bank's Board of Directors has approved a resolution authorizing its entry into this CALMA (the "Bank's Resolution"), the Holding Company's Board of Directors has approved a resolution authorizing its entry into this CALMA ("Holding Company's Resolution"), and Immediate Parent Company's respective Board of Directors have each approved a resolution authorizing such company entry into this CALMA ("Immediate Parent Company's Resolution"). Certified copies of the Bank's Resolution, the Holding Company's Resolution, the Immediate Parent Company's Resolution are attached hereto as Exhibit A and incorporated herein by reference.

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Bank, has hereunto set his hand on behalf of GE Capital Retail Bank.

XXXXXXXXXX
Title

Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of General Electric Capital Corporation, has hereunto set his hand on behalf of General Electric Capital Corporation.

XXXXXXXXXX
Title

Date

CONFIDENTIAL TREATMENT REQUESTED

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Consumer Finance, Inc., has hereunto set his hand on behalf of GE Consumer Finance, Inc.

XXXXXXXXXX
Title

Date

IN TESTIMONY WHEREOF, the undersigned, as a duly appointed and authorized officer of GE Capital Retail Finance Corporation, has hereunto set his hand on behalf of GE Capital Retail Finance Corporation.

XXXXXXXXXX
Title

Date

CONFIDENTIAL TREATMENT REQUESTED

Exhibit A

The Bank's Resolution, Holding Company's Resolution, Finance's Resolution, and Retail Finance's Resolution

CONFIDENTIAL TREATMENT REQUESTED

MASTER INDENTURE

between

GE SALES FINANCE MASTER TRUST,
as Issuer,

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Indenture Trustee

Dated as of February 29, 2012

GE SALES FINANCE MASTER TRUST

Reconciliation and Tie between this Indenture
dated as of February 29, 2012 and the
TIA of 1939, as amended

<u>TIA Section</u>	<u>Indenture Section</u>
310(a)(1)	6.11
(a)(2)	6.11
(a)(3)	6.10(b)
(a)(4)	Not Applicable
(b)	6.11
(c)	Not Applicable
311(a)	6.13
(b)	6.13
312(a)	7.1
(b)	7.2(b); 10.14
(c)	7.2(c); 10.14
313(a)	6.14; 6.6
(b)(1)	6.14
(b)(2)	6.14
(c)	6.14
(d)	6.14
314(a)	7.3
(b)	3.6; 8.8
(c)(1)	8.7
(c)(2)	8.7
(c)(3)	8.7
(d)	8.7
(e)	10.1
(f)	Not Applicable
315(a)	6.1
(b)	6.5
(c)	6.1
(d)	6.7
(e)	5.12
316(a) (last sentence)	2.12
(a)(1)(A)	5.10
(a)(1)(b)	5.11
(a)(2)	Not Applicable
317(a)(1)	5.3
(a)(2)	5.3
(b)	6.16
318(a)	10.17
(c)	10.17

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SCHEDULES

SCHEDULE I PERFECTION REPRESENTATIONS, WARRANTIES AND COVENANTS (WITH RESPECT TO TRANSFERRED INTERESTS)

SCHEDULE II FDIC RULE REQUIREMENTS

MASTER INDENTURE, dated as of February 29, 2012, between GE SALES FINANCE MASTER TRUST, a Delaware statutory trust (the "Issuer"), and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as trustee and not in its individual capacity (the "Indenture Trustee"). This Indenture may be supplemented at any time and from time to time by an indenture supplement in accordance with Article IX (an "Indenture Supplement," and together with this Indenture and any amendments, the "Agreement"). If a conflict exists between the terms and provisions of this Indenture and any Indenture Supplement, the terms and provisions of the Indenture Supplement shall be controlling with respect to the related Series.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the holders thereof, it is mutually covenanted and agreed, for the benefit of all Noteholders, as follows:

GRANTING CLAUSE

The Issuer, as security for the Issuer's obligations under the Notes and this Indenture, hereby Grants to the Indenture Trustee on the Closing Date relating to the first Series of Notes, for the benefit of the Noteholders, each Counterparty (as defined in any Indenture Supplement) and the Indenture Trustee, a security interest in all of the Issuer's right, title and interest in, to and under the following, whether now existing or hereafter arising or acquired (collectively, the "Collateral"):

(a) the Transferred Receivables and Related Security;

(b) the Transferred Participation Interests and the Requisite Percentage of the Related Security;

(c) all Collections with respect to Transferred Receivables, and the Requisite Percentage of Collections with respect to Transferred Participation Interests, in each case, related to and all money, instruments, investment property and other property distributed or distributable in respect of (together with all earnings, dividends, distributions, income, issues, and profits relating to) the Transferred Receivables and Transferred Participation Interests, as applicable pursuant to the terms of this Indenture and any Indenture Supplement, including Interchange (if any) allocated to any Series of Notes pursuant to any Indenture Supplement, and all amounts allocated to the Issuer pursuant to Section 6.2 of the Transfer Agreement;

(d) all funds, Financial Assets, Investment Property or other property on deposit from time to time in or credited to the Trust Accounts, including the proceeds thereof and income thereon;

(e) all Insurance Proceeds with respect to Transferred Receivables and the Requisite Percentage of Insurance Proceeds with respect to the Transferred Participation Interests;

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(f) all proceeds of any derivative contracts between the Issuer or, to the extent assigned to the Issuer, the Transferor and a counterparty, as described in any Indenture Supplement;

(g) all present and future claims, demands, causes and choses in action in respect of any or all of the property described in the foregoing clauses (a) through (f) and all payments on, under or in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, promissory notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property that at any time constitute all or part of or are included in the proceeds of any and all of the foregoing;

(h) all rights, remedies, powers, privileges and claims of the Issuer under or with respect to any Series Enhancement, the Servicing Agreement, the Sale Agreements and the Transfer Agreement (whether arising pursuant to the terms of the related Enhancement Agreement, the Servicing Agreement, the Sale Agreements or the Transfer Agreement or otherwise available to the Issuer at law or in equity), including the rights of the Issuer to enforce such Enhancement Agreement, the Servicing Agreement, the Sale Agreements or the Transfer Agreement, and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to such Enhancement Agreement, the Servicing Agreement, the Sale Agreements or the Transfer Agreement to the same extent as the Issuer could but for the security interest granted to the Indenture Trustee for the benefit of the Noteholders;

(i) all general intangibles relating to or arising out of any of the property described in the foregoing clauses (a) through (h);

(j) all other personal property of the Issuer, of whatever kind or nature and wherever located; and

(k) all proceeds of any of the property described in the foregoing clauses (a) through (j).

Such Grant is made in trust to the Indenture Trustee for the benefit of the Noteholders, each Counterparty (as defined in any Indenture Supplement) and the Indenture Trustee.

The Indenture Trustee (i) acknowledges such Grant, and (ii) accepts the trusts under this Indenture in accordance with this Indenture and agrees, subject to the terms and conditions hereof, to perform its duties required in this Indenture to the best of its ability to the end that the interests of the Noteholders, each Counterparty (as defined in any Indenture Supplement) and the Indenture Trustee may be adequately and effectively protected.

To the extent that the Trustee is determined to hold legal title to any of the Collateral, as security for the Issuer's obligations under the Notes and this Indenture, the Trustee hereby grants to the Indenture Trustee, for the benefit of the Noteholders, each Counterparty and the Indenture Trustee, a security interest in all of Trustee's right, title and interest, whether now owned or hereafter acquired, in, to and under the Collateral.

The Issuer shall file, and hereby authorizes the Indenture Trustee to file, a UCC financing statement with a collateral description covering all of the Issuer's personal property, wherever located, whether now existing or arising in the future.

ARTICLE I
DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 Definitions. Except as otherwise specified or as the context may otherwise require, the following capitalized terms only have the meanings set forth below for all purposes of this Indenture.

“Account” means, at any time, each credit account then included as an “Account” pursuant to (and as defined in) the Transfer Agreement.

“Act” is defined in Section 10.3(a).

“Additional Accounts” means any Accounts designated pursuant to Section 2.6 of the Transfer Agreement.

“Administration Agreement” means the Administration Agreement, dated as of February 29, 2012, between the Administrator and the Issuer.

“Administrator” means GE Capital Retail Bank, in its capacity as Administrator under the Administration Agreement or any successor Administrator.

“Adverse Effect” means, with respect to any action, that such action will (a) result in the occurrence of an Early Amortization Event or an Event of Default or (b) materially and adversely affect the amount of distributions to be made to the Noteholders of any Series or Class pursuant to the Related Documents.

“Affiliate” means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock or other equity interest having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by, or is under common control with such Person or (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, “*control*” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

“Aggregate Principal Amounts” means, as of any date of determination, the sum of (i) the aggregate Outstanding Balances of Principal Receivables as of such date and (ii) the aggregate principal amounts of all Participation Interests as of such date; provided that the Outstanding Balance of any Principal Receivable or the principal amount of any Participation Interest that has been designated as an Ineligible Interest as of such date of determination shall be excluded from Aggregate Principal Amounts for purposes of calculating Trust Principal Balance.

“Agreement” is defined in the preamble.

“Allocation Percentage” is defined for any Series, with respect to Principal Collections, Finance Charge Collections and Charged-Off Receivables in the related Indenture Supplement.

“Amortization Period” means, as to any Series or any Class within a Series, any period specified in the related Indenture Supplement during which a share of principal collections is used or set aside to repay the outstanding principal amount of that Series.

“Approved Segments” means the following segments of GE Capital Retail Bank’s sales finance business: CareCredit, Furniture, Electronics, Home, HVAC, Specialty, Lawn & Garden, Luxury and Auto.

“Authorized Officer” means, with respect to any corporation, limited liability company or statutory trust, the Chairman or Vice-Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer and each other officer of such corporation, limited liability company or statutory trust or of the trustee or administrator or sub-administrator of such trust specifically authorized in resolutions of the Board of Directors of such corporation or by the governing documents or agreements of such trust to sign agreements, instruments or other documents on behalf of such corporation or statutory trust in connection with the transactions contemplated by the Related Documents.

“Bankruptcy Code” means the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

“Benefit Plan Investor” means (i) an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, (ii) a “plan” as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include “plan assets” by reason of investment by an employee benefit plan or plan in such entity, or (iv) a governmental, non-U.S. or church plan that is subject to applicable law that is substantially similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code.

“Book-Entry Notes” means a beneficial interest in the Notes of a particular Class, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 2.10.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Connecticut (or, with respect to any Series, any additional city specified by the related Indenture Supplement).

“Charged-Off Receivable” means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectible in accordance with the Credit and Collection Policies.

“Class” means any class of Notes of any Series.

“Clearing Agency” means an organization registered as a “clearing agency” pursuant to Section 17A of the Securities Exchange Act that has been designated as the “Clearing Agency” for purposes of this Indenture.

“Clearing Agency Participant” means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

“Closing Date” means, with respect to any Series, the closing date specified in the Indenture Supplement for such Series.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

“Collateral” is defined in the Granting Clause of this Indenture.

“Collateral Amount” is defined, with respect to any Series, in the Indenture Supplement for such Series.

“Collection Account” means the account designated as such, established and owned by the Issuer and maintained in accordance with Section 8.2.

“Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by an Obligor on account of such Receivable during such period, including all in-store payments and all other fees and charges and (b) Recoveries and cash proceeds of Related Security with respect to such Receivable. Collections shall include all amounts described in the preceding sentence that are received with respect to Participation Interests and shall only include Recoveries to the extent allocated to the Participation Interests in accordance with the Receivables Participation Agreement. Amounts received from the Transferor pursuant to Section 2.5 of the Transfer Agreement shall be deemed to be Principal Collections. Amounts received from the Transferor pursuant to Section 6.1(e) of the Transfer Agreement and amounts received from the Servicer pursuant to Section 2.6 of the Servicing Agreement shall be deemed to be Principal Collections to the extent that they represent the purchase price of Principal Receivables and shall be deemed to be Finance Charge Collections to the extent that they represent the purchase price of Finance Charge Receivables. Amounts received from the Transferor pursuant to Section 6.2(a) of the Transfer Agreement shall be deemed to be Collections. Recoveries shall be treated as Collections of Finance Charge Receivables. Collections with respect to any Monthly Period shall include the amount of Interchange (if any) allocable to any Series of Notes, pursuant to the applicable Indenture Supplement, with respect to such Monthly Period (to the extent received by Issuer and deposited on the Payment Date following such Monthly Period in accordance with the Transfer Agreement), to be applied as if such Interchange were Collections of Finance Charge Receivables for all purposes.

“Commission” means the Securities and Exchange Commission.

“Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Obligor and Originator, as such agreements may be amended, modified, or otherwise changed from time to time.

“Corporate Trust Office” means, with respect to the Indenture Trustee, the principal office of the Indenture Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of this Indenture is located at 60 Wall Street, 27th floor, Mail Stop NYC60-2720, New York, New York 10005, Attention: Corporate Trust & Agency Services (facsimile no. (212) 553-2458); or at such other address as the Indenture Trustee may designate from time to time by notice to the Noteholders and the Issuer, or the principal corporate trust office of any successor Indenture Trustee (the address of which the successor Indenture Trustee will notify the Noteholders and the Issuer).

“Credit and Collection Policies” means the credit and collection policies adopted by the Issuer pursuant to the Trust Agreement, as such credit and collection policies may be amended or modified from time to time.

“Custody and Control Agreement” means the Custody and Control Agreement, dated as of February 29, 2012, among the Issuer, Deutsche Bank Trust Company Americas, as custodian, and the Indenture Trustee.

“Daily Deposit Event” means (i) a reduction in the Servicer’s (or, so long as the Servicer Guaranty remains in effect, GE Capital’s) short term debt rating of, if rated by S&P, below A-1 by S&P, if rated by Moody’s, below P-1 by Moody’s, if rated by Fitch, below F-1 by Fitch, and, if rated by any other rating agency, below the equivalent rating by that rating agency (or such other rating below A-1, P-1, F-1 or such equivalent rating, as the case may be, which is satisfactory to Noteholders representing not less than a majority of the Outstanding Principal Balance of the Notes of each Series), or (ii) with respect to Collections allocable to any Series, any other conditions specified in the related Indenture Supplement are not satisfied.

“Date of Processing” means, as to any transaction, the day on which the transaction is first recorded on the Issuer’s computer file of credit accounts (without regard to the effective date of such recordation).

“Default” means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

“Definitive Notes” is defined in [Section 2.10](#).

“Discount Option Receivables” is defined in [Section 2.8](#) of the Transfer Agreement.

“Discount Percentage” is defined in [Section 2.8](#) of the Transfer Agreement.

“Distribution Account” means, with respect to any Series of Notes, the applicable distribution account designated as such, established and owned by the Issuer and maintained as specified in any Indenture Supplement.

“Early Amortization Event” means, as to any Series, each event, if any, specified in the relevant Indenture Supplement as an Early Amortization Event for that Series or a Trust Early Amortization Event.

“Eligible Deposit Account” means: (a) a segregated deposit account maintained with a depository institution or trust company whose short term unsecured debt obligations are rated at least, if rated by S&P, A-1 by S&P, if rated by Moody’s, P-1 by Moody’s, and, if rated by Fitch, F-1 by Fitch, (b) a segregated account which is either (i) maintained in the corporate trust department of the Indenture Trustee or (ii) maintained with a depository institution or trust company whose long term unsecured debt obligations are rated at least, if rated by S&P, A by S&P, if rated by Moody’s, A2 by Moody’s and, if rated by Fitch, BBB- by Fitch or (c) a segregated trust account maintained in the corporate trust department of a federally or state chartered depository institution whose long-term unsecured debt obligations are rated at least, if rated by S&P, A by S&P, if rated by Moody’s, A2 by Moody’s and, if rated by Fitch, BBB- by Fitch, subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. §9.10(b) in effect on the date hereof.

“Enhancement Agreement” means any agreement, instrument or document governing the terms of any Series Enhancement or pursuant to which any Series Enhancement is issued.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Event of Default” is defined in Section 5.2.

“Excess Allocation Series” means a Series that, pursuant to the Indenture Supplement therefor, is entitled to receive Excess Finance Charge Collections, as set forth in such Indenture Supplement. If so specified in the Indenture Supplement for a Group of Series, such Series may be an Excess Allocation Series only for the Series in such Group.

“Excess Finance Charge Collections” means all amounts that any Indenture Supplement designates as “Excess Finance Charge Collections”.

“Excess Funding Account” means the account designated as such, established and owned by the Issuer and maintained in accordance with Section 8.2.

“Excess Shared Principal Collections” is defined in Section 8.5.

“FDIC” means the Federal Deposit Insurance Corporation or any successor agency.

“FDIC Rule” means 12 C.F.R. §360.6, as such may be amended from time to time.

“FDIC Rule Interpretations” means clarifications and interpretations to the FDIC Rule as may be provided by the FDIC or by the FDIC’s staff from time to time.

“FDIC Rule Requirements” means the covenants, obligations and agreements set forth in Schedule II to this Indenture and incorporated by reference in this Indenture.

“Federal Book-Entry Regulations” means (a) the Federal regulations listed on Appendix A to Operating Circular No.7 issued by the Federal Reserve Banks and (b) the Federal regulations published at 25 C.F.R. Part 350.

“Federal Book-Entry Security” means a marketable security (a) issued in electronic form by (i) the United States Government, (ii) the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association or (iii) any direct obligation of any other agency or instrumentality of the United States Government that is fully guaranteed as to timely payment or principal and interest by the United States of America and (b) that the Federal Reserve Banks have determined is eligible to be held in an account at a Federal Reserve Bank containing securities of such type pursuant to the Federal Book-Entry Regulations.

“Finance Amount” means, with respect to any Finance Charge Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the outstanding amount of such Finance Charge Receivable.

“Finance Charge Collections” means Collections attributable to Finance Charge Receivables (after giving effect to any recharacterization of Collections of Principal Receivables as Collections of Finance Charge Receivables pursuant to Section 2.8 of the Transfer Agreement), including Collections applied by the Issuer in respect of Finance Charge Receivables that are subsequently waived or reversed. The determination as to whether Collections are attributable to Finance Charge Receivables or Principal Receivables shall be made by the Issuer using its then-current practices as in effect from time to time.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account. Finance Charge Receivables shall also include the Finance Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Issuer using its then-current practices as in effect from time to time.

“Finance Charge Shortfalls” is defined, as to any Series, in the related Indenture Supplement.

“Financial Asset” has the meaning assigned thereto in Section 8-102 of Article 8 of the UCC.

“Fitch” means Fitch, Inc.

“Free Equity Amount” means, at any time, the sum of (a) the excess, if any, of the Trust Principal Balance at such time over the sum of the Collateral Amounts at such time for all outstanding series of Notes, plus (b) the funds on deposit in any Trust Account that will be applied to pay the principal amount of the Notes of any Series on the following Payment Date, but only to the extent not deducted for purposes of determining the Collateral Amount at such time for any Series of Notes.

“GE Capital” means General Electric Capital Corporation, a Delaware corporation.

“GE Capital Retail Bank” means GE Capital Retail Bank, a federal savings bank organized under the laws of the United States.

“GEMB Lending Participation Interest Sale Agreement” shall mean the Participation Interest Sale Agreement, dated as of February 29, 2012, between GEMB Lending, Inc. and the Transferor.

“Governmental Authority” means any nation or government, any state, county, city, town, district, board, bureau, office commission, any other municipality or other political subdivision thereof (including any educational facility, utility or other Person operated thereby), and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Grant” means to create and grant a Lien pursuant to this Indenture, and other forms of the verb “to Grant” shall have correlative meanings. A Grant with respect to the Collateral or any other agreement or instrument shall include a grant of a Lien upon all rights, powers and options (but none of the obligations) of the Granting party thereunder, including the right, upon the occurrence of a Default and declaration thereof by the party to whom such Grant is made, to claim for, collect, receive and give receipt for principal and interest payments in respect of the Collateral and all other amounts payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the Granting party or otherwise and generally to do and receive anything that the Granting party is or may be entitled to do or receive thereunder or with respect thereto.

“Group” means, with respect to any Series, the group of Series, if any, in which the related Indenture Supplement specifies such Series is to be included.

“Holder” means “Holder” as defined in the Trust Agreement.

“Indenture” means this Master Indenture, dated as of February 29, 2012, between the Issuer and the Indenture Trustee.

“Indenture Supplement” means, with respect to any Series, a supplement to this Indenture, executed and delivered in connection with the original issuance of the Notes of such Series pursuant to Section 2.8, and an amendment to this Indenture executed pursuant to Section 9.1 or 9.2, and, in either case, including all amendments thereof and supplements thereto.

“Indenture Trustee” means Deutsche Bank Trust Company Americas, not in its individual capacity but solely as Indenture Trustee under this Indenture, or any successor Indenture Trustee under this Indenture.

“Independent” means, with respect to any specified Person, any such Person who (a) is in fact independent of any Originator, the Servicer, the Transferor, the Issuer or any Affiliate of any thereof, (b) does not have any direct financial interest, or any material indirect financial interest in any Originator, the Servicer, the Transferor, the Issuer, or any Affiliate of any thereof and (c)

is not connected with any Originator, the Servicer, the Transferor, the Issuer, or any Affiliate of any thereof, as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions; provided, however, that a Person shall not fail to be Independent of any Originator, the Servicer, the Transferor, the Issuer, or any Affiliate of any thereof merely because such Person is the beneficial owner of 1% or less of any class of securities issued by the Issuer, any Originator, the Servicer, or any Affiliate thereof, as the case may be.

“Independent Certificate” means a certificate or opinion to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.1 made by an Independent appraiser or other expert appointed by an Issuer Order, and such opinion or certificate shall state that the signer has read the definition of “Independent” in this Indenture and that the signer is Independent within the meaning thereof.

“Ineligible Interest” means any Transferred Interest designated as an “Ineligible Interest” by the Transferor pursuant to Section 6.1(d) of the Transfer Agreement.

“Initial Closing Date” means February 29, 2012.

“Insolvency Event” means, with respect to a specified Person: (a) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of such Person under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of such Person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of ninety (90) consecutive days; or (b) the commencement by such Person of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Person’s failure to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.

“Insurance Proceeds” means any amounts payable to Originator pursuant to any credit insurance policies covering any Obligor with respect to Receivables under such Obligor’s Account.

“Interchange” means interchange fees payable to any Originator, in its capacity as credit card issuer, through VISA, USA, Inc., MasterCard International Incorporated, Discover Bank or American Express Co. or any similar entity or organization with respect to any type of credit accounts included as Accounts.

“Investment Company Act” means the Investment Company Act of 1940 and any regulations promulgated thereby.

“Investment Property” has the meaning assigned thereto in Section 9-102 of Article 9 of the UCC.

“Involuntary Removal” is defined in Section 2.7(b) of the Transfer Agreement.

“Issuer” means GE Sales Finance Master Trust, a Delaware statutory trust, until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained in this Indenture and required by the TIA, each other obligor on the Notes.

“Issuer Order” and “Issuer Request” means a written order or request, respectively, signed in the name of the Issuer by any one of its Authorized Officers and delivered to the Indenture Trustee.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale, any lease or title retention agreement, or any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction); provided, however, Permitted Encumbrances shall not constitute a Lien.

“Maximum Addition Amount” means with respect to any calendar year, the result of (A) 20% of the Aggregate Principal Amounts determined as of the first day of such calendar year minus (B) the Aggregate Principal Amounts in all Accounts that have been designated as Additional Accounts relating to New Asset Types since the first day of such calendar year (measured, for each such Additional Account, as of the applicable cut-off date).

“Minimum Free Equity Amount” means, as of any date of determination, (a) the product of (i) the Aggregate Principal Amounts and (ii) the highest of the Minimum Free Equity Percentages specified in each Indenture Supplement effective on the date of determination. Unless otherwise specified in the related Indenture Supplement for a Series the Minimum Free Equity Percentage for such Series shall be zero.

“Monthly Period” means, as to each Payment Date, the period beginning on the 22^d day of the second preceding calendar month and ending on the 2nd day of the immediately preceding calendar month.

“Monthly Servicing Fee” means the monthly servicing fee payable to the Servicer pursuant to Section 2.5 of the Servicing Agreement.

“Moody’s” means Moody’s Investors Service, Inc.

“New Asset Types” means goods or services of a type that are materially different from either (i) the goods or services financed in the Approved Segments and (ii) asset types that have been approved by Noteholders representing not less than a majority of the Outstanding Principal Balance of the Notes.

“New Issuance” is defined in Section 2.8(a).

“Note” means one of the notes issued by the Issuer pursuant to the Indenture and an Indenture Supplement, substantially in the form attached to the related Indenture Supplement.

“Note Depository Agreement” means the agreement among the Issuer, the Indenture Trustee and The Depository Trust Company, as the initial Clearing Agency, to be dated on or around the Closing Date of the first Series that contains Book-Entry Notes.

“Note Owner” means, with respect to a Book-Entry Note, the Person who is the owner of such Book-Entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with the Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of the Clearing Agency).

“Note Register” and “Note Registrar” have the respective meanings specified in Section 2.4.

“Noteholder” means the Person in whose name a Note is registered on the Note Register or such other Person deemed to be a “Noteholder” in any related Indenture Supplement.

“Obligor” means, with respect to any Receivable, any Person obligated to make payments in respect thereof.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

“Opinion of Counsel” means a written opinion of counsel (who may, except as otherwise expressly provided in this Agreement, be an employee of or counsel to the Issuer or an Affiliate of the Issuer), which counsel and opinion shall be acceptable to the Indenture Trustee.

“Originator” means GE Capital Retail Bank or any other originator so designated pursuant to Section 2.10 of the Transfer Agreement.

“Other Assets” is defined in Section 10.18.

“Outstanding” means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture except:

- (a) Notes theretofore canceled by the Note Registrar or delivered to the Note Registrar for cancellation;

(b) Notes or portions thereof the payment for which funds in the necessary amount have been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Noteholders (provided, however, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture); and

(c) Notes in exchange for or in lieu of other Notes that have been authenticated and delivered pursuant to this Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Notes are held by a protected purchaser;

provided, that in determining whether the Noteholders of the requisite Outstanding Principal Balance of the Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any Related Document, Notes owned by the Issuer or any Affiliate thereof shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a Responsible Officer of the Indenture Trustee actually knows to be so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any Affiliate thereof.

"Outstanding Balance" means, with respect to any Principal Receivable: (a) as of the date on which the Issuer acquires such Principal Receivable pursuant to the Transfer Agreement, the outstanding amount of such Principal Receivable as reflected on the Issuer's books and records after giving effect to any recharacterization of any portion of such Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8 of the Transfer Agreement; and (b) thereafter, the amount referred to in clause (a) minus Collections with respect to that Principal Receivable that are allocable to a reduction of the Outstanding Balance thereof minus any subsequent discounts to or any other modifications that reduce such Outstanding Balance; provided, that the Outstanding Balance of a Charged-Off Receivable shall equal zero.

"Outstanding Principal Balance" means the aggregate principal amount of all Notes Outstanding at the date of determination.

"Participation Interest" shall mean, with respect to any Receivable, an interest in such Receivable equal to the applicable Requisite Percentage of such Receivable.

"Participation Interest Sale Agreement" shall mean the (i) GEMB Lending Participation Interest Sale Agreement and (ii) any other participation interest sale agreement entered into between a Seller and Transferor pursuant to which such Seller sells Participation Interests to the Transferor.

"Paying Agent" means with respect to the Notes, initially the Indenture Trustee or any other Person that meets the eligibility standards specified in Section 6.15 and is authorized by the Issuer to make the payments from the Trust Accounts, including payment of principal of or interest on the Notes on behalf of the Issuer; provided, that if the Indenture Supplement for a Series so provides, a separate or additional Paying Agent may be appointed with respect to such Series.

“Payment Date” means, with respect to any Series, the date specified in the related Indenture Supplement.

“Permitted Encumbrances” means the following encumbrances: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, Issuer.

“Permitted Investments” means one or more of the following:

(a) obligations of, or guaranteed as to the full and timely payment of principal and interest by, the United States or obligations of any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States;

(b) repurchase agreements on obligations specified in clause (a); provided, that the short-term debt obligations of the party agreeing to repurchase are rated on the date of acquisition at least, if rated by S&P, A-1+ by S&P and, if rated by Moody’s, P-1 by Moody’s, and, if rated by Fitch, F1 by Fitch;

(c) federal funds, certificates of deposit, time deposits and bankers’ acceptances (which shall each have an original maturity of not more than 90 days or, in the case of bankers’ acceptances, shall in no event have an original maturity of more than 365 days) of any United States depository institution or trust company incorporated under the laws of the United States or any State thereof or of any United States branch or agency of a foreign commercial bank; provided, that the short-term debt obligations of such depository institution or trust company are rated on the date of acquisition at least, if rated by S&P, A-1+ by S&P and, if rated by Moody’s, P-1 by Moody’s, and, if rated by Fitch, F1 by Fitch;

(d) commercial paper (having original maturities of not more than 30 days) which on the date of acquisition are rated at least, if rated by S&P, A-1+ by S&P and, if rated by Moody’s, P-1 by Moody’s, and, if rated by Fitch, F1 by Fitch; and

(e) securities of money market funds rated on the date of acquisition at least, if rated by S&P, A-1+ or AAAM by S&P and, if rated by Moody’s, P-1 by Moody’s, and, if rated by Fitch, AAAMmf by Fitch; provided, that if there are changes in the rating scores of any rating agency after the Closing Date, then the funds can be invested in any money market fund having a rating on the date of acquisition of Aaa, or its equivalent, from such rating agency; provided, further, that investments described in this clause (e) shall be made only if there shall have been delivered to the Indenture Trustee an Opinion of Counsel to the effect that making such investments will not require the Issuer to register as an investment company under the Investment Company Act.

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a statutory or business trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

“Predecessor Note” means, with respect to any particular Note in a Series, every previous Note in such Series evidencing all or a portion of the same debt as that evidenced by such particular Note, and, for the purpose of this definition, any Note in a Series authenticated and delivered under Section 2.5 in lieu of a mutilated, lost, destroyed or stolen Note in such Series shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note.

“Principal Amount” means, with respect to any Principal Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the Outstanding Balance of such Receivable.

“Principal Collections” means Collections attributable to Principal Receivables (after giving effect to any recharacterization of Collections of Principal Receivables as Collections of Finance Charge Receivables pursuant to Section 2.8 of the Transfer Agreement). The determination as to whether Collections are attributable to Finance Charge Receivables or Principal Receivables shall be made by the Issuer using its then-current practices as in effect from time to time.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable provided, that after the effective date of designation of a Discount Percentage, Principal Receivables on any Date of Processing thereafter shall mean Principal Receivables as otherwise determined pursuant to this definition minus Discount Option Receivables. Unless the context otherwise requires, Principal Receivables shall also include the Principal Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Issuer using its then-current practices as in effect from time to time.

“Principal Sharing Series” means a Series that, pursuant to the Indenture Supplement therefor, is entitled to receive Shared Principal Collections.

“Principal Shortfalls” is defined, as to any Series, in the related Indenture Supplement.

“Principal Terms” means, with respect to any Series, the following information related thereto: (a) the name or designation and Closing Date for such Series; (b) the initial principal amount (or method for calculating such amount) and the Collateral Amount; (c) the note interest rate for each Class of Notes of such Series (or method for the determination thereof); (d) the payment date or dates and the date or dates from which interest shall accrue; (e) the method for allocating Collections to Noteholders of such Series; (f) the designation of any Series Accounts and the terms governing the operation of any such Series Accounts; (g) the Series Servicing Fee Percentage; (h) the terms of any form of Series Enhancement with respect thereto; (i) the terms, if any, on which the Notes of such Series may be exchanged for Notes of another Series, repurchased by the Transferor or remarketed to other investors; (j) the Series Maturity Date; (k) the number of Classes of Notes of such Series and, if more than one Class, the rights and priorities of each such Class; (l) the extent to which the Notes of such Series will be issuable in temporary or permanent global form (and, in such case, the depository for such global note or notes, the terms and conditions, if any, upon which such global note or notes may be exchanged, in whole or in part, for Definitive Notes, and the manner in which any interest payable on a

temporary or global note will be paid); (m) whether the Notes of such Series may be issued in bearer form and any limitations imposed thereon; (n) the priority of such Series with respect to any other Series; (o) whether such Series will be part of a Group; (p) whether such Series will be a Principal Sharing Series; (q) whether such Series will be an Excess Allocation Series; (r) the applicable Payment Dates; (s) the legal final maturity date on which the rights of the Noteholders of such Series to receive payments from the Issuer will terminate; and (t) whether such Series will or may act as a paired series with another existing Series and the Series, with which it will be paired, if applicable.

“Proceeding” means any suit in equity, action at law or other judicial or administrative proceeding.

“Receivable” means any amount owing by an Obligor under an Account from time to time. Unless the context otherwise requires (whether or not there is a specific reference to the Underlying Receivable), any reference in this Agreement to a Receivable (including any Principal Receivable, Finance Charge Receivable or Charged-Off Receivable) and any Collections thereon shall refer only to the fractional undivided interest in the amounts paid or payable by Obligors on the related Accounts that is transferred to Transferor pursuant to the applicable Sale Agreement, which undivided interest may be less than a 100% undivided interest therein.

“Receivables Participation Agreement” means the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 between GE Capital Retail Bank and GEMB Lending Inc.

“Record Date” means, (a) with respect to a Payment Date, unless otherwise specified for a Series in the Indenture Supplement for such Series or specified in the following clause (b), the close of business on the last Business Day of the calendar month immediately preceding such Payment Date and (b) with respect to a Payment Date or other special payment date following the receipt of damages from the FDIC, the close of business on the Business Day immediately preceding such Payment Date or other special payment date.

“Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict the transfer or pledge thereof), prepared and maintained by any Originator, the Servicer, any Sub-Servicer or the Issuer with respect to the Receivables and the Obligors thereunder.

“Recoveries” means, with respect to any Transferred Interest, (i) Collections of such Transferred Interest received after such Transferred Interest was charged off as uncollectible but before any sale or other disposition of such Transferred Interest after charge off; and (ii) any proceeds from such a sale or other disposition by Transferor of such a charged off Transferred Interest, in each of clauses (i) and (ii) net of expenses of recovery.

“Redemption Date” means, with respect to any Series, the date or dates specified in this Indenture or the related Indenture Supplement.

“Redemption Price” means, with respect to any Series, the price specified in the Indenture Supplement.

“Regulation AB” means subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time and subject to such clarification and interpretation as have been provided by the Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,531 (January 7, 2005)) or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

“Related Documents” means the Receivables Participation Agreement, the Transfer Agreement, the Servicing Agreement, the Administration Agreement, the Notes, the Trust Agreement, the Custody and Control Agreement, this Indenture, any Indenture Supplement, the Sale Agreements, the Transferor LLC Agreement and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Person, or any employee of any Person, and delivered in connection with any of the foregoing. Any reference in the foregoing documents to a Related Document shall include all Annexes, Exhibits and Schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Related Documents as the same may be in effect at any and all times such reference becomes operative.

“Related Security” means with respect to any Receivable: (a) all of the Issuer’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise; and (c) all Records relating to such Receivable.

“Removed Accounts” is defined in Section 2.7(a) of the Transfer Agreement.

“Required Principal Balance” means, as of any date of determination, the sum of the numerators used at such date to calculate the Allocation Percentages with respect to Principal Collections for all Series outstanding on such date.

“Requisite Percentage” means, (i) with respect to each Initial Account in which a Participation Interest arises, 95% and (ii) with respect to each Additional Account in which a Participation Interest arises, the percentage specified in the related Assignment (as defined in the Transfer Agreement). If Transferor acquires Participation Interests relating to an Account pursuant to more than one Participation Interest Sale Agreement and transfers such Participation Interests to the Issuer under the Transfer Agreement, the Requisite Percentage shall equal the sum of the Requisite Percentages (as defined in the related Participation Interest Sale Agreements) relating to all such Transferred Interests. The Requisite Percentage of any Account may be increased if the Transferor acquires additional Participation Interests in such Account pursuant to a Participation Interest Sale Agreement after the date on which such Account was first designated as an Account under the Transfer Agreement.

“Responsible Officer” means, with respect to the Indenture Trustee, any officer assigned to the Corporate Trust Office, including any vice president, assistant vice president, assistant treasurer, or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of the applicable Related Documents, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Retailer” means any Person that operates or has an arrangement with, retail establishments at which, or a catalog sales business, Internet website or other channel through which, goods or services may be purchased under an Account.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Sale Agreements” means (a) the Participation Interest Sale Agreements and (b) any receivables sale agreements pursuant to which a Seller transfers Receivables to the Transferor.

“Securities Account” has the meaning assigned thereto in Section 8-501(a) of Article 8 of the UCC.

“Securities Act” means the provisions of the Securities Act of 1933, 15 U.S.C. Sections 77aet seq., and any regulations promulgated thereunder.

“Securities Exchange Act” means the provisions of the Securities Exchange Act of 1934 15 U.S.C. Sections 78aet seq., and any regulations promulgated thereunder.

“Seller” shall mean any seller party to a Sale Agreement.

“Series” means any series of Notes, which may include within any such Series a Class or Classes of Notes subordinate to another such Class or Classes of Notes.

“Series Account” means any account designated as such, established and owned by the Issuer and maintained as specified in any Indenture Supplement.

“Series Enhancement” means the rights and benefits provided to the Issuer or the Noteholders of any Series or Class pursuant to any letter of credit, surety bond, cash collateral account, collateral interest, spread account, reserve account, cash collateral guaranty, insurance policy, tax protection agreement, interest rate swap agreement, interest rate cap agreement, cross support feature or other similar arrangement. The subordination of any Series or Class to another Series or Class shall be deemed to be a Series Enhancement.

“Series Enhancement Agreement” means any agreement pursuant to which Series Enhancement is provided.

“Series Enhancer” means the Person or Persons providing any Series Enhancement, other than (except to the extent otherwise provided with respect to any Series in the Indenture Supplement for such Series) any account or deposits therein or the Noteholders of any Series or Class which is subordinated to another Series or Class.

“Series Maturity Date” means, with respect to any Series, the maturity date for such Series specified in the Indenture Supplement for such Series.

“Series Servicing Fee Percentage” is defined, as to any Series, in the related Indenture Supplement.

“Servicer” means GE Capital Retail Bank, in its capacity as the Servicer under the Servicing Agreement, or any other Person designated as a Successor Servicer pursuant to the Servicing Agreement.

“Servicer Default” is defined in Section 5.1 of the Servicing Agreement.

“Servicer Guaranty” means that certain Servicer Performance Guaranty dated as of February 29, 2012 by GE Capital, as servicer performance guarantor.

“Servicing Agreement” means the Servicing Agreement, dated as of February 29, 2012, by and between the Servicer and the Issuer.

“Shared Principal Collections” means all amounts that any Indenture Supplement designates as “Shared Principal Collections”.

“Sponsor” means GE Capital Retail Bank.

“State” means any one of the 50 states of the United States of America or the District of Columbia.

“Sub-Servicer” means any Person with whom the Servicer enters into a Sub-Servicing Agreement.

“Sub-Servicing Agreement” means any written contract entered into between the Servicer and any Sub-Servicer relating to the servicing, administration or collection of the Transferred Interests.

“Successor Servicer” means a successor to the initial Servicer as appointed under the Servicing Agreement.

“Tax Opinion” means, with respect to any action, an Opinion of Counsel to the effect that, for Federal income tax purposes, (a) such action will not adversely affect the tax characterization as debt of Notes of any outstanding Class with respect to which an Opinion of Counsel was delivered at the time of their issuance that such Notes would be characterized as debt, (b) such actions will not cause the Issuer to be classified as an association (or publicly traded partnership) taxable as a corporation, and (c) and with respect to a New Issuance, unless otherwise specified in the Indenture Supplement, the Notes of the new Series will be treated as debt.

“TIA” or the “Trust Indenture Act” means the Trust Indenture Act of 1939, as in force on the date of this Indenture unless otherwise specifically provided, provided however, that in the event the Trust Indenture Act of 1939 is amended after such date, “TIA” or “Trust Indenture Act” means to the extent required by such an amendment, the Trust Indenture Act of 1939 as so amended.

“Transfer Agreement” means the Transfer Agreement, dated as of February 29, 2012, between the Transferor and the Issuer.

“Transfer Date” means the Business Day preceding each Payment Date.

“Transferor” means GE Sales Finance Holding, L.L.C. or any additional transferor designated as a “Transferor” pursuant to the Transfer Agreement.

“Transferor LLC Agreement” means the Limited Liability Company Agreement of the Transferor, dated as of February 29, 2012.

“Transferor Percentage” means, as to Finance Charge Collections, Charged-Off Receivables and Principal Collections, as of any date of determination, (a) 100%, minus (b) the sum of the applicable Allocation Percentages with respect to Finance Charge Collections, Charged-Off Receivables or Principal Collections, as applicable, for all outstanding Series as of such date of determination.

“Transferred Assets” means the Transferred Interests and other assets transferred to the Issuer pursuant to the Transfer Agreement.

“Transferred Interests” means the Transferred Receivables and Transferred Participation Interests.

“Transferred Participation Interest” means a Participation Interest that has been transferred by the Transferor to the Issuer under the Transfer Agreement.

“Transferred Receivable” means a Receivable that has been transferred by the Transferor to the Issuer under the Transfer Agreement.

“Treasury Regulations” means regulations, including proposed or temporary regulations, promulgated under the Code. References to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

“Trust Account” means any Series Account, the Collection Account or the Excess Funding Account.

“Trust Account Property” means the Trust Accounts, all amounts, Financial Assets, Investment Property and other investments or other property held from time to time in or credited to any Trust Account and all proceeds of the foregoing.

“Trust Agreement” means the Amended and Restated Trust Agreement relating to the Issuer, dated as of February 29, 2012, between the Transferor and the Trustee.

“Trust Early Amortization Event” is defined in Section 5.1.

“Trust Principal Balance” means, as of any date of determination, the sum of (i) the Aggregate Principal Amounts and (ii) the amount on deposit in the Excess Funding Account at that time (exclusive of any investment earnings on such amount).

“Trustee” means BNY Mellon Trust of Delaware, not in its individual capacity but solely in its capacity as Trustee under the Trust Agreement, its successors in interest and any successor Trustee under the Trust Agreement.

“UCC” means, unless the context otherwise requires, the Uniform Commercial Code as in effect in the relevant jurisdiction.

“Underlying Receivable” means any Receivable in which a Participation Interest is purchased by the Issuer from the Transferor pursuant to the Transfer Agreement or any Assignment. However, Receivables relating to Participation Interests that are repurchased by Transferor pursuant to the Transfer Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Underlying Receivables” from the date of such purchase.

“Variable Interest” means any Note that is designated as a variable funding note in the related Indenture Supplement.

SECTION 1.2 Other Interpretive Matters. All terms defined directly or by incorporation in this Indenture shall have the defined meanings when used in any certificate or other document delivered pursuant hereto unless otherwise defined therein. For purposes of this Indenture and all such certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined herein and accounting terms partly defined herein to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; and unless otherwise provided, references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the Issuer’s fiscal calendar; (b) unless defined in this Indenture or the context otherwise requires, capitalized terms used in this Indenture which are defined in the UCC shall have the meaning given such term in the UCC; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Indenture (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Indenture (or the certificate or other document in which reference is made); (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Indenture, and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time

to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (i) references to any Person include that Person's successors and permitted assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; (k) words in the singular include the plural and words in the plural include the singular; and (l) references to any gender shall include the other gender.

SECTION 1.3 Incorporation by Reference of TIA. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following terms, where used in the TIA shall have the following meanings for the purposes hereof:

"indenture securities" means the Notes.

"indenture security holder" means a Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Indenture Trustee.

"obligor" on the indenture securities means the Issuer.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule have the meanings assigned to them by such definitions.

ARTICLE II THE NOTES

SECTION 2.1 Form. With respect to any Series, the Notes related thereto, together with the Indenture Trustee's certificate of authentication, shall be in substantially the form of an exhibit to the Indenture Supplement for such Series, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or such Indenture Supplement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon, as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of such Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

Each Note shall be dated the date of its authentication. The terms of the Notes set forth in an exhibit to the related Indenture Supplement are part of the terms of this Indenture.

Except as otherwise specified in the related Indenture Supplement, the Notes of each Series shall be issuable only in registered form and only in minimum denominations of at least

\$1,000; provided, that the foregoing shall not restrict or prevent the registration or transfer in accordance with Section 2.4 of any Note having an Outstanding Principal Balance of other than an integral multiple of \$1,000, or the issuance of a single Note of each Class with a denomination less than \$1.

SECTION 2.2 Execution, Authentication and Delivery.

(a) Each Note shall be executed by manual or facsimile signature on behalf of the Issuer by any of its Authorized Officers.

(b) Notes bearing the manual or facsimile signature of individuals who were at the time of signature Authorized Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) No Note shall be entitled to any benefit under this Indenture or the related Indenture Supplement or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein or in the related Indenture Supplement executed by the Indenture Trustee by the manual signature of one of its authorized signatories, and such certificate of authentication shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

(d) The Notes may from time to time be executed by the Issuer and delivered to the Indenture Trustee for authentication together with an Issuer Request to the Indenture Trustee directing the authentication and delivery of such Notes and thereupon the same shall be authenticated and delivered by the Indenture Trustee in accordance with such Issuer Request.

SECTION 2.3 Temporary Notes. Pending the preparation of Definitive Notes, when permitted hereunder, the Issuer may execute, and upon receipt of an Issuer Order, the Indenture Trustee shall authenticate and deliver, temporary Notes of the tenor of the Definitive Notes in lieu of which they are issued and with such variations not inconsistent with this Indenture as the Issuer may determine, as evidenced by their execution of such Notes.

If temporary Notes are issued, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at the office or agency of the Issuer to be maintained as provided in Section 3.2, without charge to the Noteholder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture and the applicable Indenture Supplement as if they were Definitive Notes.

SECTION 2.4 Registration; Registration of Transfer and Exchange.

(a) The Issuer shall cause to be kept a register (the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers of Notes. The Issuer hereby appoints the Indenture Trustee as registrar (in such capacity, the “Note Registrar”) for the purpose of registering Notes and transfers of Notes as herein provided and the Indenture Trustee hereby accepts such appointment. Upon any resignation of any Note Registrar, the Issuer shall promptly appoint a successor or, if it cannot make such an appointment, assume the duties of Note Registrar.

If a Person other than the Indenture Trustee is appointed by the Issuer as the Note Registrar, the Issuer will give the Indenture Trustee prompt written notice of the appointment of such Note Registrar and of the location, and any change in the location, of the Note Register. The Indenture Trustee shall have the right to inspect the Note Register at all reasonable times, to obtain copies thereof and to rely upon a certificate executed on behalf of the Note Registrar by an officer thereof as to the names and addresses of the Noteholders and the principal amounts and number of such Notes.

(b) Subject to Section 2.4(a), upon surrender for registration of transfer of any Note at the office or agency of the Issuer to be maintained as provided in Section 3.2, the Issuer shall execute, the Indenture Trustee shall authenticate and the Noteholder shall obtain from the Indenture Trustee, in the name of the designated transferee or transferees, one or more new Notes of the same Series and Class in any authorized denominations of a like aggregate principal amount. At the option of a Noteholder, its Notes may be exchanged for other new Notes of the same Series or Class in any authorized denominations of a like aggregate principal amount, upon surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Issuer shall execute, the Indenture Trustee shall authenticate and the Noteholder shall obtain from the Indenture Trustee, the Notes that the Noteholder making the exchange is entitled to receive. The Indenture Trustee shall make a notation on any such new Note of the amount of principal, if any, that has been paid on such Note. The Issuer shall have no duty to execute a new Note upon transfer or exchange if the requirements of Section 8-401(1) of the UCC are not met.

(c) All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Indenture and the related Indenture Supplement as the Notes surrendered upon such registration of transfer or exchange.

(d) Every Note presented or surrendered for registration of transfer or exchange shall (if so required by the Issuer or the Indenture Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Indenture Trustee duly executed by, the Noteholder thereof or such Noteholder’s attorney duly authorized in writing, with such signature guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Securities Transfer Agent’s

Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act.

(e) By acquiring a Note (or interest therein), each purchaser and transferee shall be deemed to represent and warrant that it is not acquiring the Note with the plan assets of a Benefit Plan Investor.

(f) The registration of transfer of any Note shall be subject to the additional requirements, if any, set forth in the Indenture Supplement related to such Note.

(g) No service charge shall be made to a Noteholder for any registration of transfer or exchange of Notes, but the Issuer or the Indenture Trustee may require the payment by such Noteholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Notes, other than exchanges pursuant to Section 2.3 or 2.5.

(h) If and so long as any Series of Notes are listed on the Luxembourg Stock Exchange and such exchange shall so require, the Issuer shall appoint a co-transfer agent and co-registrar in Luxembourg or another European city. Any reference in this Indenture to Note Registrar shall include any co-transfer agent and co-registrar unless the context otherwise requires. The Indenture Trustee will enter into any appropriate agency agreement with any co-transfer agent and co-registrar not a party to this Indenture, which will implement the provisions of this Indenture that relate to such agent.

SECTION 2.5 Mutilated, Destroyed, Lost or Stolen Notes

(a) If: (i) any mutilated Note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Indenture Trustee such security or indemnity as may be required by the Indenture Trustee and the Issuer to hold the Indenture Trustee and the Issuer, respectively, harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Indenture Trustee that such Note has been acquired by a protected purchaser, and provided, that the requirements of Section 8-405 of the UCC are met, the Issuer shall execute, and upon its request the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of the same Class, Series and principal amount and bearing a number not contemporaneously outstanding; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven days shall be, due and payable, or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable or upon the Redemption Date without surrender thereof. If, after the delivery of such replacement Note (or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence), a protected purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such

replacement Note from such Person to whom such replacement Note was delivered (or payment made) or any assignee of such Person, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(b) Upon the issuance of any replacement Note under this Section, the Issuer or the Indenture Trustee may require the payment by such Noteholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

(c) Every replacement Note issued pursuant to this Section in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes of the same Class and Series duly issued hereunder.

(d) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

SECTION 2.6 Persons Deemed Owner Prior to due presentment for registration of transfer of any Note, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name any Note is registered (as of the day of determination) as the owner of such Note for the purpose of receiving payment on such Note pursuant to the terms of the applicable Indenture Supplement and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Issuer, the Indenture Trustee nor any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

SECTION 2.7 Payment of Principal and Interest

(a) Any installment of interest or principal, if any, payable on any Note that is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note (or one or more Predecessor Notes) is registered on the Record Date by check mailed first-class, postage prepaid, to such Person's address as it appears on the Note Register on such Record Date unless otherwise specified in the applicable Indenture Supplement. However, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee. Notwithstanding the above, the final installment of principal payable with respect to such Note (and except for the Redemption Price for any Note called for redemption pursuant to [Section 2.17](#)) shall be payable as provided in [clause \(b\)\(ii\)](#). The funds represented by any such checks returned undelivered shall be held in accordance with [Section 6.15](#).

(b) (i) The principal of each Note shall be payable in installments on each applicable Payment Date in an amount set forth in the related Indenture Supplement, for such Payment Date.

(ii) Notwithstanding the foregoing, the entire Outstanding Principal Balance of any affected Series shall be due and payable on: (A) the date on which an Event of Default described in paragraph (a) or (b) of Section 5.2 shall have occurred and be continuing with respect to such Series if the Indenture Trustee or the Noteholders representing not less than a majority of the Outstanding Principal Balance of the Notes of such Series have declared the Notes to be immediately due and payable in the manner provided in Section 5.3, (B) the date on which an Event of Default described in paragraph (c) of Section 5.2 shall have occurred and be continuing and (C) if the Notes in any Series remain Outstanding, the Series Maturity Date for such Series.

(iii) The Issuer shall notify the Indenture Trustee, and the Indenture Trustee shall subsequently notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Payment Date, of the date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid. Such notice shall be mailed no later than the fifth day of the calendar month for such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment.

(c) All reductions in the principal amount of a Note effected by payments of installments of principal made on any Payment Date shall be binding upon all Noteholders of such Note and of any Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Note. All payments on the Notes shall be made without any requirement of presentment but each Noteholder of any Note shall be deemed to agree, by its acceptance of the same, to surrender such Note at the Corporate Trust Office against payment of the final installment of principal of such Note.

SECTION 2.8 New Issuances.

(a) Pursuant to one or more Indenture Supplements, the Issuer may issue one or more new Series of Notes (a "New Issuance"). The Notes of all outstanding Series shall be equally and ratably entitled as provided herein to the benefits of this Indenture without preference, priority or distinction, all in accordance with the terms and provisions of this Indenture and the related Indenture Supplement except, with respect to any Series or Class, as provided in the Indenture Supplement related to such Series. Interest on and principal of the Notes of each outstanding Series shall be paid as specified in the Indenture Supplement relating to such outstanding Series.

(b) On or before the Closing Date relating to any New Issuance, the parties hereto will execute and deliver an Indenture Supplement which will specify the Principal

Terms of the new Series to be issued. The terms of such Indenture Supplement may modify or amend the terms of this Indenture solely as applied to such new Series. The obligation of the Issuer to execute the Notes of any Series and of the Indenture Trustee to authenticate such Notes (other than any Series issued pursuant to an Indenture Supplement dated as of the date hereof) and to execute and deliver the related Indenture Supplement is subject to the satisfaction of the following conditions:

(i) on or before the second Business Day immediately preceding the applicable Closing Date (unless a shorter period shall be acceptable to the Indenture Trustee), the Issuer shall have given the Indenture Trustee notice (unless such notice requirement is otherwise waived) of such New Issuance and the Closing Date; provided, however, no such notice shall be required with respect to a New Issuance on the Initial Closing Date;

(ii) the Issuer shall have delivered to the Indenture Trustee any related Indenture Supplement, in form satisfactory to the Issuer and the Indenture Trustee, executed by each party hereto;

(iii) the Issuer shall have delivered to the Indenture Trustee any Series Enhancement Agreement to be entered into in connection with such New Issuance executed by the Series Enhancer;

(iv) the Transferor shall have delivered an Officer's Certificate to the effect that based upon the facts known to the officer, the New Issuance will not have an Adverse Effect as of the applicable Closing Date (after giving effect to such New Issuance);

(v) the Free Equity Amount shall not be less than the Minimum Free Equity Amount and the Trust Principal Balance shall not be less than the Required Principal Balance after giving effect to such New Issuance; and

(vi) the Issuer shall have delivered to the Indenture Trustee a Tax Opinion, dated the Closing Date with respect to such issuance.

(c) Upon satisfaction of the above conditions, pursuant to Section 2.2, the Issuer shall execute and the Indenture Trustee shall, upon receipt of an Issuer Request, authenticate and deliver the Notes of such Series as provided in this Indenture and the applicable Indenture Supplement.

SECTION 2.9 Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder that the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes canceled as provided in this Section except as expressly permitted by this Indenture. All canceled Notes may be held or disposed of by the Indenture Trustee in accordance with its standard retention or

disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be returned to it; provided, that such Issuer Order is timely and the Notes have not been previously disposed of by the Indenture Trustee.

SECTION 2.10 Book-Entry Notes. Unless otherwise provided in any related Indenture Supplement, the Notes of each Series and Class, upon original issuance, will be issued in the form of typewritten Notes representing the Book-Entry Notes to be delivered to the depository specified in such Indenture Supplement which shall be the Clearing Agency or its custodian, by or on behalf of the Issuer. The Notes of each Series and Class shall, unless otherwise provided in the related Indenture Supplement, initially be registered in the Note Register in the name of the nominee of the Clearing Agency for such Book-Entry Notes and shall be delivered to the Indenture Trustee or, pursuant to such Clearing Agency's instructions held by the Indenture Trustee's agent as custodian for the Clearing Agency.

Unless and until definitive fully registered Notes (the "Definitive Notes") are issued under the circumstances described in Section 2.12 or any applicable Indenture Supplement, no Note Owner shall be entitled to receive a Definitive Note representing such Note Owner's interest in such Note. Unless and until Definitive Notes have been issued to the Note Owners pursuant to Section 2.12 or any applicable Indenture Supplement:

- (i) the provisions of this Section shall be in full force and effect with respect to each such Series;
- (ii) the Issuer, the Note Registrar and the Indenture Trustee, and their officers, directors, employees and agents may deal with the Clearing Agency for all purposes (including the payment of principal of and interest on the Notes of each such Series) as the authorized representative of the respective Note Owners;
- (iii) to the extent that this Section conflicts with any other provisions of this Indenture, this Section shall control with respect to each such Series;
- (iv) the rights of the respective Note Owners of each such Series shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between such respective Note Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Note Depository Agreement applicable to a Series, unless and until Definitive Notes of such Series are issued pursuant to Section 2.12, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments of principal of and interest on the related Notes to such Clearing Agency Participants; and
- (v) whenever this Indenture or any applicable Indenture Supplement requires or permits actions to be taken based upon instructions, directions, or the consent of Noteholders evidencing a specified percentage of the Outstanding Principal Balance of the Notes or of a particular Series or Class of Notes, the Clearing Agency shall be deemed to represent such percentage only to the extent

that it has received instructions to such effect from Note Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in such Notes, Series or Class, as applicable, and has delivered such instructions to the Indenture Trustee.

SECTION 2.11 Notices to Clearing Agency. Whenever a notice or other communication to any Noteholder is required under this Indenture, unless and until Definitive Notes have been issued to the related Note Owners, the Indenture Trustee shall give all such notices and communications to the Clearing Agency.

SECTION 2.12 Definitive Notes.

(a) If: (i) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities under the Note Depository Agreement with respect to the Notes of a given Series, and the Issuer is unable to locate a qualified successor, (ii) circumstances change so that the book-entry system through the Clearing Agency is less advantageous due to economic or administrative burden or if the use of the book-entry system becomes unlawful with respect to such Series and the Issuer notifies the Indenture Trustee in writing that because of such changes in circumstances it is terminating such book-entry system through the Clearing Agency with respect to such Series or (iii) after the occurrence of an Event of Default, Note Owners representing beneficial interests aggregating at least a majority of the Outstanding Principal Balance of the Notes (or such other percentage as specified in the related Indenture Supplement) of such Series advise the Clearing Agency in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Note Owners of such Series, then the Clearing Agency has undertaken to notify all Note Owners of such Series and the Indenture Trustee of the occurrence of any such event and of the availability of Definitive Notes to Note Owners of such Series requesting the same. Upon surrender to the Indenture Trustee of the typewritten Notes of such Series representing the Book-Entry Notes by the Clearing Agency, accompanied by registration and transfer instructions from the Clearing Agency for registration, the Issuer shall execute, and the Indenture Trustee shall authenticate, the Definitive Notes of such Series in accordance with the instructions of the Clearing Agency. None of the Issuer, the Note Registrar or the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes of such Series, all references herein to obligations imposed upon or to be performed by the Clearing Agency with respect to such Series shall be deemed to be imposed upon and performed by the Issuer, to the extent applicable with respect to such Definitive Notes, and the Issuer shall recognize the holders of the relevant Definitive Notes of such Series as Noteholders hereunder.

(b) Definitive Notes will not be eligible for clearing or settlement through the Clearing Agency.

SECTION 2.13 Treasury Notes. In determining whether the Noteholders of the required Outstanding Principal Balance of Notes of a given Series have concurred in any

direction, waiver or consent, any such Notes owned by the Issuer or an Affiliate of the Issuer shall be considered as though not Outstanding, except that for the purposes of determining whether the Indenture Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which a Responsible Officer of the Indenture Trustee actually knows are so owned shall be so disregarded.

SECTION 2.14 CUSIP Numbers. The Issuer in issuing the Notes may use “CUSIP” numbers (if then generally in use), and, if so, the Indenture Trustee shall indicate the “CUSIP” numbers of the Notes in notices of redemption and related materials as a convenience to Noteholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption and related materials.

SECTION 2.15 Perfection Representations and Warranties. The parties hereto agree that the representations, warranties and covenants set forth in Schedule I shall be a part of this Indenture for all purposes.

SECTION 2.16 Notes to Constitute Indebtedness. The parties hereto agree that it is their mutual intent that, for all applicable tax purposes, the Notes will constitute indebtedness of the Issuer. Further, each party hereto and each Noteholder (by accepting and holding a Note) hereby covenants to every other party hereto and to every other Noteholder to treat the Notes as indebtedness for all applicable tax purposes in all tax filings, reports and returns and otherwise, and further covenants that neither it nor any of its Affiliates will take, or participate in the taking of or permit to be taken, any action that is inconsistent with the treatment of the Notes as indebtedness for tax purposes. All successors and assignees of the parties hereto shall be bound by the provisions hereof.

SECTION 2.17 Redemption. If so specified in the applicable Indenture Supplement, the Notes of each Series shall be subject to redemption on the terms specified in the applicable Indenture Supplements.

ARTICLE III COVENANTS

SECTION 3.1 Payment of Principal and Interest

(a) The Issuer will duly and punctually pay the principal of and interest, if any, on the Notes in accordance with the terms of the Notes, as specified in the Indenture Supplement related to such Notes.

(b) The Noteholders of any Series as of the Record Date in respect of a Payment Date shall be entitled to the interest accrued and payable and principal payable on such Payment Date with respect to such Series as specified in the related Indenture Supplement. All payment obligations under a Note are discharged to the extent such payments are made to the Noteholder of record.

SECTION 3.2 Maintenance of Office or Agency. The Issuer will maintain an office or agency where Notes may be surrendered for registration of transfer or exchange and where

notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer hereby initially appoints the Indenture Trustee at its Corporate Trust Office to serve as its agent for the foregoing purposes. The Issuer will not change the location of such offices or its jurisdiction of organization, as defined in the UCC, without giving the Indenture Trustee at least 30 days prior written notice thereof.

SECTION 3.3 Existence.

(a) The Issuer will keep in full effect its existence, rights and franchises as a Delaware statutory trust.

(b) The Issuer shall at all times observe and comply in all material respects with (i) all laws applicable to it, and (ii) all requisite and appropriate organizational and other formalities in the management of its business and affairs and the conduct of the transactions contemplated hereby.

SECTION 3.4 Protection of the Collateral; Further Assurances. The Issuer will from time to time execute and deliver all such supplements and amendments hereto and all such writings of further assurance and other writings, and will take such other action necessary or advisable to:

(a) more effectively make a Grant over all or any portion of the Collateral;

(b) maintain or preserve the Lien (and the priority thereof) of this Indenture or carry out more effectively the purposes hereof;

(c) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture and perfect the Lien contemplated hereby in favor of the Indenture Trustee;

(d) enforce or cause the Servicer to enforce any of the Collateral; or

(e) preserve and defend against the claims of all Persons and parties, (i) title to the Collateral (including the right to receive all payments due or to become due with respect to the Transferred Interests) and the interests in the property included in the Collateral and (ii) the rights of the Indenture Trustee and the Noteholders with respect to such Collateral (including the right to receive all payments due or to become due with respect to the Transferred Interests) and interests with respect to the property included in the Collateral.

The Issuer hereby designates the Indenture Trustee as its agent and attorney-in-fact to file and/or execute any financing statement, continuation statement, writing of further assurance or other writing required to be executed and/or filed to accomplish the foregoing; provided, however, that nothing in this paragraph shall obligate the Indenture Trustee to file or execute any financing statement or continuation statement or to take any other action hereunder.

SECTION 3.5 Opinions as to the Collateral.

(a) On the Closing Date relating to the first Series of Notes, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording and filing of this Indenture, any indentures supplemental hereto and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to perfect and make effective the Lien created by this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to perfect and make effective such Lien.

(b) On or before March 31 in each calendar year, beginning in 2013, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture, any indentures supplemental hereto and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as is necessary to maintain the Lien of this Indenture and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to maintain such Lien. Such Opinion of Counsel shall also describe the recording, filing, re-recording and re-filing of this Indenture, any Indenture Supplements, any indentures supplemental hereto and any other requisite documents, and the execution and filing of any financing statements and continuation statements, that will, in the opinion of such counsel, be required to maintain the Lien of this Indenture until March 31 in the following calendar year.

SECTION 3.6 Performance of Obligations; Servicing of Transferred Interests

(a) The Issuer will not take any action and will use commercially reasonable efforts not to permit any action to be taken by others that would release any Person from any material covenants or obligations under any instrument or agreement included in the Collateral or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except as expressly provided in this Indenture, any applicable Indenture Supplement or such other instrument or agreement.

(b) The Issuer hereby covenants and agrees that it will enforce the obligations of the Transferor under the Transfer Agreement, the obligations of the Paying Agent set forth in Section 6.15, the obligations of the Servicer under the Servicing Agreement and the obligations of the Administrator under the Administration Agreement at the direction of the Noteholders representing a majority of the Outstanding Principal Balance of the Notes.

(c) If any event described in Section 5.1(a) through 5.1(d) of the Servicing Agreement has occurred, the Issuer shall provide written notice to the Servicer declaring the existence of a Servicer Default and requiring the same to be remedied if (and only if) directed to do so by Noteholders representing a majority of the Outstanding Principal Balance of the Notes or if, the event described in Section 5.1(a) through 5.1(d) of the

Servicing Agreement does not relate to all Series, Noteholders representing a majority of the Outstanding Principal Balance of the Notes of the affected Series. If the Servicer breaches its covenants in Section 2.6 of the Servicing Agreement, upon discovery by the Issuer, the Issuer shall provide prompt written notice of such breach to the Servicer in accordance with Section 2.6 of the Servicing Agreement. The Issuer hereby covenants and agrees that it shall: (i) upon the occurrence of a Servicer Default set forth in Section 5.1(d) of the Servicing Agreement, promptly exercise its rights to terminate the Servicer pursuant to Section 5.1 of the Servicing Agreement and (ii) prior to exercising its rights to terminate the Servicer pursuant to Section 5.1 of the Servicing Agreement due to the occurrence of a Servicer Default set forth in Section 5.1(a), (b) or (c) of the Servicing Agreement, obtain the consent of the Noteholders representing a majority of the Outstanding Principal Balance of each affected Series of Notes. Within thirty (30) days after the giving of notice of termination to the Servicer of the Servicer's rights and powers pursuant to Section 5.1 of the Servicing Agreement, the Issuer shall appoint a Successor Servicer, such appointment to be reflected by a written assumption in a form acceptable to the Indenture Trustee. In the event that a Successor Servicer has not been appointed and accepted its appointment at the time when the previous Servicer ceases to act as Servicer, the Indenture Trustee without further action shall automatically be appointed the Successor Servicer; provided, however, that the Indenture Trustee shall not be liable for any actions of any Servicer prior to the Indenture Trustee's appointment as Successor Servicer. Notwithstanding the preceding sentence, the Indenture Trustee shall, if it is legally unable to so act or if the majority of Noteholders so request in writing to the Indenture Trustee, appoint, or petition a court of competent jurisdiction to appoint, any servicing institution established in servicing receivables substantially similar to the Transferred Interests as the successor to the Servicer hereunder in the assumption of all or any part of the responsibilities, duties or liabilities of the Servicer hereunder. The Indenture Trustee may resign as the Servicer by giving written notice of such resignation to the Issuer and in such event will be released from such duties and obligations, such release not to be effective until the date a Successor Servicer enters into a servicing agreement with the Issuer as provided below. Upon delivery of any such notice to the Issuer, the Issuer shall obtain a new servicer as the Successor Servicer under the Servicing Agreement. Any Successor Servicer other than the Indenture Trustee shall: (i) be an established financial institution having a net worth of not less than \$500,000,000 and whose regular business includes the servicing of receivables and (ii) enter into a servicing agreement with the Issuer having substantially the same provisions as the provisions of the Servicing Agreement applicable to the Servicer. If the Indenture Trustee shall succeed to the previous Servicer's duties as servicer of the Transferred Interests as provided herein, it shall do so in its individual capacity and not in its capacity as Indenture Trustee and, accordingly, the provisions of Article VI shall be inapplicable to the Indenture Trustee in its duties as the Successor Servicer and the servicing of the Transferred Interests. In case the Indenture Trustee shall become the Successor Servicer under the Servicing Agreement, the Indenture Trustee shall be entitled to appoint as Servicer any one of its Affiliates; provided, that it shall be fully liable for the actions and omissions of such Affiliate in its capacity as Successor Servicer. In case the Indenture Trustee becomes the Successor Servicer, it shall not be responsible for delays attributable to the Servicer's failure to deliver information, defects in the information supplied by the

Servicer or other circumstances beyond its control as Successor Servicer. Upon the Indenture Trustee becoming the Successor Servicer, it shall make arrangements with the replaced servicer, at the expense of the replaced Servicer, for the prompt and safe transfer of, and shall use its best efforts to cause the replaced servicer to provide to such Successor Servicer, all necessary servicing files and records. Upon the Indenture Trustee becoming the Successor Servicer, it shall have no responsibility and shall not be in default hereunder nor incur any liability for any failure, error, malfunction or any delay in carrying out any of its duties under this Indenture if any such failure or delay results from such Successor Servicer acting in accordance with information prepared or supplied by a Person other than such Successor Servicer or the failure of any such Person to prepare or provide such information. Upon the Indenture Trustee becoming the Successor Servicer, it shall have no responsibility, shall not be in default and shall incur no liability (i) for any act or failure to act by any third party, including the replaced servicer, or for any inaccuracy or omission in a notice or communication received by such Successor Servicer from any third party or (ii) which is due to or results from the invalidity or unenforceability of any Receivable with applicable law or the breach or the inaccuracy of any representation or warranty made with respect to any Receivable or its related Account.

(d) Upon any termination of the Servicer's rights and powers pursuant to the Servicing Agreement, the Issuer shall promptly notify the Indenture Trustee. As soon as a Successor Servicer is appointed, the Issuer shall notify the Indenture Trustee of such appointment, specifying in such notice the name and address of such Successor Servicer.

(e) The Issuer shall provide to the Indenture Trustee or its respective designees access to the documentation regarding the Accounts and the Transferred Interests in such cases where the Indenture Trustee or such designee is required in connection with the enforcement of the rights of the Indenture Trustee, or by applicable statutes or regulations to review such documentation, such access being afforded without charge but only (i) upon reasonable request, (ii) during normal business hours, (iii) subject to the Issuer's normal security and confidentiality procedures and (iv) at offices designated by the Issuer. Nothing in this section shall derogate from the obligation of any Person to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of the Issuer to provide access as provided in this section as a result of such obligation shall not constitute a breach of this Section.

(f) The Issuer shall not consent to a grace period in excess of 90 days in connection with the exercise of its remedies pursuant to Section 6.1(d) of the Transfer Agreement or Section 2.6 of the Servicing Agreement unless directed to do so by Noteholders representing a majority of the Outstanding Principal Balance of the Notes.

(g) The Issuer covenants and agrees that it shall exercise its right to terminate the Administrator if (and only if) directed to do so by Noteholders representing a majority of the Outstanding Principal Balance of the Notes.

SECTION 3.7 Taxes. The Issuer shall contest or pay all taxes when due and payable or levied against its assets, properties or income, including any property that is part of the

Collateral. The Issuer shall deliver, or cause the Servicer to deliver, to each Noteholder such information as may be required to enable such Noteholder to prepare its Federal, State and other income tax returns.

SECTION 3.8 Negative Covenants. So long as any Notes are Outstanding, the Issuer shall not:

- (a) sell, transfer, exchange or otherwise dispose of the Collateral, except as expressly permitted by this Indenture and any Indenture Supplement;
- (b) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code or applicable State tax law) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Collateral;
- (c) engage in any business or activity other than in connection with, or relating to the financing, purchasing, owning, selling and servicing of, the Transferred Interests and the interests in the property constituting the Collateral, the issuance of the Notes, and the specific transactions contemplated by the Related Documents and activities incidental thereto;
- (d) issue, incur, assume, or allow to remain outstanding any indebtedness, or guaranty any indebtedness or otherwise become liable, directly or indirectly for any indebtedness of any Person, other than the Notes, except as contemplated by this Indenture and the other Related Documents;
- (e) seek dissolution or liquidation or wind up its affairs in whole or in part, or reorganize its business or affairs;
- (f) except to the extent any of the following shall not cause a material adverse effect on the Noteholders' interest in their Notes, (i) permit the validity or effectiveness of this Indenture to be impaired, or permit the Lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, (ii) permit any Lien (other than with respect to Permitted Encumbrances) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof or (iii) permit the Lien of this Indenture not to constitute a valid first priority (other than with respect to Permitted Encumbrances) "security interest" (as such term is defined in Section 1-201 of Article 1 of the UCC) in the Collateral;
- (g) make any loan or advance to any Affiliate of the Issuer or to any other Person;
- (h) make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);
- (i) make payments to or from the Collection Account, except in accordance with this Indenture and the Related Documents;

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- (j) consolidate or merge with or into any other Person or convey or transfer any of its properties or assets, including those included in the Collateral, to any Person unless:
- (i) such Person shall be a United States citizen or a Person organized and existing under the laws of the United States of America or any State,
 - (ii) such Person shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form satisfactory to the Indenture Trustee, the due and punctual payment of the principal of and interest on all Notes and the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein,
 - (iii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing;
 - (iv) the Issuer shall have received a Tax Opinion (and shall have delivered copies thereof to the Indenture Trustee);
 - (v) such Person is not subject to regulation under the Investment Company Act;
 - (vi) in the case of a sale of the Issuer's business, such Person expressly agrees by an indenture supplement hereto that (A) all right, title and interest so conveyed by the Issuer will be subject to the rights of the Noteholders, (B) such Person will mail all filings with the Commission required by the Securities Exchange Act in connection with the Notes and (c) such Person expressly agrees to indemnify the Indenture Trustee for any loss, liability or expense arising under the Indenture and the Notes;
 - (vii) any action that is necessary to maintain the Lien created by this Indenture and the priority thereof shall have been taken;
 - (viii) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation or merger or such conveyance or transfer, as the case may be, and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with (including any filing, if any, required by the Securities Exchange Act) and the supplemental indenture is duly authorized, executed and delivered and is valid, binding and enforceable;
- (k) on any date after the Closing Date, consent to any initial designation, increase, reduction or elimination of a Discount Percentage unless the Transferor has delivered to the Issuer an Officer's Certificate to the effect that, based on the facts known to such officer at the time, Transferor reasonably believes that such initial designation, increase, reduction or elimination, will not, at the time of its occurrence cause an Adverse Effect;

(l) amend the Transfer Agreement or the Servicing Agreement or consent to any amendment of any Sale Agreement or the Trust Agreement unless (i) the amendment will not cause an Adverse Effect for any Series for which the Issuer has not obtained the consent of the Noteholders pursuant to clause (iii), (ii) the amendment is being entered into to add, modify or eliminate provisions necessary or advisable in order to enable the Issuer to avoid the imposition of state or local income or franchise taxes on the Issuer's property or its income, (iii) the Issuer obtains the consent of Noteholders representing more than 50% of Outstanding Principal Balance of each Series for which the amendment has an Adverse Effect, or (iv) such amendment is necessary or desirable in order to comply with the FDIC Rule or any FDIC Rule Interpretations; and

(m) without the consent of Noteholders representing not less than a majority of the Outstanding Principal Balance, consent to any designation of Additional Accounts if such designation will cause the aggregate Outstanding Balances for all Additional Accounts relating to New Asset Types since the first day of the calendar year in which such designation occurs to exceed the Maximum Addition Amount.

SECTION 3.9 Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.8(j), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of and have every obligation of, the Issuer under this Indenture with the same effect as if such Person had been named as the original Issuer.

(b) Upon a conveyance or transfer of all the assets and properties of the Issuer pursuant to Section 3.8(j), the Issuer will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes immediately upon the delivery of written notice to the Indenture Trustee stating that the Issuer is to be so released.

SECTION 3.10 Notice of Early Amortization Event and Events of Default The Issuer shall give the Indenture Trustee prompt written notice of each Early Amortization Event and Event of Default hereunder and each Servicer Default (and, in the case of a Servicer Default, shall specify in such notice the action, if any, the Issuer is taking with respect to such Servicer Default).

SECTION 3.11 Further Instruments and Acts. Upon request of the Indenture Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out more effectively the provisions of this Indenture.

ARTICLE IV
SATISFACTION AND DISCHARGE

SECTION 4.1 Satisfaction and Discharge of Indenture.

(a) This Indenture shall cease to be of further effect except as to: (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and interest thereon, (iv) Section 3.2, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Section 6.7 and the obligations of the Indenture Trustee under Section 4.2) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so deposited with the Indenture Trustee payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes, when:

(A) either:

(1) all Notes theretofore authenticated and delivered (other than: (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.5 and (ii) Notes for whose payment funds have theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter discharged from such trust as provided in Section 6.15) have been delivered to the Indenture Trustee for cancellation; or

(2) all Notes not theretofore delivered to the Indenture Trustee for cancellation:

(i) have become due and payable,

(ii) will become due and payable on the Series Maturity Date therefor within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Indenture Trustee for the giving of notice of redemption by the Indenture Trustee on behalf, and at the expense, of the Issuer;

and the Issuer, in the case of clause (2)(i), (ii) or (iii), has irrevocably deposited or caused to be irrevocably deposited with the Indenture Trustee cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Indenture Trustee for cancellation when due to the Series Maturity Date for such Class or Series of Notes or the Redemption Date (if Notes shall have been called for redemption pursuant to the related Indenture Supplement), as the case may be;

(B) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(C) the Issuer has delivered to the Indenture Trustee an Officer's Certificate, an Opinion of Counsel and (if required by the TIA or the Indenture Trustee) an Independent Certificate from a firm of certified public accountants, each meeting the applicable requirements of Section 10.1(a) and, subject to Section 10.2, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

At such time, the Indenture Trustee shall deliver to the Issuer or, upon an Issuer Order, its assignee, all cash, securities and other property held by it as part of the Collateral other than funds deposited with the Indenture Trustee pursuant to Section 4.1(a)(A)(2), for the payment and discharge of the Notes.

(b) Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Indenture Trustee under Section 6.7, and if funds shall have been deposited with the Indenture Trustee pursuant to Section 4.1(a)(A)(2), the obligations of the Indenture Trustee under Sections 4.2 and 6.7 (in its capacity as Paying Agent) shall survive.

SECTION 4.2 Application of Trust Funds. All funds deposited with the Indenture Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Notes, this Indenture and the applicable Indenture Supplement, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Noteholders of the particular Notes for the payment or redemption of which such funds have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal and interest; but such funds need not be segregated from other funds except to the extent required herein or as required by law.

ARTICLE V
TRUST EARLY AMORTIZATION EVENTS,
EVENTS OF DEFAULTS AND REMEDIES

SECTION 5.1 Trust Early Amortization Events If any one of the following events (each, a "Trust Early Amortization Event") shall occur:

- (a) the occurrence of an Insolvency Event relating to Originator or the Transferor; or
- (b) the Issuer shall become subject to regulation by the Commission as an "investment company" within the meaning of the Investment Company Act;

then an Early Amortization Event with respect to all Series of Notes shall occur without any notice or other action on the part of the Indenture Trustee or the Noteholders immediately upon the occurrence of such event.

Upon the occurrence of an Early Amortization Event, payment on the Notes of each Series will be made in accordance with the terms of the related Indenture Supplement.

SECTION 5.2 Events of Default. “Event of Default”, wherever used herein, means, with respect to any Series, any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of any interest on any Note of that Series when the same becomes due and payable, and such default shall continue for a period of 35 days;
- (b) default in the payment of the principal of any Note of that Series, if and to the extent not previously paid, on its Series Maturity Date;
- (c) the occurrence of an Insolvency Event relating to the Issuer; or
- (d) any additional events specified as “Events of Default” in the Indenture Supplement related to such Series;

provided, however, that a delay in or failure of performance referred to under clauses (a), (b) or (d) above for a period of 120 days will not constitute an Event of Default if that delay or failure was caused by force majeure or other similar occurrence.

SECTION 5.3 Remedies.

(a) If an Event of Default should occur and be continuing:

(i) In the case of an Event of Default described in paragraph (a), (b) or, to the extent provided for in any Indenture Supplement, (d) of Section 5.2, then the Indenture Trustee or the Noteholders representing not less than a majority of the Outstanding Principal Balance of the Notes of the applicable Series may declare all the Notes of such Series to be immediately due and payable, by a notice in writing to the Issuer, and upon any such declaration the Outstanding Principal Balance of such Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable.

(ii) In the case of an Event of Default described in paragraph (c) of Section 5.2, then the unpaid principal of the Notes, together with accrued and unpaid interest thereon through the date of acceleration, shall automatically become due and payable.

(iii) If an Event of Default shall have occurred and be continuing with respect to any Series, and the Notes of such Series have been accelerated pursuant to Section 5.3(a)(i) or (ii), the Indenture Trustee may do one or more of the following:

(A) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes of the affected Series or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(B) take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Noteholders of the affected Series;

(C) cause the Issuer to sell randomly selected Principal Receivables (or interests therein) having an Outstanding Balance equal to the Collateral Amount of the accelerated Series and the related Finance Charge Receivables in accordance with Section 5.12;

(b) At any time after a declaration of acceleration of maturity of an affected Series has been made and before a judgment or decree for payment of the amount due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, the Noteholders of Notes representing not less than a majority of the Outstanding Principal Balance of such Series, by written notice to the Issuer and the Indenture Trustee may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on all Notes of such Series and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel, and all other amounts due to the Indenture Trustee pursuant to Section 6.6; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that have become due solely by such acceleration, have been cured or waived as provided in Section 5.8.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereto.

(c) In case (i) there shall be pending, relative to the Issuer or any Person having or claiming an ownership interest in the Collateral, Proceedings under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or other similar law, or (ii) a receiver, assignee, trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other Person, or (iii) of any other comparable judicial Proceedings relative to the Issuer, or to the creditors or property of the Issuer, then the Indenture Trustee (irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to this Section), shall be entitled and empowered to, and at the written direction of the requisite Noteholders pursuant to Section 5.7 shall, by intervention in such Proceedings or otherwise:

(A) file and prove a claim or claims for the whole amount of principal and interest owing and unpaid in respect of the Notes of such Series and file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor the Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, willful misconduct or bad faith, and all other amounts due to the Indenture Trustee pursuant to Section 6.6) and of the Noteholders of such Series allowed in such Proceedings;

(B) unless prohibited by applicable law or regulations, vote on behalf of the Noteholders of such Series in any election of a trustee, a standby trustee or any Person performing similar functions in any such Proceedings;

(C) collect and receive any amounts or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders of such Series and of the Indenture Trustee on their behalf; and

(D) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Noteholders of such Series allowed in any judicial Proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, assignee, custodian, sequestrator or other similar official in any such Proceeding is hereby authorized by each of such Noteholders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture

Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence, willful misconduct or bad faith, and all other amounts due to the Indenture Trustee pursuant to Section 6.6.

(d) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Noteholder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(e) All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings relative thereto, and any such action or Proceedings instituted by the Indenture Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Noteholders of the affected Series as provided herein.

(f) In any Proceedings brought by the Indenture Trustee (and also any Proceedings to which the Indenture Trustee is a party involving the interpretation of any provision of this Indenture), the Indenture Trustee shall be held to represent all the Noteholders of the affected Series, and it shall not be necessary to make any such Noteholder a party to any such Proceedings.

(g) If the Indenture Trustee collects any money or property pursuant to this Article V following the acceleration of the Notes of the affected Series pursuant to this Section 5.3 (so long as such a declaration shall not have been rescinded or annulled), it shall pay out the money or property in the following order:

FIRST: to the Indenture Trustee for amounts due pursuant to Section 6.6 and to the Trustee for amounts due pursuant to Article VII of the Trust Agreement;

SECOND: unless otherwise specified in the related Indenture Supplement, for application and payment in accordance with the related Indenture Supplement with such amounts being deemed to be Principal Collections and Finance Charge Collections in the same proportion as (x) the Outstanding Principal Balance of the Notes bears to (y) the sum of the accrued and unpaid interest on the Notes and other fees and expenses payable in connection therewith under the applicable Indenture Supplement, including the amounts payable under any Series Enhancements with respect to such Series.

(h) The Indenture Trustee may, upon notification to the Issuer, fix a record date and payment date for any payment to Noteholders of the affected Series pursuant to this Section. At least fifteen days before such record date, the Indenture Trustee shall mail or send by facsimile, at the expense of the Issuer, to each such Noteholder a notice that states the record date, the payment date and the amount to be paid.

(i) In addition to the application of money or property referred to in Section 5.3(g) for an accelerated Series, amounts then held in the Collection Account, the Excess Funding Account or any Series Accounts for such Series and any amounts available under the Series Enhancement for such Series shall be used to make payments to the Noteholders of such Series and the Series Enhancement Provider for such Series in accordance with the terms of this Indenture, the related Indenture Supplement and the Series Enhancement for such Series. Following the sale of any Receivables pursuant to this Article V (or interests therein) for a Series and the application of the proceeds of such sale to such Series and the application of the amounts then held in the Collection Account, the Excess Funding Account and any Series Accounts for such Series as are allocated to such Series and the application of any amounts available under the Series Enhancement for such Series, such Series shall no longer be entitled to the benefit of any Collateral under this Indenture.

(j) The Indenture Trustee and each Noteholder by its acceptance of a Note covenants that it will not directly or indirectly institute or cause to be instituted against the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any Federal or state bankruptcy law unless Noteholders of not less than 66 2/3% of the Outstanding Principal Amount of each Class of each Series has approved such filing and it will not directly or indirectly institute or cause to be instituted against the Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any Federal or state bankruptcy law in any instance; provided, that the foregoing shall not in anyway limit the Noteholder's rights to pursue any other creditor rights or remedies that the Noteholders may have for claims against the Issuer.

(k) The remedies provided in this Section are the exclusive remedies provided to the Noteholders with respect to the Collateral and each of the Noteholders (by their acceptance of their respective interests in the Notes) or the Indenture Trustee hereby expressly waive any other remedy that might have been available under the applicable UCC.

SECTION 5.4 Restoration of Rights and Remedies. If the Indenture Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case the Issuer, the Indenture Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

SECTION 5.5 Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Notes in Section 2.5(d), no right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.6 Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee or any Noteholder to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Noteholders, as the case may be.

SECTION 5.7 Control by Noteholders.

(a) Upon the occurrence and continuation of an Event of Default, except as otherwise expressly provided in this Indenture or any Indenture Supplement, the Noteholders of not less than a majority of the Outstanding Principal Balance of the Notes of any affected Series shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to such Series; provided, that such direction shall not be in conflict with any rule of law or with this Indenture; provided, further, that, subject to Section 6.1, the Indenture Trustee need not take any action that it determines might subject it to liability for which it is not indemnified to its satisfaction or might materially adversely affect the rights of any Noteholder(s) of an affected Series not consenting to such action. The Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction.

(b) No Noteholder shall have any right to institute any Proceeding, with respect to this Indenture or any Indenture Supplement, or for the appointment of a receiver or trustee, or for any other remedy hereunder or thereunder, unless:

- (i) such Noteholder has previously given written notice to the Indenture Trustee of a continuing Event of Default;
- (ii) the Noteholder(s) of not less than a majority of the Outstanding Principal Balance of the Notes of each affected Series have made written request to the Indenture Trustee to institute such Proceeding in its own name as the Indenture Trustee hereunder;
- (iii) such Noteholder or Noteholders has offered to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for 60 days after its receipt of such request and offer of indemnity has failed to institute such Proceeding; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the Noteholders of more than a majority of the Outstanding Principal Balance of the Notes of such Series;

it being understood and intended that no one or more Noteholder(s) of the affected Series shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder of such Series or to obtain or to seek to obtain priority or preference over any other Noteholder(s) of such Series or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the other Noteholders of the same Series. Nothing in this Section shall be construed as limiting the rights of otherwise qualified Noteholders to petition a court for the removal of an Indenture Trustee pursuant to [Section 6.7](#).

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Noteholders of an affected Series, each representing less than a majority of the Outstanding Principal Balance of the Notes of such Series, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture or seek direction from a court of competent jurisdiction.

SECTION 5.8 Waiver of Past Defaults. Prior to the acceleration of the maturity of any Series of Notes pursuant to [Section 5.3](#), and subject to [Section 5.3\(b\)](#), the Noteholders of not less than a majority of the Outstanding Principal Balance of the Notes of the affected Series (or with respect to any Series with two or more Classes, each Class) may waive any past Default or Event of Default and its consequences except a Default or Event of Default: (a) in payment of principal of or interest on any of the Notes of such Series or (b) in respect of a covenant or provision hereof that cannot be modified or amended without the consent of each Noteholder of such Series. In the case of any such waiver, the Issuer, the Indenture Trustee and the Noteholders of the affected Series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

SECTION 5.9 Undertaking for Costs. All parties to this Indenture agree (and each Noteholder by such Noteholder's acceptance thereof shall be deemed to have agreed) that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as the Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party

litigant; but the provisions of this Section shall not apply to: (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Noteholder(s) holding in the aggregate more than 10% of the Outstanding Principal Balance of the Notes of the affected Series or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Notes and the related Indenture Supplement (or, in the case of redemption, on or after the applicable Redemption Date).

SECTION 5.10 Waiver of Stay or Extension Laws The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may adversely affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.11 Action on Notes The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral. Any funds or other property collected by the Indenture Trustee shall be applied in accordance with the applicable Indenture Supplement.

SECTION 5.12 Sale of Collateral

(a) The power to effect any sale of any portion of the Collateral described pursuant to Section 5.3 shall not be exhausted by any one or more sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until the earlier of (i) such time as Principal Receivables (or interests therein) having an Outstanding Balance equal to the Collateral Amount of the affected Series shall have been sold or (ii) all amounts due to the Noteholders of the affected Series under this Indenture and the applicable Indenture Supplement have been paid in full. The Indenture Trustee may from time to time, upon directions in accordance with Section 5.7, postpone any public sale by public announcement made at the time and place of such sale. For any public sale of Collateral, the Indenture Trustee shall have provided each Noteholder of the affected Series with notice of such sale at least two weeks in advance of such sale, which notice shall specify the date, time and location of such sale.

(b) To the extent permitted by applicable law, the Indenture Trustee shall not sell Collateral, or any portion thereof, to a third party in any private sale unless,

(i) the Noteholders of not less than 66 $\frac{2}{3}$ % of the then Outstanding Principal Balance of the Notes of the affected Series consent to or direct the Indenture Trustee in writing to make such sale; or

(ii) the proceeds of such sale, together with the proceeds of all other sales of Collateral for the benefit of the affected Series pursuant to Section 5.3, would be greater than or equal to the sum of all amounts due to the Noteholders of the affected Series under this Indenture and the Indenture Supplement related to such Series (for the avoidance of doubt, nothing in this clause (ii) shall authorize the Indenture Trustee to sell Principal Receivables (or interests therein) having an Outstanding Balance in excess of the Collateral Amount of the affected Series).

The foregoing provisions shall not preclude or limit the ability of the Indenture Trustee to purchase all or any portion of the Collateral at a private sale.

(c) In connection with a sale of all or any portion of the Collateral:

(i) any one or more Noteholders (other than the Transferor and its Affiliates) may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and any Noteholder of the affected Series may, in paying the purchase price therefor, deliver in lieu of cash any Outstanding Notes of such Series or claims for interest thereon for credit in the amount that shall, upon distribution of the net proceeds of such sale, be payable thereon, and the Notes of the affected Series, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Noteholders of such Series after being appropriately stamped to show such partial payment;

(ii) the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey any portion of the Collateral in connection with a sale thereof, and to take all action necessary to effect such sale;

(iii) the Indenture Trustee shall execute and deliver an appropriate instrument of conveyance transferring, without representation, warranty or recourse, any portion of the Collateral in connection with a sale thereof; and

(iv) no purchaser or transferee at such a sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any funds.

(v) the Indenture Trustee may not sell or otherwise liquidate the Collateral following an Event of Default, unless the applicable conditions in this Section 5.12 are met and (A) (1) the Noteholders representing 100% of the Outstanding Principal Balance of the Notes of the affected Series consent in writing thereto, (2) the Indenture Trustee determines that any proceeds of such exercise distributable to the Noteholders of the affected Series are sufficient to discharge in full all amounts then due and unpaid upon the Notes for principal and interest and is directed to exercise this remedy by Noteholders representing more than a majority of the Outstanding Principal Balance of the Notes of such Series,

or (3) the Indenture Trustee determines that the Collateral may not continue to provide sufficient funds for the payment of principal of and interest on the Notes as they would have become due if the Notes had not been declared due and payable, and the Indenture Trustee obtains the consent of the Noteholders representing at least 66 2/3% of the Outstanding Principal Balance of the Notes of each Class of such Series and (B) the Indenture Trustee has been provided with an Opinion of Counsel to the effect that the exercise of such remedy complies with applicable federal and state securities laws. In determining such sufficiency or insufficiency with respect to clauses (A)(2) and (A)(3), the Indenture Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Collateral for such purpose.

(d) The method, manner, time, place and terms of any sale of all or any portion of the Collateral shall be commercially reasonable.

(e) The provisions of this Section shall not be construed to restrict the ability of the Indenture Trustee to exercise any rights and powers against the Issuer or all or a portion of the Collateral that are vested in the Indenture Trustee by this Indenture, including the power of the Indenture Trustee to proceed against the Collateral subject to the Lien of this Indenture and to institute judicial proceedings for the collection of any deficiency remaining thereafter.

(f) The purchase price received by the Indenture Trustee in respect of any sale made in accordance with this Section shall be deemed conclusive and binding on the parties hereto and the Noteholders and the proceeds of such sale shall be applied in accordance with Section 8.4.

ARTICLE VI THE INDENTURE TRUSTEE AND THE PAYING AGENT

SECTION 6.1 Duties of the Indenture Trustee.

(a) If an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default actually known to a Responsible Officer of the Indenture Trustee:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee;

(ii) in the absence of bad faith or negligence on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; provided, however, in the case of any such certificates or opinions that are specifically required to be furnished to the Indenture Trustee pursuant to any provision of this Indenture or any Indenture Supplement, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture or the applicable Indenture Supplement; and

(iii) the Indenture Trustee shall not provide withdrawal, payment, transfer or other instructions or any notice of exclusive control to the custodian pursuant to the Custody and Control Agreement.

(c) If an Event of Default has occurred and is continuing and a Responsible Officer of the Indenture Trustee shall have actual knowledge of such Event of Default, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(d) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this clause (d) does not limit the effect of clause (b) or (c) of this Section;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Indenture Trustee unless it is proved that the Indenture Trustee was negligent in ascertaining the pertinent facts;

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to this Indenture;

(iv) the Indenture Trustee shall not be charged with knowledge of an Event of Default, Early Amortization Event or Servicer Default unless a Responsible Officer of the Indenture Trustee obtains actual knowledge of such event or the Indenture Trustee receives written notice of such event from the Issuer or Note Owners beneficially owning Notes of the affected Series or all Series, as applicable, aggregating not less than 10% of the Outstanding Principal Balance of the Notes of the affected Series or all Series, as applicable; and

(v) the Indenture Trustee shall have no duty to monitor the performance of the Issuer or its agents, nor shall it have any liability in connection with malfeasance or nonfeasance by the Issuer. The Indenture Trustee shall have no liability in connection with compliance of the Issuer or its agents with statutory

or regulatory requirements related to the Transferred Interests. The Indenture Trustee shall not make or be deemed to have made any representations or warranties with respect to the Transferred Interests or the validity or sufficiency of any assignment of the Transferred Interests to the Indenture Trustee.

(e) The Indenture Trustee shall not be liable for interest on any amounts received by it, except as the Indenture Trustee may agree in writing with the Issuer.

(f) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it reasonably believes that repayments of such funds or adequate indemnity satisfactory to it against any loss, liability or expense is not reasonably assured to it.

(g) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to this Section and the TIA.

SECTION 6.2 Rights of the Indenture Trustee.

(a) Subject to the provisions of Section 6.1:

(i) the Indenture Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note, debenture, other evidence of indebtedness or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) any request or direction or action of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Order;

(iii) whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate;

(iv) the Indenture Trustee may consult with counsel as to legal matters and the advice or opinion of any such counsel selected by the Indenture Trustee with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(v) the Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Noteholders pursuant to this Indenture, if: (A) the Indenture Trustee is advised by counsel that the action its directed to take is in conflict with applicable

laws or the Indenture, (B) the Indenture Trustee determines in good faith that the requested actions would be illegal or involve the Indenture Trustee in personal liability or be unjustly prejudicial to Noteholders not making the request or direction or (C) the Indenture Trustee reasonably believes it will not be adequately indemnified against the costs, expenses and liabilities which might be missed by it in complying with that request.

(vi) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, note, debenture, other evidence of indebtedness, or other paper or document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney;

(vii) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney, custodian or nominee appointed with due care by it hereunder;

(viii) the Indenture Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(ix) the Indenture Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer;

(x) the permissive rights of the Indenture Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Indenture Trustee shall not be answerable for other than its negligence or willful default;

(xi) in the event that the Indenture Trustee is also acting as Paying Agent or Note Registrar hereunder, the rights and protections afforded to the Indenture Trustee pursuant to this [Article VI](#) shall also be afforded to such Paying Agent or Note Registrar; and

(xii) the Indenture Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity or enforceability of any Collateral or any arrangement or agreement between the Issuer and any Person with respect thereto, or the perfection of any security interest created in any of the Collateral or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Collateral following an Event of Default.

(b) The recitals contained in the Agreement and in the Notes, except the Indenture Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Indenture Trustee assumes no responsibility for their correctness. The

Indenture Trustee makes no representations as to the validity or sufficiency of the Agreement or the Notes, except to the extent provided by the Indenture Trustee's certificate of authentication on the Notes. The Indenture Trustee shall not be accountable for the use or application by the Issuer of the proceeds of the Notes.

SECTION 6.3 Individual Rights of the Indenture Trustee. The Indenture Trustee shall not, in its individual capacity, but may in a fiduciary capacity, become the owner of Notes or otherwise extend credit to the Issuer. The Indenture Trustee may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not the Indenture Trustee. Any Paying Agent, Note Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Sections 6.11 and 6.13.

SECTION 6.4 Funds Held in Trust. Funds and investments and other property held by the Indenture Trustee shall be held in trust in one or more Trust Accounts hereunder, but need not be segregated from other funds except to the extent required by law.

SECTION 6.5 Notice of Early Amortization Events or Events or Defaults. If any Early Amortization Event or Event of Default occurs and is continuing and is known to a Responsible Officer of the Indenture Trustee, the Indenture Trustee shall mail to the affected Noteholders or all Noteholders, as applicable, notice of such Early Amortization Event or Event of Default within 30 days after it occurs or within 10 Business Days after it receives notice or obtains actual notice, if later. Except in the case of an Early Amortization Event or an Event of Default relating to the failure to pay principal of or interest on any Note (including payments pursuant to the mandatory redemption provisions of such Note), the Indenture Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Noteholders.

SECTION 6.6 Compensation and Indemnity. The Issuer shall pay to the Indenture Trustee from time to time reasonable compensation for its services hereunder as the Issuer and the Indenture Trustee may agree in writing (which compensation shall not be limited by any law on compensation of a trustee of an express trust). The Issuer shall reimburse the Indenture Trustee upon its request, for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Indenture Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify the Indenture Trustee and its officers, directors, employees and agents against any and all loss, liability or expense (including reasonable attorneys' fees and expenses) incurred by them to the extent related to or arising out of the administration of this Indenture and the performance of its duties hereunder including the costs and expenses of enforcing this Indenture (including this Section 6.6 and of defending itself against any claims (whether asserted by any Noteholder, the Issuer, the Servicer or any other Person). The Indenture Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indenture Trustee's own willful misconduct, negligence or bad faith.

In the event any proceeding (including any governmental investigation) shall be instituted involving the Indenture Trustee pursuant to the preceding paragraph, the Indenture Trustee shall

promptly notify the Issuer in writing and the Issuer shall assume the defense thereof, including the retention of counsel reasonably satisfactory to the Indenture Trustee to represent the Indenture Trustee in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding upon delivery to the Issuer of demand therefor. In any such proceeding, the Indenture Trustee shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of the Indenture Trustee unless (i) the Issuer has failed to assume the defense thereof, (ii) the Issuer and the Indenture Trustee shall have mutually agreed to the retention of such counsel or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Issuer and the Indenture Trustee and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Issuer shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for the Indenture Trustee. The Issuer shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Issuer agrees to indemnify the Indenture Trustee from and against any loss or liability by reason of such settlement or judgment. The Issuer shall not, without the prior written consent of the Indenture Trustee, effect any settlement of any pending or threatened proceeding in respect of which Indenture Trustee is or could have been a party and indemnity could have been sought hereunder by the Indenture Trustee, unless such settlement includes an unconditional release of the Indenture Trustee from all liability on claims that are the subject matter of such proceeding.

The Issuer's payment obligations to the Indenture Trustee pursuant to this Section shall survive the discharge of this Indenture or the earlier resignation or removal of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of an Event of Default specified in [Section 5.2\(c\)](#), the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable Federal or State bankruptcy, insolvency or similar law.

SECTION 6.7 Resignation and Removal; Appointment of Successor. No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee shall become effective until the acceptance of appointment by the successor Indenture Trustee pursuant to this Section. The Indenture Trustee may resign at any time by giving 30 days written notice to the Issuer. The Noteholders of not less than 66 2/3% of the Outstanding Principal Balance of the Notes for all Series may remove the Indenture Trustee by so notifying the Indenture Trustee in writing and may appoint a successor Indenture Trustee. The Issuer shall remove the Indenture Trustee if:

- (a) the Indenture Trustee fails to comply with [Section 6.10](#);
- (b) the Indenture Trustee is adjudged a bankrupt or insolvent;
- (c) a receiver or other public officer takes charge of the Indenture Trustee or its property; or
- (d) the Indenture Trustee otherwise becomes incapable of acting.

If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of the Indenture Trustee for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), the Issuer shall promptly appoint a successor the Indenture Trustee.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring Indenture Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee shall have all the rights, powers and duties of the Indenture Trustee under this Indenture. The successor Indenture Trustee shall mail a notice of its succession to Noteholders. The retiring Indenture Trustee shall promptly transfer all property held by it as the Indenture Trustee to the successor Indenture Trustee.

If a successor Indenture Trustee does not take office within 60 days after the retiring Indenture Trustee resigns or is removed, the retiring Indenture Trustee, the Issuer or the Noteholders of not less than a majority of the Outstanding Principal Balance of the Notes for all Series may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

If the Indenture Trustee fails to comply with Section 6.10, any Noteholder may petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

Notwithstanding the replacement of the Indenture Trustee pursuant to this Section, the Issuer's obligations under Section 6.6 shall continue for the benefit of the retiring Indenture Trustee. The retiring Indenture Trustee shall have no liability for any act or omission by any successor Indenture Trustee.

SECTION 6.8 Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Indenture Trustee. The Indenture Trustee shall provide the Issuer prior written notice of any such transaction; provided, that such corporation or banking association shall be otherwise qualified and eligible under Section 6.10.

In case at the time such successor(s) by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor trustee hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates of authentication shall have the full force and effect to the same extent given to the certificate of authentication of the Indenture Trustee anywhere in the Notes or in this Indenture.

SECTION 6.9 Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Collateral may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more Person(s) to act as co-trustee(s), or separate trustee(s) for the benefit of the Noteholders, and to vest in such Person(s), in such capacity, all rights hereunder with respect to the Collateral, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.10 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.7.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act(s) are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act(s), in which event such rights, powers, duties and obligations (including the holding of rights with respect to the Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove, in its sole discretion, any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

(e) The Indenture Trustee shall have no obligation to determine whether a co-trustee or separate trustee is legally required in any jurisdiction in which any part of the Collateral may be located.

SECTION 6.10 Eligibility; Disqualification. The Indenture Trustee shall at all times satisfy the requirements of TIA § 310(a) and Section 26(a)(1) of the Investment Company Act. There shall at all times be an Indenture Trustee hereunder which shall (a) be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers; (b) have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition; (c) be subject to supervision or examination by federal or state authority; and (d) at the time of appointment, shall have a long term senior, unsecured debt rating of “Baa3” or better by Moody’s, if rated by Moody’s, and “BBB” or better by S&P, if rated by S&P (or, if not rated by Moody’s or S&P, a comparable rating by another statistical rating agency). The Indenture Trustee shall comply with TIA § 310(b), including the optional provision permitted by the second sentence of TIA § 310(b)(9); provided, however, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture(s) under which other securities of the Issuer are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

This Indenture shall always have a trustee who satisfies the requirements of Section 310(a)(1) of the TIA. The Indenture Trustee is subject to the provisions of Section 310(b) of the TIA regarding disqualification of a trustee upon acquiring any conflicting interest.

If a default occurs under this Indenture or any Indenture Supplement, and the Indenture Trustee is deemed to have a conflicting interest as a result of acting as trustee for more than one Series or Class of Notes, a successor Indenture Trustee shall be appointed for one or more of such Classes or Series, so that the Indenture Trustee for any one of the affected Classes or Series is different from the Indenture Trustees for the other affected Classes or Series. No such event shall alter the voting rights of the Noteholders of such Classes or Series under this Indenture, any Indenture Supplement or any other Related Document. However, so long as any amounts remain unpaid with respect to any Class of Notes, only the Indenture Trustee for the Noteholders of such

Class will have the right to exercise remedies under this Indenture or the applicable Indenture Supplement (but subject to the express provisions of Section 5.3 and to the right of the Noteholders of any subordinate Class within the same Series to receive their share of any proceeds of enforcement). Upon repayment of the Class of Notes with the higher payment priority in full, all rights to exercise remedies under this Indenture will transfer to the Indenture Trustee for the next subordinate Class of Notes within the same Series.

In the case of the appointment hereunder of a successor Indenture Trustee with respect to any Series or Class of Notes, the Issuer, the retiring Indenture Trustee and the successor Indenture Trustee with respect to such Series or Class of Notes shall execute and deliver an indenture supplemental hereto wherein the successor Indenture Trustee shall accept such appointment and which (i) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, the successor Indenture Trustee all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes of the Series or Class to which the appointment of such successor Indenture Trustee relates, (ii) if the retiring Indenture Trustee is not retiring with respect to all Series or Classes of Notes, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Indenture Trustee with respect to the Notes of each Series or Class as to which the retiring Indenture Trustee is not retiring shall continue to be vested in the retiring Indenture Trustee and (iii) shall add to or change any of the provisions of this Indenture and the applicable Indenture Supplement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Indenture Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Indenture Trustees co-trustees of the same trust and that each such Indenture Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Indenture Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Indenture Trustee shall become effective to the extent provided therein.

SECTION 6.11 Acceptance by Indenture Trustee. The Indenture Trustee hereby acknowledges the grant of a Lien on the Collateral and the receipt of a Lien on the assets constituting the Collateral granted by the Issuer hereunder and declares that the Indenture Trustee will hold such Lien on the Collateral in trust, for the use and benefit of all Noteholders subject to the terms and provisions hereof.

SECTION 6.12 Preferential Collection of Claims Against the Issuer. The Indenture Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). An Indenture Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated.

SECTION 6.13 Reports by Indenture Trustee to Noteholders. To the extent required by the TIA, on or before the date prescribed by applicable law, the Indenture Trustee shall mail to the Noteholders a brief report dated as of such reporting date that complies with TIA § 313(a), if such a report is required pursuant to TIA § 313(a). The Indenture Trustee also shall comply with TIA § 313(b). The Indenture Trustee shall also transmit by mail all reports as required by TIA § 313(c).

A copy of each such report required under TIA §313 shall, at the time of such transmission to Noteholders be filed with the Commission and with each stock exchange or other market system on which the Notes are listed. The Issuer shall notify the Indenture Trustee in writing if the Notes become listed on any stock exchange or market trading system.

SECTION 6.14 Representations and Warranties. The Indenture Trustee hereby represents that:

- (a) the Indenture Trustee is duly organized and validly existing as a banking corporation in good standing under the laws of the State of New York with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted;
- (b) the Indenture Trustee has the power and authority to execute and deliver this Indenture and to carry out its terms; and the execution, delivery and performance of this Indenture have been duly authorized by the Indenture Trustee by all necessary corporate action;
- (c) each of this Indenture and the other Related Documents to which it is a party has been duly executed and delivered by the Indenture Trustee and constitutes its legal, valid and binding obligation in accordance with its terms;
- (d) the consummation of the transactions contemplated by this Indenture and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under the articles of organization or bylaws of the Indenture Trustee or any material agreement or other instrument to which the Indenture Trustee is a party or by which it is bound; and
- (e) to the best of the Indenture Trustee's knowledge, there are no proceedings or investigations pending or threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Indenture Trustee or its properties: (i) asserting the invalidity of this Indenture, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Indenture or (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Indenture Trustee of its obligations under, or the validity or enforceability of, this Indenture.

SECTION 6.15 The Paying Agent. The Issuer hereby appoints the Indenture Trustee as the initial Paying Agent. All payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from any Trust Account pursuant to Section 4.2 and the applicable Indenture Supplement shall be made on behalf of the Issuer by the Paying Agent.

The Paying Agent hereby agrees that subject to the provisions of this Section, it shall:

- (i) hold any sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Indenture Trustee prompt notice of any default by the Issuer of which it has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee any sums so held in trust by such Paying Agent;

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee any sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Paying Agent; and

(v) comply with all requirements of the Code and any applicable State law with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

The Issuer shall at any time when necessary or required, for the purpose of obtaining the satisfaction and discharge of this Indenture with respect to all the Notes or for any other purpose, by Issuer Order, cause any Paying Agent other than the Indenture Trustee to pay to the Indenture Trustee any sums held in trust by such Paying Agent with respect to the Notes, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent and, in the case of satisfaction and discharge of the Indenture, applied according to Section 4.1; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Subject to applicable laws with respect to escheat of funds, any amounts held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and released from the Lien of this Indenture on Issuer Request; and the related Noteholder shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so released from the Lien of this Indenture), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust funds shall thereupon cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, shall at the expense and direction of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such funds remain unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such funds then remaining will be repaid to the Holder. The Indenture Trustee shall also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including mailing notice of such repayment to Noteholders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in amounts due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Noteholder).

Each Paying Agent (other than the initial Paying Agent) shall be appointed by Issuer Order with written notice thereof to the Indenture Trustee. Any Paying Agent appointed by the Issuer shall be a Person who would be eligible to be Indenture Trustee hereunder as provided in Section 6.10. The Issuer shall not appoint any Paying Agent (other than the Indenture Trustee) which is not, at the time of such appointment, a depository institution or trust company, including the Indenture Trustee, that (a) is incorporated under the laws of the United States of America or any State thereof, (b) is subject to supervision and examination by federal or state banking authorities and (c) has outstanding unsecured commercial paper or other short-term unsecured debt obligations that are rated "A-1" by S&P or "P-1" by Moody's (or its equivalent).

SECTION 6.16 Information to Be Provided by the Indenture Trustee

(a) It is agreed and acknowledged that the purpose of this Section 6.16 is to facilitate compliance by the Issuer and its Affiliates with the provisions of Regulation AB under the Securities Act and the Securities Exchange Act (as may be amended or modified from time to time, "Regulation AB") and related rules and regulations of the Commission. The Issuer shall not exercise its right to request delivery of information or other performance under this Section 6.16 other than in good faith, or for purposes other than the Issuer's or its Affiliate's compliance with the Securities Act, the Securities Exchange Act and the rules and regulations of the Commission thereunder (or to provide disclosure related to a private offering comparable to that required under the Securities Act). The Indenture Trustee agrees to cooperate in good faith with any reasonable request by the Issuer for information regarding the Indenture Trustee, including but not limited to, information which is required in order to enable the Issuer or its Affiliates to comply with Items 1109(a), 1109(b), 1117, 1118, 1119 and 1122 of Regulation AB as it relates to the Indenture Trustee or to the Indenture Trustee's obligations under the Indenture or any Indenture Supplement.

(b) The Indenture Trustee shall be deemed to represent to the Issuer, as of the date on which information is provided to the Issuer pursuant to this Section 6.16, except as disclosed in writing to the Issuer prior to such date that: (i) none of the execution or the delivery by the Indenture Trustee of this Indenture or any Indenture Supplement, the performance by the Indenture Trustee of its obligations under this Indenture or any Indenture Supplement nor the consummation of any of the transactions by the Indenture Trustee contemplated thereby, cause the Indenture Trustee to be in violation of (x) any indenture, mortgage, bank credit agreement, note or bond purchase agreement, long-term lease, license or other agreement or instrument to which the Indenture Trustee is a party or by which it is bound, which violation would have a material adverse effect on the Indenture Trustee's ability to perform its obligations under this Indenture or any Indenture Supplement, or (y) of any judgment or order applicable to the Indenture Trustee; and (ii) there are no proceedings pending or threatened against the Indenture Trustee in any court or before any governmental authority, agency or arbitration board or tribunal which, individually or in the aggregate, would have a material adverse effect on the Noteholders' of any Series interest in their Notes or the right, power and authority of the Indenture Trustee to enter into this Indenture or any Indenture Supplement or to perform its obligations under this Indenture or any Indenture Supplement.

(c) For so long as the Issuer is required to comply with Regulation AB, the Indenture Trustee shall: (i) on or before the fifth Business Day of each month, provide to the Issuer, in writing, such information regarding the Indenture Trustee as is requested in writing by the Issuer for the purpose of compliance with Item 1117 of Regulation AB; provided, however, that the Indenture Trustee shall not be required to provide such information in the event that there has been no change to the information previously provided by the Indenture Trustee to the Issuer, and (ii) as promptly as practicable following notice to or discovery by a Responsible Officer of the Indenture Trustee of any changes to such information, provide to the Issuer, with a copy to the Transferor, in writing, such updated information.

(d) As soon as available but no later than March 15 of each calendar year for so long as the Issuer is required to comply with Regulation AB, commencing in 2013, the Indenture Trustee shall (if requested in writing by the Issuer in order to comply with Item 1122 of Regulation AB) deliver to the Issuer reports regarding the assessment by the Indenture Trustee (if so requested by the Issuer) of compliance to servicing criteria specified in paragraph (d) of Item 1122 of Regulation AB during the immediately preceding calendar year, as required under paragraph (b) of Rule 13a-18 and Rule 15d-18 of the Securities Exchange Act and Item 1122 of Regulation AB. Such reports shall be signed by an authorized officer of the Indenture Trustee and shall address each of the servicing criteria specified in Exhibit A or such criteria as mutually agreed upon by the Issuer and the Indenture Trustee.

(e) As soon as available but no later than March 15 of each calendar year for so long as the Issuer is required to comply with Regulation AB, commencing in 2013, the Indenture Trustee shall (if requested in writing by the Issuer in order to comply with Item 1122 of Regulation AB) deliver to the Issuer a report of a registered public accounting firm that attests to, and reports on, the assessment of compliance made by the Indenture Trustee and delivered pursuant to the preceding paragraph. Such attestation shall be made in accordance with standards for attestation engagements issued or adopted by the Public Company Accounting Oversight Board and in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Securities Exchange Act.

(f) As soon as available but no later than March 15 of each calendar year for so long as the Issuer is required to comply with Regulation AB, commencing in 2013, the Indenture Trustee shall (if requested in writing by the Issuer in order to comply with Item 1122 of Regulation AB) deliver to the Issuer and any other Person that will be responsible for signing the certification required by Rules 13a-14(d) and 15d-14(d) under the Securities Exchange Act (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002) (a "Sarbanes Certification") on behalf of the Issuer a certification substantially in the form attached hereto as Exhibit B or such form as mutually agreed upon by the Issuer and the Indenture Trustee. The Indenture Trustee acknowledges that the parties identified in this Section 6.16(f) may rely on the certification provided by the Indenture Trustee hereunder in signing a Sarbanes Certification and filing such with the Commission.

(g) The Indenture Trustee shall, upon request from the Issuer, promptly furnish to the Issuer such information as may be necessary for the Transferor or any Affiliate to comply with Rule 15Ga-1 under the Securities Act and Items 1104(e) and 1121(c) of Regulation AB.

ARTICLE VII
NOTEHOLDERS LISTS AND REPORTS

SECTION 7.1 The Issuer to Furnish the Indenture Trustee Names and Addresses of Noteholders The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) upon each transfer of a Note, a list, in such form as the Indenture Trustee may reasonably require, of the names, addresses and taxpayer identification numbers of the Noteholders as of such Record Date, and (b) at such other times, as the Indenture Trustee may request in writing, within 10 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than 10 days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee is the Note Registrar, no such list shall be required to be furnished.

SECTION 7.2 Preservation of Information; Communications to Noteholders.

(a) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Noteholders contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.1 and the names and addresses of Noteholders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in Section 7.1 upon receipt of a new list so furnished.

(b) Noteholders may communicate pursuant to TIA § 312(b) with other Noteholders with respect to their rights under this Indenture or under the Notes.

(c) The Issuer, the Indenture Trustee and the Note Registrar shall have the protection of TIA § 312(c).

SECTION 7.3 Reports by the Issuer.

(a) The Issuer shall, following any registered offering of Notes under the Securities Act:

(i) file with the Indenture Trustee, within 15 days after the Issuer is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer may be required to file with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act;

(ii) file with the Indenture Trustee and the Commission in accordance with rules and regulations prescribed from time to time by the Commission such additional information, documents and reports with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(iii) supply to the Indenture Trustee (and the Indenture Trustee shall transmit by mail to all Noteholders described in TIA §313(c)) such summaries of any information, documents and reports required to be filed by the Issuer pursuant to clauses (i) and (ii) of this Section 7.3(a) as may be required by rules and regulations prescribed from time to time by the Commission.

(b) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year. The Issuer shall notify the Indenture Trustee in writing of any change in its fiscal year.

(c) Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only and the Indenture Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants hereunder.

SECTION 7.4 List of Noteholders. Noteholders of not less than 10% of the Outstanding Principal Balance of any Series of Notes may obtain access to the list of Noteholders the Indenture Trustee maintains for the purpose of communicating with the other Noteholders. The Indenture Trustee may elect not to allow the requesting Noteholders access to the list of Noteholders if the Indenture Trustee agrees to mail the requested communication or proxy, on behalf and at the expense of the requesting Noteholders, to all Noteholders of record.

ARTICLE VIII ACCOUNTS, DISBURSEMENTS AND RELEASES

SECTION 8.1 Collection of Amounts Due. Except as otherwise expressly provided herein and in the related Indenture Supplement, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all sums and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture. The Indenture Trustee shall apply all such amounts received by it as provided in this Indenture.

SECTION 8.2 Trust Accounts.

(a) On or prior to the Closing Date for the first Series (in respect of clauses (i) and (ii) below) or the Closing Date for the applicable Series (in respect to clause (iii) below), the Issuer covenants to have established and shall thereafter maintain the following accounts (the "Trust Accounts"), which accounts shall be Eligible Deposit Accounts:

- (i) Collection Account;
- (ii) Excess Funding Account; and
- (iii) a Series Account for the applicable Series of Notes.

(b) If any Trust Account is a Securities Account, such Trust Account will be maintained in accordance with the Custody and Control Agreement.

(c) (i) If, at any time, any of the Trust Accounts ceases to be an Eligible Deposit Account, the Issuer shall within 30 calendar days establish a new Trust Account as an Eligible Deposit Account and shall transfer any cash and/or any investments held in the no longer Eligible Deposit Account to such new Trust Account.

(ii) With respect to the Trust Account Property, the Issuer and Indenture Trustee agree, as security for the Issuer's obligations under this Indenture, that:

(A) any Trust Account Property that constitutes, or is held through or in, a deposit account shall be, or shall be held through or in, an Eligible Deposit Account continuously identified in the deposit bank's books and records as subject to a security interest of the Indenture Trustee and, except as may be expressly provided herein to the contrary, in order to perfect the security interest of the Indenture Trustee in accordance with Section 9-104 of the UCC, the Indenture Trustee shall have the power to direct the disposition of the funds in such deposit account without further consent by the Issuer; provided, however, that prior to the delivery by the Indenture Trustee to the Issuer of notice otherwise, the Issuer shall dispose of the funds in such deposit account in accordance with the terms of the Related Documents; provided further that the Indenture Trustee agrees that it will not deliver such notice or exercise its power to direct the disposition of the funds in such deposit account until an Event of Default has occurred; and

(B) all Permitted Investments and other investments shall be held by the Custodian in accordance with the Custody and Control Agreement and shall be subject to the Indenture Trustee's security interest in such Trust Account Property.

(d) At the direction of the Issuer, (i) funds otherwise released from the Lien of this Indenture may be deposited to the Excess Funding Account and (ii) funds on deposit in the Excess Funding Account may be withdrawn on any day to the extent that the Free Equity Amount exceeds the Minimum Free Equity Amount and the Trust Principal Balance exceeds the Required Principal Balance. On any Transfer Date on which one or more Series is in an Amortization Period, the Issuer shall determine the aggregate amounts of Principal Shortfalls, if any, with respect to each such Series that is a Principal Sharing Series (after giving effect to the allocation and payment provisions in the Indenture Supplement, including the application of Shared Principal Collections, with respect to each such Series), and Issuer shall instruct the Indenture Trustee to withdraw such amount from the Excess Funding Account (up to the amount on deposit in the Excess Funding Account after application of the preceding sentence on that day) on the related Payment Date and allocate such amount among each such Series *pro rata*, in proportion to the remaining Principal Shortfalls.

(e) On each Payment Date, all interest and other investment earnings (net of losses and investment expenses) on funds on deposit in the Excess Funding Account shall be treated as Finance Charge Collections with respect to the last day of the preceding Monthly Period, except as otherwise provided in any Indenture Supplement. On each Payment Date, all interest and other investment earnings (net of losses and investment expenses) on funds on deposit in the Collection Account shall be released from the Lien of this Indenture. For purposes of determining the availability of funds to be paid to the Noteholders or the balance in the Collection Account or the Excess Funding Account for any purpose under this Indenture, all interest and other investment earnings net of investment expenses and losses shall be deemed not to be available for payment to Noteholders or on deposit.

SECTION 8.3 Rights of Noteholders. The Collateral shall secure the rights of the Noteholders of each Series to receive the portion of Collections allocable to such Series pursuant to this Indenture and the related Indenture Supplement, funds and other property credited to the Collection Account (or any subaccount thereof) allocable to such Series pursuant to this Indenture and such Indenture Supplement, funds and other property credited to any related Series Account and funds available pursuant to any related Series Enhancement, it being understood that, except as specifically set forth in the Indenture Supplement with respect thereto, the Notes of any Series or Class shall not be secured by any interest in any Series Account or Series Enhancement pledged for the benefit of any other Series or Class that is Outstanding.

SECTION 8.4 Collections and Allocations.

(a) Issuer shall apply all funds on deposit in the Collection Account as described in this Article VIII and in each Indenture Supplement. Except as otherwise provided below, in Schedule II hereof and in each Indenture Supplement, Issuer shall deposit Collections into the Collection Account no later than the second Business Day following the Date of Processing of such Collections.

Subject to the express terms of any Indenture Supplement and Schedule II hereof, but notwithstanding anything else in this Indenture to the contrary, unless a Daily Deposit Event has occurred, Issuer need not make deposits of Collections into the Collection Account within two Business Days as provided in the preceding paragraph, but may make a single deposit in the Collection Account in immediately available funds not later than 12:00 noon, New York City time, on the related Payment Date. The Issuer shall promptly notify the Indenture Trustee in writing if the conditions under this paragraph are not met and the Issuer is required to make daily deposits of Collections into the Collection Account.

(b) On each Payment Date, Finance Charge Collections and Principal Collections for the preceding Monthly Period shall be allocated to each Series in accordance with the related Indenture Supplement and, to the extent not previously deposited to the Collection Account, Finance Charge Collections and Principal

Collections allocated to each Series shall be deposited into the Collection Account in immediately available funds. If as a result of the designation, increase, reduction or elimination of any Discount Percentage, the amount of Collections allocated to the Noteholders and required to be deposited into the Trust Accounts for any prior Dates of Processing during the Monthly Period would be greater than the amount of such Collections previously deposited to the Trust Accounts, the Issuer shall make a deposit to the related Trust Account(s) within two Business Days following the delivery of notice of such designation, increase, reduction or elimination in an amount equal to any such shortfall; provided that, unless a Daily Deposit Event shall have occurred, no such deposit need be made until the following Payment Date. On each Payment Date, Charged-Off Receivables will be allocated to each Series in accordance with the related Indenture Supplement.

(c) Throughout the existence of the Issuer, unless otherwise stated in any Indenture Supplement, on each Date of Processing, Issuer shall compute the product of (A) the Transferor Percentage and (B) the aggregate amount of Finance Charge Collections and Principal Collections and the amounts so computed shall be released from the Lien of this Indenture. Unless otherwise stated in any Indenture Supplement, the Issuer does not need to deposit any such amounts pursuant to the foregoing into the Collection Account and may distribute such amounts to the Holder on or prior to the related Payment Date.

The amounts to be released from the Lien of this Indenture pursuant to this Section 8.4(c) do not include proceeds from the sale, disposition or liquidation of Transferred Interests pursuant to Section 5.3 or payment of the purchase price for the Notes of a specific Series pursuant to the related Indenture Supplement to the extent any such amounts would otherwise constitute Finance Charge Collections or Principal Collections.

SECTION 8.5 Shared Principal Collections. On each Business Day, so long as either no Series is in an Amortization Period or no Series that is in an Amortization Period will have a Principal Shortfall (assuming no Early Amortization Event occurs), Shared Principal Collections may, at the option of the Issuer, be applied (or held in the Collection Account for later application) to repay principal of any Variable Interest or withdrawn from the Collection Account and distributed to the Holder. On any day on or before the Transfer Date following the end of each Monthly Period, so long as the Issuer has all information needed to calculate all amounts referenced in this Section 8.5 and the calculations have been made, Issuer shall apply Shared Principal Collections not previously applied as described in the preceding sentence to repay principal for each applicable Principal Sharing Series, *pro rata*, in proportion to the Principal Shortfalls, if any, with respect to each such Series. Any amount representing Shared Principal Collections remaining after the allocations and applications described in the preceding sentence, shall constitute "Excess Shared Principal Collections". The Issuer may withdraw from the Collection Account and distribute to the Holder any amounts constituting Excess Shared Principal Collections; provided the Issuer may apply any portion of the Excess Shared Principal Collections to repay principal of any Variable Interest or may deposit any portion of the Excess Shared Principal Collections into the Excess Funding Account.

SECTION 8.6 Excess Finance Charge Collections. On any day on or before the Transfer Date following the end of each Monthly Period, so long as the Issuer has all information needed to calculate all amounts referenced in this Section 8.6 and the calculations have been made, (a) for each Group, Issuer shall apply the aggregate amount of Excess Finance Charge Collections for the related Monthly Period to make payments to each Series in such Group, *pro rata*, in proportion to the Finance Charge Shortfalls, if any, with respect to each such Series, and (b) Issuer may withdraw (or shall instruct the Indenture Trustee in writing to withdraw) from the Collection Account and release from the Lien of this Indenture an amount equal to the excess, if any, of (x) the aggregate amount for all outstanding Series in a Group of the amounts which the related Indenture Supplements specify are to be treated as “Excess Finance Charge Collections” for such Payment Date over (y) the aggregate amount for all outstanding Series in such Group which the related Indenture Supplements specify are “Finance Charge Shortfalls”, for such Payment Date.

SECTION 8.7 Release of Collateral.

(a) Subject to the payment of its fees and expenses pursuant to Section 6.7, the Indenture Trustee may, and when required by this Indenture shall, execute instruments to release property from the Lien of this Indenture, or convey the Indenture Trustee’s interest in the same, in a manner and under circumstances that are not inconsistent with this Indenture. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article shall be bound to ascertain the Indenture Trustee’s authority, inquire into the satisfaction of any conditions precedent or see to the application of any funds.

(b) The Indenture Trustee shall, at such time as there are no Notes outstanding, release, without recourse, all of the Collateral that secured the Notes (other than any cash held for the payment of the Notes pursuant to Section 4.2) from the Lien of this Indenture. The Indenture Trustee shall release property from the Lien of this Indenture pursuant to this Section 8.7(b) only upon receipt of an Issuer Request requesting such release accompanied by an Officer’s Certificate and an Opinion of Counsel and (if required by the TIA and the applicable Indenture Supplement) Independent Certificates in accordance with TIA §§314(c) and 314(d)(1) meeting the applicable requirements of Section 10.1.

(c) The Indenture Trustee shall release from the Lien of this Indenture all Transferred Interests arising in Removed Accounts designated as such pursuant to Section 2.7 of the Transfer Agreement, the Related Security and Collections and Recoveries with respect thereto, and all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto and all proceeds of the foregoing; provided that, the Indenture Trustee shall not consent to any such release unless (i) the Issuer shall have caused the Transferor to deliver and the Transferor shall have delivered an Officer’s Certificate dated as of the Removal Date, to the effect that the Transferor reasonably believes that (A) in the case of any removal other than an Involuntary Removal, such removal will not, based on the facts known to such officer at the time of such certification, then or thereafter cause an Early Amortization Event to occur with respect to any Series of Notes and (B) no selection

procedure believed by Transferor to be materially adverse to the interest of the Issuer or any of its creditors has been used in removing Removed Accounts from among any pool of Accounts of a similar type (it being understood that Transferor will not be deemed to have used such an adverse selection procedure in connection with any Involuntary Removal) and (ii) except for Removed Accounts with respect to Involuntary Removals, after giving effect to such removal, (x) the Free Equity Amount shall not be less than the Minimum Free Equity Amount and (y) the Trust Principal Balance shall not be less than the Required Principal Balance, in each case measured as of the end of the most recently ended Monthly Period.

SECTION 8.8 Opinion of Counsel. The Indenture Trustee shall receive at least seven days' notice when requested by the Issuer to take any action pursuant to Section 8.7(a), accompanied by copies of any instruments involved, and the Indenture Trustee shall also require, as a condition to such action, an Opinion of Counsel stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the security for the Notes or the rights of the Noteholders in contravention of this Indenture; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Collateral. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

ARTICLE IX SUPPLEMENTAL INDENTURES

SECTION 9.1 Supplemental Indentures Without Consent of Noteholders.

(a) Without the consent of the Noteholders, the Issuer and the Indenture Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto or to any Indenture Supplement (which to the extent required by the TIA, shall conform to the TIA as in force at the date of the execution thereof), in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to Grant unto the Indenture Trustee a Lien on any property subject or required to be subjected to the Lien of this Indenture, or to subject to the Lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes;

(iii) to add to the covenants of the Issuer, for the benefit of the Noteholders, or to surrender any right or power herein conferred upon the Issuer provided such surrender would not have a material adverse effect on the Noteholders' interest in their Notes;

(iv) to mortgage or pledge any property to or with the Indenture Trustee for the benefit of the Noteholders;

(v) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture that may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided, that such action shall not materially adversely affect the interests of the Noteholders;

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor or additional trustee with respect to the Notes or any class thereof and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI;

(vii) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the TIA or under any similar Federal statute hereafter enacted and to add to this Indenture such other provisions as may be expressly required by the TIA; or

(viii) to provide for the issuance of one or more new Series of Notes, in accordance with the provisions of Section 2.8.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Indenture Trustee may when authorized by an Issuer Request, without the consent of any Noteholders of any Series then Outstanding, enter into an indenture or indentures supplemental hereto or to any Indenture Supplement for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or to any Indenture Supplement or modifying in any manner the rights of the Noteholders under this Indenture or under any Indenture Supplement; provided, however that the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate, dated the date of any such action, stating that all requirements for such amendments contained in the Agreement have been met, the Issuer reasonably believes that such action will not result in an Adverse Effect and a Tax Opinion. Additionally, notwithstanding the preceding sentence, the Issuer and the Indenture Trustee, when authorized by an Issuer Request, may, without the consent of any Noteholders of any Series then Outstanding, enter into an indenture or indentures supplemental hereto to add, modify or eliminate such provisions as may be necessary or advisable in order to avoid the imposition of state or local income or franchise taxes imposed on the Issuer's property or its income; provided, however, that the Issuer delivers to the Indenture Trustee an Officer's Certificate to the effect that the proposed amendments meet the requirements set forth in this Section 9.1(b). The amendments which the Issuer may make without the consent of Noteholders pursuant to this Section 9.1(b) may include the addition of Transferred Interests.

SECTION 9.2 Supplemental Indentures With Consent of Noteholders. The Issuer and the Indenture Trustee, may, when authorized by an Issuer Order, and with the consent of the Noteholders evidencing more than a majority of the Outstanding Principal Balance of the Notes of each adversely affected Series, by Act of such Noteholders delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto or to any Indenture Supplement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture and the Indenture Supplement related to such affected Series or of modifying in any manner the rights of such Noteholders under this Indenture and such Indenture Supplement; provided, however, that no such supplemental indenture shall, without the consent of the Noteholder of each Outstanding Note affected thereby:

(a) Extend the Series Maturity Date for any Series or change the date on which interest is required to be paid on any Note, or reduce the principal amount thereof, the interest rate specified thereon or the Redemption Price with respect thereto or the coin or currency in which, any Note or any interest thereon is payable;

(b) reduce the percentage of the Outstanding Principal Balance of Notes of any Series the consent of the Noteholders of which is required for any such supplemental indenture, or the consent of the Noteholders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(c) reduce the percentage of the Outstanding Principal Balance of Notes of any Series, the consent of the Noteholders of which is required to direct the Indenture Trustee to direct the Issuer to sell the Collateral or any portion thereof if the proceeds of such sale would be insufficient to pay the principal amount and accrued but unpaid interest on the Outstanding Notes of such Series;

(d) decrease the percentage of the Outstanding Principal Balance of Notes required to amend the sections of this Indenture which specify the applicable percentage of the Outstanding Principal Balance of Notes of any Series necessary to amend the Indenture which require such consent;

(e) modify or alter the provisions of this Indenture prohibiting the voting of Notes held by the Issuer, any other obligor on the Notes, the Transferor or any Affiliate thereof; or

(f) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Collateral for any Notes or, except as otherwise permitted or contemplated herein, terminate the Lien of this Indenture on any such Collateral at any time subject hereto or deprive the Noteholders of the security provided by the Lien of this Indenture.

The Indenture Trustee may in its discretion determine whether or not any Notes would be affected by any supplemental indenture and any such determination shall be conclusive upon the Noteholders, whether theretofore or thereafter authenticated and delivered hereunder. The Indenture Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act of the Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders provided for in this Indenture) and of evidencing the authorization of the execution thereof by Noteholders shall be subject to such reasonable requirements as the Indenture Trustee may provide.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section, the Indenture Trustee shall mail to the Noteholders to which such amendment or supplemental indenture relates a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.3 Execution of Supplemental Indentures. In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and, subject to Sections 6.1 and 6.2, shall be fully protected in relying upon, in addition to the documents required by Section 10.1, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 9.4 Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and such supplemental indenture shall form a part of the terms and conditions of this Indenture for any and all purposes and every Noteholder, theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. This Section does not apply to Indenture Supplements.

SECTION 9.5 Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Indenture Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

SECTION 9.6 Conformity with Trust Indenture Act. Every amendment of this Indenture and every supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect so long as this Indenture shall then be qualified under the TIA.

ARTICLE X
MISCELLANEOUS

SECTION 10.1 Compliance Certificates and Opinions, etc.

(a) Upon any written application or request (or oral application with prompt written or facsimiled confirmation) by the Issuer to the Indenture Trustee to take any action under this Indenture, other than any request that (i) the Indenture Trustee authenticate the Notes specified in such request, or (ii) the Indenture Trustee pay amounts due and payable to the Issuer hereunder to the Issuer's assignee specified in such request, the Issuer shall furnish to the Indenture Trustee: (A) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, (B) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with and (C) if required by the TIA and the applicable Indenture Supplement, an Independent Certificate from a firm of certified public accountants meeting the applicable requirements of this Section, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (1) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such signatory, such signatory has made (or has caused to be made) such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with.

(b) (i) Prior to the deposit of any Collateral or other property or securities with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the Lien of this Indenture, if required by the TIA, the Issuer shall, in addition to any obligation imposed in Section 10.1(a) or elsewhere in this Indenture,

furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such deposit) to the Issuer of such Collateral or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate described in clause (i), the Issuer shall also deliver to the Indenture Trustee (if required by the TIA) an Independent Certificate as to the same matters if the fair value to the Issuer of such Collateral or other property or securities to be so deposited and of all other Collateral or other property or securities released from the Lien of this Indenture since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates required by clause (i) and this clause (ii), equals 10% or more of the Outstanding Principal Balance of the Notes, but such certificate need not be furnished with respect to any Collateral or other property or securities so deposited if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than \$25,000 or less than one percent of the then Outstanding Principal Balance of the Notes.

(iii) Other than with respect to the release of any Charged-Off Receivables and Receivables in Removed Accounts, whenever any property or investment property is to be released from the Lien of this Indenture, the Issuer shall also furnish to the Indenture Trustee (if required by the TIA) an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate described in clause (iii), the Issuer shall also deliver to the Indenture Trustee (if required by the TIA) an Independent Certificate as to the same matters if the fair value to the Issuer of the Collateral or other property or securities and of all other such Collateral or other property, other than Charged-Off Receivables and Transferred Interests in Removed Accounts, or securities released from the lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (iii) and this clause (iv), equals 10% or more of the Outstanding Principal Balance of the Notes, but such certificate need not be furnished in the case of any release of Collateral or other property or securities if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than \$25,000 or less than one percent of the then Outstanding Principal Balance of the Notes.

(v) Notwithstanding any other provision of this Section, the Issuer may (A) collect, liquidate, sell or otherwise dispose of Transferred Interests as and to the extent permitted or required by the Related Documents and (B) make cash payments out of the Series Accounts as and to the extent permitted or required by the Related Documents.

SECTION 10.2 Form of Documents Delivered to the Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to the matters upon which his certificate or opinion is based is/are erroneous. Any such certificate of an Authorized Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of any Originator, the Servicer, the Transferor, the Issuer, stating that the information with respect to such factual matters is in the possession of any Originator, the Servicer, the Transferor, the Issuer, as applicable, unless such Authorized Officer or counsel knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to such matters is/are erroneous. Any Opinion of Counsel may be based on the written opinion of other counsel, in which event such Opinion of Counsel shall be accompanied by a copy of such other counsel's opinion and shall include a statement to the effect that such counsel believes that such counsel and the Indenture Trustee may reasonably rely upon the opinion of such other counsel.

Where any Person is required or permitted to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application, certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

SECTION 10.3 Acts of Noteholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instrument(s) of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided, such action shall become effective when such instrument(s) are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument(s) (and the action embodied therein and

evidenced thereby) are herein sometimes referred to as the “Act” of the Noteholders signing such instrument(s)). Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section. At any time the Notes of any Class are maintained on Book-Entry Notes, any reference in this Indenture to an Act of Noteholders or a Noteholder or Noteholders representing a specified portion of the Outstanding Principal Balance of the Notes or such Class of Notes shall be deemed to refer to an Act of Note Owners or a Note Owner or Note Owners holding such specified portion of the Outstanding Principal Balance of the Notes or Class, as the case may be.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or Act by the Noteholder shall bind every Noteholder issued upon the registration of the related Note, in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) By accepting the Notes issued pursuant to this Indenture, each Noteholder irrevocably appoints the Indenture Trustee hereunder as the special attorney-in-fact for such Noteholder vested with full power on behalf of such Noteholder to effect and enforce the rights of such Noteholder and the revisions pursuant hereto for the benefit of such Noteholder; provided that nothing contained in this Section shall be deemed to confer upon the Indenture Trustee any duty or power to vote on behalf of the Noteholders with respect to any matter on which the Noteholders have a right to vote pursuant to the terms of this Indenture.

SECTION 10.4 Notices, etc., to the Indenture Trustee and the Issuer. Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders, or other documents provided or permitted by this Indenture, shall be in writing and, if such request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders is to be made upon, given or furnished to or filed with:

(a) the Indenture Trustee by any Noteholder or by the Issuer, shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Indenture Trustee and received at its Corporate Trust Office, or

(b) the Issuer by the Indenture Trustee or by any Noteholder, shall be sufficient for every purpose hereunder if in writing and mailed, first-class, postage prepaid, to the Issuer addressed to: GE Sales Finance Master Trust, in care of GE Capital Retail Bank, as Administrator, 170 Election Road, Suite 125, Draper, Utah 84020, Attention: President, with a copy to General Electric Capital Corporation, as sub-administrator, 777 Long Ridge Road, Building B, 3rd Floor, Stamford, Connecticut 06927, or at any other address previously furnished in writing to the Indenture Trustee by the Issuer. The Issuer shall promptly transmit any notice received by it from the Noteholders to the Indenture Trustee.

SECTION 10.5 Notices to Noteholders: Waiver. Where this Indenture provides for notice to Noteholders of any event or the mailing of any report to Noteholders, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid or certified mail return receipt requested, or sent by private courier or confirmed telecopy to each Noteholder affected by such event or to whom such report is required to be mailed, at its address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice or the mailing of such report. In any case where notice or report to Noteholders is given by mail, neither the failure to mail such notice or report nor any defect in any notice or report so mailed to any particular Noteholder shall affect the sufficiency of such notice or report with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to mail or send notice to Noteholders, in accordance with this Section, of any event or any report to Noteholders when such notice or report is required to be delivered pursuant to any provision of this Indenture, then such notification or delivery as shall be made with the approval of the Indenture Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 10.6 Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer will, upon reasonable request of any Noteholder, enter into any agreement with such Noteholder providing for a method of payment, or notice by the Indenture Trustee or any Paying Agent to such Noteholder, that is different from the methods provided for in this Indenture or the Notes for such payments or notices, unless such agreement or the effects thereof could cause economic or administrative burden on the Issuer or is unlawful; provided, however, that any such agreement that imposes any duties or obligations on the Indenture Trustee (including in its capacity as Paying Agent) shall be subject to the prior written consent of the Indenture Trustee. The Issuer will furnish to the Indenture Trustee a copy of each such agreement and the Indenture Trustee will cause payments to be made and notices to be given in accordance with such agreements.

SECTION 10.7 Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors, co-trustees and agents of the Indenture Trustee, whether so expressed or not.

SECTION 10.8 Severability. Any provision of this Indenture or the Notes that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or of the Notes, as applicable, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.9 Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the Noteholders, any other party secured hereunder and any other Person with an ownership interest in any part of the Collateral, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 10.10 Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue with respect to such payment for the period from and after any such nominal date.

SECTION 10.11 Governing Law.

(a) THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401(1) OF THE GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. TO THE EXTENT PROVIDED IN ANY APPLICABLE INDENTURE SUPPLEMENT, THIS INDENTURE IS SUBJECT TO THE TRUST INDENTURE ACT OF 1939, AS AMENDED, AND SHALL BE GOVERNED THEREBY AND CONSTRUED IN ACCORDANCE THEREWITH.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED, FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE

INDENTURE TRUSTEE FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE NOTES, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE INDENTURE TRUSTEE. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH SECTION 10.4 AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 10.12 Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Executed counterparts may be delivered electronically.

SECTION 10.13 The Issuer Obligation. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) the Indenture Trustee or the Trustee in its individual capacity, (ii) any owner of a beneficial interest in the Issuer or (iii) any partner, owner, beneficiary, agent, officer, director, employee or agent of

the Indenture Trustee or the Trustee in its individual capacity, any holder of a beneficial interest in the Issuer, the Trustee or the Indenture Trustee or of any successor or assign of the Indenture Trustee or the Trustee in its individual capacity, except as any such Person may have expressly agreed (it being understood that the Indenture Trustee and the Trustee have no such obligations in their individual capacity) and except that any such partner, owner or beneficiary shall be fully liable, to the extent provided by applicable law, for any unpaid consideration for stock, unpaid capital contribution or failure to pay any installment or call owing to such entity.

SECTION 10.14 Communication by Noteholders with Other Noteholders. Subject to Section 7.2(b), Noteholders may communicate, pursuant to TIA § 312(b), with other Noteholders with respect to their rights under this Indenture or the Notes. The Issuer, the Indenture Trustee, the Note Registrar and all other parties shall have the protection of TIA § 312(c).

SECTION 10.15 Agents of the Issuer. The Indenture Trustee hereby acknowledges that it has been advised that any agent of the Issuer may act on behalf of the Issuer hereunder for purposes of all consents, amendments, waivers and other actions permitted or required to be taken, delivered or performed by the Issuer, and the Indenture Trustee agrees that any such action taken by an agent on behalf of the Issuer shall satisfy the Issuer's obligations hereunder.

SECTION 10.16 Survival of Representations and Warranties. The representations, warranties and certifications of the Issuer made in this Indenture or in any certificate or other writing delivered by the Issuer pursuant hereto shall survive the authentication and delivery of the Notes hereunder.

SECTION 10.17 Conflict with Trust Indenture Act. If this Indenture is required to be qualified under the TIA and any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in this Indenture by the TIA, such required provision shall control.

If this Indenture is required to be qualified under the TIA, the provisions of TIA §§ 310 through 317 that impose duties on any Person (including the provisions automatically deemed included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not physically contained herein.

SECTION 10.18 Subordination. The Issuer and each Noteholder by accepting a Note acknowledge and agree that such Note represents indebtedness of the Issuer and does not represent an interest in any assets (other than the Collateral) of the Transferor (including by virtue of any deficiency claim in respect of obligations not paid or otherwise satisfied from the Collateral and proceeds thereof). In furtherance of and not in derogation of the foregoing, to the extent the Transferor enters into other securitization transactions, the Issuer as well as each Noteholder by accepting a Note acknowledge and agree that it shall have no right, title or interest in or to any assets (or interest therein) (other than Collateral) conveyed or purported to be conveyed by the Transferor to another securitization trust or other Person or Persons in connection therewith (whether by way of a sale, capital contribution or by virtue of the granting of a lien) ("Other Assets"). To the extent that, notwithstanding the agreements and provisions contained in the preceding sentences of this subsection, the Issuer or any Noteholder either (i) asserts an interest or claim to, or benefit from, Other Assets, whether asserted against or through

the Transferor or any other Person owned by the Transferor, or (ii) is deemed to have any such interest, claim or benefit in or from Other Assets, whether by operation of law, legal process, pursuant to applicable provisions of insolvency laws or otherwise (including by virtue of Section 1111(b) of the Bankruptcy Code or any successor provision having similar effect under the Bankruptcy Code), and whether deemed asserted against or through the Transferor or any other Person owned by the Transferor, then the Issuer and each Noteholder by accepting a Note further acknowledge and agree that any such interest, claim or benefit in or from Other Assets is and shall be expressly subordinated to the indefeasible payment in full of all obligations and liabilities of the Transferor which, under the terms of the relevant documents relating to the securitization of such Other Assets, are entitled to be paid from, entitled to the benefits of, or otherwise secured by such Other Assets (whether or not any such entitlement or security interest is legally perfected or otherwise entitled to a priority of distribution or application under applicable law, including insolvency laws, and whether asserted against the Transferor or any other Person owned by the Transferor), including, the payment of post-petition interest on such other obligations and liabilities. This subordination agreement shall be deemed a subordination agreement within the meaning of Section 510(a) of the Bankruptcy Code. Each Noteholder further acknowledges and agrees that no adequate remedy at law exists for a breach of this Section and the terms of this Section may be enforced by an action for specific performance.

SECTION 10.19 Limitation of Liability of the Trustee. It is expressly understood and agreed by the parties hereto that (a) this document is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally, but solely as Trustee of the Issuer, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as a personal representation, undertaking and agreement by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this document.

ARTICLE XI COMPLIANCE WITH THE FDIC RULE

SECTION 11.1 Purpose.

(a) Each of the Issuer and the Indenture Trustee, and each of the Noteholders by acceptance of a Note, acknowledges and agrees that the purpose of this Article XI and the FDIC Rule Requirements incorporated herein and in the other Related Documents to the extent set forth therein is to cause the securitizations contemplated by the Related Documents to comply with the provisions of the FDIC Rule.

(b) If any provision of the FDIC Rule or the FDIC Rule Interpretations is amended, or any interpretive guidance regarding the FDIC Rule or FDIC Rule Interpretations is provided by the FDIC or its staff, as a result of which the Issuer

determines that an amendment to this Article XI or the FDIC Rule Requirements is necessary or desirable, then the Issuer and the Indenture Trustee shall be authorized and entitled to amend this Article XI or the FDIC Rule Requirements within the parameters of the FDIC Rule and the FDIC Rule Interpretations. Nothing in this Section 11.1(b) shall limit the rights of the Indenture Trustee pursuant to Section 9.3.

SECTION 11.2 Performance of the FDIC Rule Requirements, Schedule II is expressly incorporated in this Indenture. The Issuer agrees to perform the obligations set forth in Schedule II, except to the extent any such obligation is specifically imposed exclusively upon the servicer or the sponsor.

SECTION 11.3 Actions upon Repudiation.

(a) In the event that GE Capital Retail Bank becomes the subject of an insolvency proceeding and the FDIC as receiver or conservator for GE Capital Retail Bank exercises its right of repudiation as contemplated by paragraph (d)(4)(ii) of the FDIC Rule, the Issuer shall determine whether the FDIC in such capacity will pay damages as provided in such paragraph (d)(4)(ii). Upon making such determination, the Issuer shall promptly, and in any event no more than one Business Day thereafter, so notify the Indenture Trustee.

(b) Upon receipt of the notice specified in Section 11.3(a), the Indenture Trustee shall determine the date (the "applicable payment date") for making a distribution to Noteholders of the related Series or Class of Notes of such damages, which date shall be the earlier of (i) the next Payment Date on which such damages could be distributed and (ii) the earliest practicable date by which the Indenture Trustee could declare a special payment date, in each case subject to all applicable provisions of this Indenture, applicable law and the procedures of any applicable Clearing Agency.

(c) When the applicable payment date is determined, the Issuer shall promptly compute the amount of interest to be paid on the related Series or Class of Notes on the applicable payment date pursuant to the applicable Indenture Supplement. The Issuer shall cause the Servicer to notify the Indenture Trustee of the applicable amounts of principal and interest to be paid on each Series of Notes not later than the Business Day following the day on which the applicable payment date is determined.

(d) If the applicable payment date is a special payment date, the Indenture Trustee shall (i) declare such special payment date, (ii) declare a special distribution to the related Noteholders consisting of accrued and unpaid interest on each such Note and the outstanding principal balance of each such Note and (iii) deliver notice to the Noteholders of such special payment date and special distribution.

SECTION 11.4 Notice.

(a) In the event that GE Capital Retail Bank becomes the subject of an insolvency proceeding and the FDIC as receiver or conservator provides a written notice of repudiation as contemplated by paragraph (d)(4)(ii) of the FDIC Rule to the Issuer or the Indenture Trustee, the party receiving such notice shall promptly deliver such notice to each of GE Capital Retail Bank, the Issuer and the Indenture Trustee, as applicable.

(b) If the FDIC (i) is appointed as conservator or receiver of GE Capital Retail Bank and (ii) is in default in the payment of principal or interest when due following the expiration of any cure period hereunder or under the other Basic Documents due to the failure by the FDIC to pay or apply Collections received by it in accordance with this Indenture, the Indenture Trustee may, and if directed by a majority of the Outstanding Principal Balance of the Notes of any affected Series, shall be entitled to deliver written notice to the FDIC requesting the exercise of contractual rights hereunder and under the other Related Documents with respect to the related Series.

SECTION 11.5 Reservation of Rights. Neither the inclusion of this Article XI in this Indenture nor the compliance by any Person with, or the acknowledgment by any Person of, this Article's provisions constitutes an agreement or acknowledgment by any Person that, in the case of an insolvency proceeding with respect to GE Capital Retail Bank, a receiver or conservator will have any rights with respect to the Collateral.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers duly authorized as of the day and year first above written.

GE SALES FINANCE MASTER TRUST

By: BNY MELLON TRUST OF DELAWARE, not in its individual capacity, but solely as Trustee on behalf of the Issuer

By: /s/ Kristine Gullo

Name: Kristine K. Gullo
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS, not in its individual capacity, but solely as Indenture Trustee

By: /s/ Louis Bodi

Name: Louis Bodi
Title: Vice President

By: /s/ Mark Esposito

Name: Mark Esposito
Title: Assistant Vice President

EXHIBIT A

SERVICING CRITERIA TO BE
ADDRESSED IN ASSESSMENT OF COMPLIANCE

The assessment of compliance to be delivered by the Indenture Trustee shall address, at a minimum (unless otherwise agreed by the Issuer and the Indenture Trustee), the criteria identified as below as "Applicable Servicing Criteria":

<u>Reference</u>	<u>Servicing Criteria</u> <u>Criteria</u>	<u>Applicable Servicing</u> <u>Criteria</u>
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for the pool assets are maintained.	
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days following receipt, or such other number of days specified in the transaction agreements.	
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	✓
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	✓
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Securities Exchange Act.	
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	

Servicing Criteria

Reference

Criteria

Investor Remittances and Reporting

- 1122(d)(3)(i) Reports to investors, including those to be filed with the Commission, are maintained in accordance with the transaction agreements and applicable Commission requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the Commission as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the Servicer.
- 1122(d)(3)(ii) Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements. ✓
- 1122(d)(3)(iii) Disbursements made to an investor are posted within two business days to the Servicer's investor records, or such other number of days specified in the transaction agreements.
- 1122(d)(3)(iv) Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.

Pool Asset Administration

- 1122(d)(4)(i) Collateral or security on pool assets is maintained as required by the transaction agreements or related asset pool documents.
- 1122(d)(4)(ii) Pool assets and related documents are safeguarded as required by the transaction agreements.
- 1122(d)(4)(iii) Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.
- 1122(d)(4)(iv) Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related asset pool documents.
- 1122(d)(4)(v) The Servicer's records regarding the pool assets agree with the Servicer's records with respect to an obligor's unpaid principal balance.
- 1122(d)(4)(vi) Changes with respect to the terms or status of an obligor's account (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.
- 1122(d)(4)(vii) Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.
- 1122(d)(4)(viii) Records documenting collection efforts are maintained during the period a pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).
- 1122(d)(4)(ix) Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.

Servicing Criteria
Criteria

<u>Reference</u>	<u>Criteria</u>
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.

EXHIBIT B

FORM OF ANNUAL CERTIFICATION OF
THE INDENTURE TRUSTEE

Re: GE Sales Finance Master Trust

Dated:

Deutsche Bank Trust Company Americas, not in its individual capacity but solely as indenture trustee (the "Indenture Trustee"), certifies to GE Sales Finance Holding, L.L.C. (the "Transferor"), its officers and GE Sales Finance Master Trust (the "Issuer"), with the knowledge and intent that they will rely upon this certification, that:

(1) It has reviewed the report on assessment of the Indenture Trustee's compliance provided in accordance with Rules 13a-18 and 15d-18 under the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act") and Item 1122 of Regulation AB (the "Servicing Assessment"), and the registered public accounting firm's attestation report provided in accordance with Rules 13a-18 and 15d-18 under the Securities Exchange Act and Section 1122(b) of Regulation AB (the "Attestation Report") that were delivered by the Indenture Trustee to the Issuer and its Affiliates pursuant to the Master Indenture dated as of February 29, 2012 (as amended, supplemented or otherwise modified from time to time, the "Master Indenture"), by and between the Issuer and the Indenture Trustee (collectively, the "Indenture Trustee Information") (in making such statement, the Indenture Trustee makes no representation or warranty as to any information prepared or provided to it by a third person and upon which it relied in preparing our information);

(2) To the best of its knowledge, the Indenture Trustee Information, taken as a whole, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the period of time covered by the Indenture Trustee Information; and

(3) To the best of its knowledge, all of the Indenture Trustee Information required to be provided by the Indenture Trustee under the Master Indenture has been provided to the Issuer and its Affiliates.

By: _____
Name:
Title:

SCHEDULE I

PERFECTION REPRESENTATIONS, WARRANTIES
AND COVENANTS (WITH RESPECT TO TRANSFERRED INTERESTS)

(a) In addition to the representations, warranties and covenants contained in the Indenture, the Issuer hereby represents, warrants and covenants to the Indenture Trustee as follows as of the Closing Date:

(1) The Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Transferred Interests in favor of the Indenture Trustee, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from the Issuer.

(2) The Transferred Interests constitute either “accounts” or “general intangibles” within the meaning of the applicable UCC.

(3) The Issuer owns and has good and marketable title to the Transferred Interests free and clear of any Lien, claim or encumbrance of any Person.

(4) There are no consents or approvals required for the pledge of the Transferred Interests to the Indenture Trustee pursuant to the Indenture.

(5) The Issuer (or the Administrator on behalf of the Issuer) has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest granted to the Indenture Trustee under the Indenture in the Transferred Interests.

(6) Other than the pledge of the Transferred Interests to the Indenture Trustee pursuant to the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed the Transferred Interests. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of the Transferred Interests, except for the financing statement filed pursuant to the Indenture.

(7) Notwithstanding any other provision of the Indenture, the representations and warranties set forth in this Schedule I shall be continuing, and remain in full force and effect, until such time as the last remaining outstanding Note is retired.

(b) The Indenture Trustee covenants that it shall not waive a breach of any representation or warranty set forth in this Schedule I.

(c) The Issuer covenants that in order to evidence the interests of the Issuer and the Indenture Trustee under the Indenture, the Issuer shall take such action, or execute and deliver such instruments as may be necessary or advisable (including, without limitation, such actions as are requested by the Indenture Trustee) to maintain and perfect, as a first priority interest, the Indenture Trustee’s security interest in the Transferred Interests.

Schedule I

SCHEDULE II

REQUIREMENTS OF FDIC RULE

As required by the FDIC Rule:

(a) As used in this Schedule, references to (i) the “sponsor” shall mean GE Capital Retail Bank, (ii) the “issuing entity” shall mean, collectively, GEMB Lending, Inc., the Transferor, the Issuer and each other transferee of the Transferred Assets that is an “issuing entity” as defined in the FDIC Rule, (iii) the “servicer” shall mean the Servicer and each other “servicer” of the financial assets within the meaning of the FDIC Rule, (iv) “obligations” or “securitization obligations” shall mean the Notes, and (v) “financial assets” and “securitized financial assets” shall mean the Transferred Assets.

(b) Payment of principal and interest on the securitization obligations must be primarily based on the performance of financial assets that are transferred to the issuing entity and, except for interest rate or currency mismatches between the financial assets and the obligations, shall not be contingent on market or credit events that are independent of such financial assets.

(c) The issuing entity shall make available to investors, information describing the financial assets, obligations, capital structure, compensation of relevant parties, and relevant historical performance data set forth below:

(i) On or prior to issuance of obligations and at the time of delivery of any periodic distribution report and, in any event, at least once per calendar quarter, while obligations are outstanding, information about the obligations and the securitized financial assets shall be disclosed to all potential investors at the financial asset or pool level, as appropriate for the financial assets, and security-level to enable evaluation and analysis of the credit risk and performance of the obligations and financial assets. Such information and its disclosure, at a minimum, shall comply with the requirements of Regulation AB or any successor disclosure requirements for public issuances, even if the obligations are issued in a private placement or are not otherwise required to be registered; provided that information that is unknown or not available to the sponsor or the issuing entity after reasonable investigation may be omitted if the issuing entity includes a statement in the offering documents disclosing that the specific information is otherwise unavailable;

(ii) On or prior to issuance of obligations, the structure of the securitization and the credit and payment performance of the obligations shall be disclosed, including the capital or tranche structure, the priority of payments and specific subordination features; representations and warranties made with respect to the financial assets, the remedies for and the time permitted for cure of any breach of representations and warranties, including the repurchase of financial assets, if applicable; liquidity facilities and any credit enhancements permitted by the FDIC Rule, any waterfall triggers or priority of payment reversal features; and policies governing delinquencies, servicer advances, loss mitigation, and write-offs of financial assets;

Schedule II

(iii) While obligations are outstanding, the issuing entity shall provide to investors information with respect to the credit performance of the obligations and the financial assets, including periodic and cumulative financial asset performance data, delinquency and modification data for the financial assets, substitutions and removal of financial assets, servicer advances, as well as losses that were allocated to such tranche and remaining balance of financial assets supporting such tranche, if applicable, and the percentage of each tranche in relation to the securitization as a whole; and

(iv) The nature and amount of compensation paid to the originator, sponsor, rating agency or third-party advisor, any mortgage or other broker, and the servicer(s), and the extent to which any risk of loss on the underlying assets is retained by any of them for such securitization shall be disclosed. The issuer shall provide to investors while any obligations are outstanding any changes to such information and the amount and nature of payments of any deferred compensation or similar arrangements to any of the parties.

(d) The obligations shall not be predominantly sold to an affiliate (other than a wholly-owned subsidiary consolidated for accounting and capital purposes with the sponsor) or insider of the sponsor.

(e) To the extent serving as servicer, custodian or paying agent for the securitization, the sponsor shall not comingle amounts received with respect to the financial assets with its own assets except for the time, not to exceed two business days, necessary to clear any payments received.

Schedule II

SUPPLEMENT NO. 1 TO MASTER INDENTURE

This SUPPLEMENT NO.1 TO MASTER INDENTURE, dated as of September 19, 2012 (this "Supplement"), is entered into between: (i) GE SALES FINANCE MASTER TRUST, a Delaware statutory trust (the "Issuer"); and (ii) DEUTSCHE BANK TRUST COMPANY AMERICAS, as indenture trustee under the Indenture referred to below (in such capacity, the "Indenture Trustee").

BACKGROUND

1. The Indenture Trustee and the Issuer are parties to the Master Indenture, dated as of February 29, 2012 (the "Indenture").
2. The Indenture Trustee and the Issuer intend to amend the Indenture as set forth herein.

AMENDMENTS

The parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, (a) capitalized terms which are defined in the preamble hereto shall have the meanings as so defined and (b) capitalized terms not so defined shall have the meanings set forth in the Indenture as amended hereby.

SECTION 2. AMENDMENTS TO INDENTURE.

(a) The phrase "and shall only include Recoveries to the extent allocated to the Participation Interests in accordance with the Receivables Participation Agreement" shall be removed where it appears in the second sentence of the definition of "Collections" in Section 1.1 of the Indenture.

(b) Section 1.1 of the Indenture shall be further amended by deleting the definition of "Recoveries" in its entirety and replacing it with the following:

"Recoveries" means, with respect to any Transferred Interest, (a) so long as the arrangement described in Section 2.1(e) of the GEMB Lending Participation Interest Sale Agreement remains in effect, amounts allocated to the related Transferred Participation Interests pursuant to such section, (b) with respect to any other Participation Interest Sale Agreement, to the extent that an arrangement similar to the arrangement described in the foregoing clause (a) remains in effect, amounts allocated to the related Transferred Participation Interests pursuant to the corresponding section of such Participation Interest Sale agreement and (c) if at any time either arrangement described in clause (a) or (b) no longer remains in effect, with respect to any Transferred Interest, (i) Collections of such Transferred Interest received after such Transferred Interest was charged-off as uncollectible but before any sale or other disposition of such Transferred Interest after charge off and (ii) any proceeds from such a sale or other disposition by the Transferor of such a charged-off Transferred Interest, in each of clauses (i) and (ii) net of expenses of recovery.

(c) Section 1.1 of the Indenture shall be further amended by deleting the definition of “Daily Deposit Event” in its entirety and replacing it with the following:

“Daily Deposit Event” means (i) a reduction in the Servicer’s (or, so long as the Servicer Guaranty remains in effect, GE Capital’s) short term debt rating, if rated by S&P, below A-1 by S&P, if rated by Moody’s, below P-1 by Moody’s, if rated by Fitch, below F1 by Fitch, or, if rated by any other rating agency, below the equivalent rating by that rating agency (or such other rating below A-1, P-1, F1 or such equivalent rating, as the case may be, which is satisfactory to Noteholders representing not less than a majority of the Outstanding Principal Balance of the Notes of each Series), or (ii) with respect to Collections allocable to any Series, any other conditions specified in the related Indenture Supplement are not satisfied.

SECTION 3. EFFECTIVENESS. This Supplement shall become effective as of the date first written above; provided that (i) each of the Indenture Trustee and the Issuer shall have executed a counterpart of this Supplement and (ii) the Issuer shall have delivered to the Indenture Trustee (x) an Officer’s Certificate to the effect that all requirements for such Supplement contained in the Indenture have been met and the Issuer reasonably believes that such action will not result in an Adverse Effect and (y) a Tax Opinion. The Issuer shall provide written notice to the Indenture Trustee upon satisfaction of the conditions in the preceding sentence.

SECTION 4. BINDING EFFECT; RATIFICATION. (a) On and after the execution and delivery hereof, (i) this Supplement shall be a part of the Indenture and (ii) each reference in the Indenture to “this Agreement”, “this Indenture”, “hereof”, “hereunder” or words of like import, and each reference in any other Related Document to the Indenture, shall mean and be a reference to such Indenture as amended hereby.

(b) Except as expressly amended hereby, the Indenture shall remain in full force and effect and are hereby ratified and confirmed by the parties hereto. The rights, protections, privileges, indemnities and benefits granted or afforded to the Indenture Trustee under the Indenture shall be deemed incorporated herein by this reference and shall be deemed applicable to all actions taken, suffered or omitted by the Indenture Trustee under this Supplement.

SECTION 5. NO RECOURSE. It is expressly understood and agreed by the parties hereto that (a) this Supplement is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Supplement or any other related documents.

SECTION 6. MISCELLANEOUS. (a) THIS SUPPLEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARDING TO THE CONFLICT OF LAWS PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Supplement.

(c) This Supplement may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

(d) The recitals contained herein are made by the Issuer, and not by the Indenture Trustee, and the Indenture Trustee assumes no responsibility for the correctness thereof. The Indenture Trustee makes no representation as to the validity or sufficiency of this Supplement.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Supplement by their respective officers thereunto duly authorized as of the date first above written.

GE SALES FINANCE MASTER TRUST

By: BNY Mellon Trust of Delaware, not in its individual capacity but
solely on behalf of the Issuer

By: /s/ Kristine Gullo
Name: Kristine K. Gullo
Title: Vice President

S-1

Supplement No. 1 to Master Indenture

DEUTSCHE BANK TRUST COMPANY AMERICAS, not in its individual capacity, but solely as Indenture Trustee

By: /s/ Louis Bodi
Name: Louis Bodi
Title: Vice President

By: /s/ Mark Esposito
Name: Mark Esposito
Title: Assistant Vice President

SUPPLEMENT NO. 2 TO MASTER INDENTURE

This SUPPLEMENT NO. 2 TO MASTER INDENTURE, dated as of March 21, 2014 (this "Supplement"), is entered into between: (i) GE SALES FINANCE MASTER TRUST, a Delaware statutory trust (the "Issuer"); and (ii) DEUTSCHE BANK TRUST COMPANY AMERICAS, as indenture trustee under the Indenture referred to below (in such capacity, the "Indenture Trustee").

BACKGROUND

1. The Issuer and the Indenture Trustee are parties to the Master Indenture, dated as of February 29, 2012, as amended by Supplement No. 1 to Master Indenture, dated as of September 19, 2012, each between the Issuer and the Indenture Trustee (as amended, the "Indenture");
2. The Indenture Trustee and the Issuer intend to amend the Indenture as set forth herein; and
3. This Supplement is being entered into pursuant to Section 9.1(b) of the Indenture.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AMENDMENTS

The parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, (a) capitalized terms which are defined in the preamble hereto shall have the meanings as so defined and (b) capitalized terms not so defined shall have the meanings set forth in the Indenture as amended hereby.

SECTION 2. AMENDMENTS TO INDENTURE.

(a) Section 1.1 of the Indenture is amended by adding the following definitions in appropriate alphabetical order:

““Aggregate Required Deposit Amount” means, for any Monthly Period, the sum for all Series, of the Required Deposit Amounts (as defined for each Series in the related Indenture Supplement) for such Monthly Period.”

(b) Section 1.1 of the Indenture is amended by deleting the definition of “Permitted Investments” in its entirety and replacing it with the following:

““Permitted Investments” means any one or more of the following types of investments:

- (a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America;

(b) demand deposits, time deposits or certificates of deposit of any depository institution (including any Affiliate of the Indenture Trustee) or trust company incorporated under the laws of the United States of America or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or a portion of such obligation for the benefit of the holders of such depository receipts); provided, that at the time of the Issuer's investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Payment Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) of such depository institution or trust company shall have a credit rating from Moody's of at least "Prime-1", from S&P of at least "A-1" and from Fitch of at least "F1", if rated by Fitch;

(c) commercial paper (including commercial paper of any Affiliate of the Indenture Trustee) having, at the time of the investment or contractual commitment to invest therein, a rating from Moody's of at least "Prime-1", from S&P of at least "A-1" and from Fitch of at least "F1", if rated by Fitch; and

(d) only to the extent permitted by Rule 3a-7 under the Investment Company Act, investments in money market funds (including funds for which the Servicer, the Indenture Trustee or any of their Affiliates is investment manager or advisor) having a rating from Moody's of "Aaa-mf, from S&P of "AAAm" or "AAAmG" and from Fitch of "AAAmmf", if rated by Fitch."

(c) Section 8.4(a) of the Indenture is amended and restated as follows:

"(a) Issuer shall apply all funds on deposit in the Collection Account as described in this Article VIII, in Schedule II hereof and in each Indenture Supplement. Except as otherwise provided in Schedule II hereof and in each Indenture Supplement, Issuer shall deposit Collections into the Collection Account no later than the second Business Day following the Date of Processing of such Collections. Collections for any Monthly Period in excess of the Aggregate Required Deposit Amount for such Monthly Period shall not be required to be deposited into the Collection Account and shall be paid to the Holder on each Date of Processing; provided that, notwithstanding the foregoing provision of this sentence, for any Series in an Early Amortization Period (as defined in the Related Indenture Supplement), all Finance Charge Collections allocated to such Series on any Date of Processing during the Early Amortization Period shall be deposited into the Collection Account no later than the second Business Day following the Date of Processing of such Collections; and provided further, that if the Free Equity Amount is less than the Minimum Free Equity Amount on any Date of Processing, any Principal

Collections or Finance Charge Collections payable to the Holder shall be deposited into the Excess Funding Account no later than the second Business Day following the Date of Processing to the extent necessary so that the Free Equity Amount would equal the Minimum Free Equity Amount (in each case as determined on the related Date of Processing for such collections). If on any Business Day the Issuer determines that the Aggregate Required Deposit Amount for any Monthly Period is less than the Aggregate Required Deposit Amount as previously calculated by the Issuer, then the Issuer shall within two Business Days thereafter pay to the Holder any funds on deposit in the Collection Account in excess of the Aggregate Required Deposit Amount.

Subject to the express terms of any Indenture Supplement and Schedule II hereof, but notwithstanding anything else in this Indenture to the contrary, unless a Daily Deposit Event has occurred, Issuer need not make deposits of Collections into the Collection Account or the Excess Funding Account within two Business Days of the related Date of Processing as provided in the preceding paragraph, but may make a single deposit in the Collection Account or Excess Funding Account, as applicable, in immediately available funds not later than 12:00 noon, New York City time, on the related Payment Date. The Issuer shall promptly notify the Indenture Trustee in writing if the conditions under this paragraph are not met and the Issuer is required to make daily deposits of Collections into the Collection Account.

In the event that any provision of this Section 8.4(a) or any Indenture Supplement shall conflict with Schedule II, hereof, Schedule II hereof shall govern.”

SECTION 3. EFFECTIVENESS. This Supplement shall become effective as of the date set forth above when (i) each of the Indenture Trustee and the Issuer shall have executed a counterpart of this Supplement, (ii) the Issuer shall have delivered to the Indenture Trustee an Officer’s Certificate pursuant to Sections 9.1(b) and 10.1 of the Master Indenture to the effect that all requirements for such Supplement contained in the Indenture have been met and the Issuer reasonably believes that such action will not result in an Adverse Effect, (iii) an Issuer Order shall have been received by the Indenture Trustee, (iv) a Tax Opinion shall have been received by the Indenture Trustee and (v) an Opinion of Counsel stating that the execution of this Supplement is permitted by the Master Indenture and all conditions precedent provided for in the Master Indenture to the execution of this Supplement have been complied with shall have been received by the Indenture Trustee.

SECTION 4. BINDING EFFECT; RATIFICATION. (a) On and after the execution, delivery and effectiveness hereof, (i) this Supplement shall be a part of the Indenture and (ii) each reference in the Indenture to “this Agreement”, “this Indenture”, “hereof”, “hereunder” or words of like import, and each reference in any other Related Document to the Indenture, shall mean and be a reference to such Indenture as amended hereby.

(b) Except as expressly amended hereby, the Indenture shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto. The rights, protections, privileges, indemnities and benefits granted or afforded to the Indenture Trustee under the Indenture shall be deemed incorporated herein by this reference and shall be deemed applicable to all actions taken, suffered or omitted by the Indenture Trustee under this Supplement.

SECTION 5. NO RECOURSE. It is expressly understood and agreed by the parties hereto that (a) this Supplement is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Supplement or any other related documents.

SECTION 6. NO PETITION. Pursuant to Section 5.3 of the Indenture, the Indenture Trustee covenants that it will not directly or indirectly institute or cause to be instituted against the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any Federal or state bankruptcy law unless Noteholders of not less than 66 2/3% of the Outstanding Principal Amount of each Class of each Series has approved such filing and it will not directly or indirectly institute or cause to be instituted against the Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any Federal or state bankruptcy law in any instance; provided, that the foregoing shall not in anyway limit the Noteholders' rights to pursue any other creditor rights or remedies that the Noteholders may have for claims against the Issuer.

SECTION 7. MISCELLANEOUS. (a) THIS SUPPLEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Supplement.

(c) This Supplement may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

(d) The recitals contained herein are made by the Issuer, and not by the Indenture Trustee, and the Indenture Trustee assumes no responsibility for the correctness thereof. The Indenture Trustee makes no representation as to the validity or sufficiency of this Supplement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed as of the date first above written.

GE SALES FINANCE MASTER TRUST,
as Issuer

By: **BNY MELLON TRUST OF DELAWARE,**
not in its individual capacity, but solely as Trustee on behalf
of the Issuer

By: /s/ Kristine Gullo

Name: Kristine K. Gullo

Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
not in its individual capacity,
but solely as the Indenture Trustee

By: /s/ Louis Bodi
Name: Louis Bodi
Title: Vice President

By: /s/ Mark Esposito
Name: Mark Esposito
Title: Assistant Vice President

**GE SALES FINANCE MASTER TRUST
AMENDED AND RESTATED TRUST AGREEMENT**

between

GE SALES FINANCE HOLDING, L.L.C.,

and

BNY MELLON TRUST OF DELAWARE,
as the Trustee

Dated as of February 29, 2012

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AMENDED AND RESTATED TRUST AGREEMENT OF GE SALES FINANCE MASTER TRUST(as amended or supplemented from time to time, this "Agreement") dated as of February 29, 2012 between GE SALES FINANCE HOLDING, L.L.C. (GE Sales Finance Holding"), a Delaware limited liability company, and BNY Mellon Trust of Delaware, a Delaware bank corporation, as Trustee (the "Trustee").

WHEREAS, GE Sales Finance Holding and the Trustee have heretofore formed GE Sales Finance Master Trust as a Delaware statutory trust by filing the Certificate of Trust (as hereinafter defined) with the Secretary of State of the State of Delaware and entering into a trust agreement, each dated as of February 29, 2012 (the "Initial Trust Agreement").

WHEREAS, GE Sales Finance Holding and the Trustee intend to amend and restate in its entirety the Initial Trust Agreement and to ratify all action taken pursuant to such Initial Trust Agreement;

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GE Sales Finance Holding and the Trustee hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions.

"Account" means, at any time, each credit account then included as an "Account" pursuant to (and as defined in) the Transfer Agreement.

"Administration Agreement" means the Administration Agreement, dated as of February 29, 2012, between the Administrator and the Trust.

"Administrator" means GE Capital Retail Bank, in its capacity as Administrator under the Administration Agreement or any successor Administrator.

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by, or is under common control with such Person or (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Principal Amounts" means, as of any date of determination, the sum of (i) the aggregate Outstanding Balances of Principal Receivables as of such date and (ii) the aggregate principal amounts of all Participation Interests as of such date; provided that the Outstanding Balance of any Principal Receivable or the principal amount of any Participation Interest that has been designated as an Ineligible Interest as of such date of determination shall be excluded from Aggregate Principal Amounts for purposes of calculating Trust Principal Balance.

Amended and Restated Trust Agreement

“Agreement” is defined in the preamble.

“Authorized Officer” means, with respect to any bank, corporation, limited liability company or statutory trust, the Chairman or Vice-Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer and each other officer of such bank, corporation, limited liability company, statutory trust or trustee or administrator of such trust specifically authorized in resolutions of the Board of Directors of such bank, corporation, limited liability company or statutory trust or the trust agreement of such trust to sign agreements, instruments or other documents on behalf of such corporation or statutory trust in connection with the transactions contemplated by the Related Documents.

“Certificate of Trust” shall mean the Certificate of Trust executed by the Trustee, substantially in the form attached hereto as Exhibit A.

“Charged-Off Receivables” means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectible in accordance with the Credit and Collection Policies.

“Class” means any class of Notes of any Series.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

“Collateral” is defined in the Granting Clause of the Indenture.

“Collateral Amount” is defined, with respect to any Series, in the related Indenture Supplement.

“Collection Account” means the account designated as such, established and owned by the Trust and maintained in accordance with Section 8.2 of the Indenture.

“Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by an Obligor on account of such Receivable during such period, including all in-store payments and all other fees and charges and (b) Recoveries and cash proceeds of Related Security with respect to such Receivable. Collections shall include all amounts described in the preceding sentence that are received with respect to Participation Interests and shall only include Recoveries to the extent allocated to the Participation Interests in accordance with the Receivables Participation Agreement. Amounts received from GE Sales Finance Holding pursuant to Section 2.5 of the Transfer Agreement shall be deemed to be Principal Collections. Amounts received from GE Sales Finance Holding pursuant to Section 6.1(c) of the Transfer Agreement and amounts received from the Servicer pursuant to Section 2.6 of the Servicing Agreement shall be deemed to be Principal Collections to the extent that they represent the purchase price of Principal Receivables and shall be deemed to be Finance Charge Collections to the extent that they represent the purchase price of Finance Charge Receivables.

Amounts received from GE Sales Finance Holding pursuant to Section 6.2(a) of the Transfer Agreement shall be deemed to be Collections. Recoveries shall be treated as Collections of Finance Charge Receivables. Collections with respect to any Monthly Period shall include the amount of Interchange (if any) allocable to any Series of Notes, pursuant to the applicable Indenture Supplement, with respect to such Monthly Period (to the extent received by Trust and deposited on the Payment Date following such Monthly Period in accordance with this Agreement), to be applied as if such Interchange were Collections of Finance Charge Receivables for all purposes.

“Commission” means the Securities and Exchange Commission.

“Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Obligor and Originator, as such agreements may be amended, modified, or otherwise changed from time to time.

“Corporate Trust Office” means, the office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of this Agreement is located at 101 Barclay Street, Floor 4 West (ABS Unit), New York, New York 10286, Attention: Antonio Vayas, facsimile: (212) 815-2493.

“Credit and Collection Policies” is defined in Section 2.11.

“Custody and Control Agreement” means the Custody and Control Agreement, dated as of February 29, 2012, between the Trust, Deutsche Bank Trust Company Americas, as custodian, and the Indenture Trustee.

“Date of Processing” means, as to any transaction, the date on which the transaction is first recorded on the Trust’s computer file of credit accounts (without regard to the effective date of such recordation).

“Discount Option Receivables” means “Discount Option Receivables” as defined in Section 2.8 of the Transfer Agreement.

“Discount Percentage” means “Discount Percentage” as defined in Section 2.8 of the Transfer Agreement.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excess Funding Account” means the “Excess Funding Account” as defined in the Indenture.

“Expenses” is defined in Section 7.2.

“Finance Amount” means, with respect to any Finance Charge Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the outstanding amount of such Finance Charge Receivable.

“Finance Charge Collections” means Collections attributable to Finance Charge Receivables (after giving effect to any recharacterization of Collections of Principal Receivables as Collections of Finance Charge Receivables pursuant to Section 2.8 of the Transfer Agreement), including Collections applied by the Trust in respect of Finance Charge Receivables that are subsequently waived or reversed. The determination as to whether Collections are attributable to Finance Charge Receivables or Principal Receivables shall be made by the Trust applying its then-current policies and procedures adopted pursuant to Section 2.11 as in effect from time to time. All amounts that would have constituted Finance Charge Receivables but for GE Sales Finance Holding’ inability to transfer Transferred Interests to the Trust pursuant to Section 6.2(a) of the Transfer Agreement shall be deemed to be Finance Charge Receivables for the purpose of all calculations pursuant to the this Agreement.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account. Finance Charge Receivables shall also include the Finance Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Trust using its then-current practices as in effect from time to time.

“Floating Allocation Percentage” is defined, for any Series, in the related Indenture Supplement.

“Free Equity Amount” means, at any time, the sum of (a) the excess, if any, of the Trust Principal Balance at such time over the sum of the Collateral Amounts at such time for all outstanding series of Notes, plus (b) the funds on deposit in any Trust Account that will be applied to pay the principal amount of the Notes of any Series on the following Payment Date, but only to the extent not deducted for purposes of determining the Collateral Amount at such time for any Series of Notes.

“GE Capital” means General Electric Capital Corporation, a Delaware corporation.

“GE Capital Retail Bank” means GE Capital Retail Bank, a federal savings bank organized under the laws of the United States.

“GE Sales Finance Holding” is defined in the preamble.

“GEMB Lending Participation Interest Sale Agreement” means the Participation Interest Sale Agreement, dated as of February 29, 2012, between GEMB Lending Inc. and GE Sales Finance Holding.

“Governmental Authority” means any nation or government, any state, county, city, town, district, board, bureau, office commission, any other municipality or other political subdivision thereof (including any educational facility, utility or other Person operated thereby), and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Grant” means to create and grant a Lien pursuant to the Indenture, and other forms of the verb “to Grant” shall have correlative meanings.

“Holder” means a holder of the Transferor Interest or a Supplemental Interest, as applicable.

“Indemnified Parties” is defined in Section 7.2.

“Indenture” means the Master Indenture, dated as of February 29, 2012, between the Trust and the Indenture Trustee.

“Indenture Supplement” means, with respect to any Series, a supplement to the Indenture, executed and delivered in connection with the original issuance of the Notes of such Series pursuant to Section 2.8 of the Indenture, and an amendment to the Indenture executed pursuant to Section 9.1 or 9.2 of the Indenture, and, in either case, including all amendments thereof and supplements thereto.

“Indenture Trustee” means Deutsche Bank Trust Company Americas, not in its individual capacity but solely as Indenture Trustee under the Indenture, or any successor Indenture Trustee under the Indenture.

“Ineligible Interest” means any Transferred Interest designated as an “Ineligible Interest” by the Transferor pursuant to Section 6.1(d) of the Transfer Agreement.

“Initial Trust Agreement” is defined in the first whereas clause.

“Interchange” means interchange fees payable to GE Capital Retail Bank or the Originator, in its capacity as credit card issuer, through VISA, USA, Inc., MasterCard International Incorporated, Discover Bank or American Express Co. or any similar entity or organization with respect to any type credit accounts included as Accounts.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale, lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction); provided, however, Permitted Encumbrances shall not constitute a Lien.

“Loan Agreement” means, with respect to any Series, a Loan Agreement among the Trust, the lenders party thereto and the lender group agent for the lender groups party thereto.

“Material Adverse Effect” means a material adverse effect on (a) the ability of GE Sales Finance Holding to perform any of its obligations under the Related Documents in accordance with the terms thereof, (b) the validity or enforceability of any Related Document or the rights and remedies of GE Sales Finance Holding or the Trust under any Related Document or (c) the ownership interests or Liens of GE Sales Finance Holding with respect to the Transferred Assets or the priority of such interests or Liens.

“Minimum Free Equity Amount” means, as of any date of determination, (a) the product of (i) the Trust Principal Balance and (ii) the highest of the Minimum Free Equity Percentages specified in each Indenture Supplement effective on the date of determination. Unless otherwise specified in the related Indenture Supplement for a Series the Minimum Free Equity Percentage for such Series shall be zero.

“Monthly Period” means, as to each Payment Date, the period beginning on the 22nd day of the second preceding calendar month and ending on the 2st day of the immediately preceding calendar month; provided that the initial Monthly Period shall mean the period from and including the Closing Date to and including March 21, 2012.

“Monthly Servicing Fee” means the monthly servicing fee payable to the Servicer pursuant to Section 2.5 of the Servicing Agreement.

“Moody’s” means Moody’s Investors Service, Inc.

“New Issuance” means one or more new Series of Notes issued pursuant to the Indenture and an Indenture Supplement.

“Note” means one of the Notes issued by the Trust pursuant to the Indenture and an Indenture Supplement, substantially in the form attached to the related Indenture Supplement.

“Note Register” and “Note Registrar” are defined in Section 2.4 of the Indenture.

“Noteholder” means the Person in whose name a Note is registered on the Note Register and, if applicable, the holder of any Note, as the case may be, or such other Person deemed to be a “Noteholder” in any related Indenture Supplement.

“Obligor” means, with respect to any Transferred Receivable, any Person obligated to make payments in respect thereof.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

“Opinion of Counsel” means a written opinion of counsel (who may be an employee of or counsel to the Trust or an Affiliate of the Trust), which counsel and opinion shall be acceptable to the Indenture Trustee.

“Originator” means GE Capital Retail Bank or any other originator so designated pursuant to Section 2.10 of the Transfer Agreement.

“Outstanding Balance” means, with respect to any Principal Receivable: (a) as of the date on which the Trust acquires such Principal Receivable pursuant to the Transfer Agreement, the outstanding amount of such Principal Receivable as reflected on the Trust’s books and records after giving effect to any recharacterization of any portion of such Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8 of the Transfer Agreement; and (b) thereafter, the amount referred to in clause (a) minus Collections with respect to that Principal Receivable that are allocable to a reduction of the Outstanding Balance thereof minus any subsequent discounts to or any other modifications that reduce such Outstanding Balance; provided, that the Outstanding Balance of a Charged-Off Receivable shall equal zero.

“Participation Interest” shall mean, with respect to any Receivable, an interest in such Receivable equal to the applicable Requisite Percentage of such Receivable.

“Participation Interest Sale Agreement” means (i) the GEMB Lending Participation Interest Sale Agreement and (ii) any other participation interest sale agreement entered into between a Seller and GE Sales Finance Holding pursuant to which such Seller sells Participation Interests to GE Sales Finance Holding.

“Paying Agent” means with respect to the Notes, initially the Indenture Trustee or any other Person that meets the eligibility standards in Section 6.15 of the Indenture.

“Payment Date” means, with respect to any Series, the date specified in the related Indenture Supplement.

“Permitted Encumbrances” means the following encumbrances: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, the Trust.

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a business or statutory trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

“Principal Amount” means, with respect to any Principal Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the Outstanding Balance of such Principal Receivable.

“Principal Collections” means Collections attributable to Principal Receivables (after giving effect to any recharacterization of Collections of Principal Receivables as Collections of Finance Charge Receivables pursuant to Section 2.8 of the Transfer Agreement). Principal Receivables shall also include the principal portion of Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Collections are attributable to Finance Charge Receivables or Principal Receivables shall be made by the Trust applying the policies and procedures adopted pursuant to Section 2.11.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable provided, that after the effective date of designation of a Discount Percentage, Principal Receivables on any Date of Processing thereafter shall mean Principal Receivables as otherwise determined pursuant to this definition minus Discount Option Receivables. Unless the context otherwise requires, Principal Receivables shall also include the Principal Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided, in the applicable Participation Interest Sale Agreement. The determination as to whether Receivables

constitute Finance Charge Receivables or Principal Receivables shall be made by the Trust applying its then current policies and procedures adopted pursuant to Section 2.11 as in effect from time to time.

“Reassignment Amount” means, with respect to any Series, the amount specified in the related Indenture Supplement.

“Receivable” means any amount owing by an Obligor under an Account from time to time. Unless the context otherwise requires (whether or not there is a specific reference to the Underlying Receivable), any reference in this Agreement to a Receivable (including any Principal Receivable, Finance Charge Receivable or Charged-Off Receivable) and any Collections thereon shall refer only to the fractional undivided interest in the amounts paid or payable by Obligors on the related Account that is transferred to GE Sales Finance Holding pursuant to the applicable Sale Agreement, which undivided interest may be less than a 100% undivided interest therein.

“Receivables Participation Agreement” means shall mean the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 between GE Capital Retail Bank and GEMB Lending Inc.

“Receivables Sale Agreement” means any receivables sale agreement entered into between a Seller and GE Sales Finance Holding pursuant to which such Seller sells Receivables to GE Sales Finance Holding.

“Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict the transfer or pledge thereof), prepared and maintained by any Originator, the Servicer, any Sub-Servicer or the Trust with respect to the Transferred Receivables and the Obligors thereunder.

“Recoveries” means (i) Collections of such Transferred Interest received after such Transferred Interest was charged off as uncollectible but before any sale or other disposition of such Transferred Interest; and (ii) any proceeds from such a sale or other disposition by the Trust of such a charged off Transferred Interest, in each of clauses (i) and (ii) net of expenses of recovery.

“Related Documents” means the Receivables Participation Agreement, the Transfer Agreement, the Sale Agreements, the Servicing Agreement, the Administration Agreement, the Notes, this Trust Agreement, the Custody and Control Agreement, the Indenture, the Servicer Guaranty, any Indenture Supplement, any Loan Agreement and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Person, or any employee of any Person, and delivered in connection with any of the foregoing. Any reference in the foregoing documents to a Related Document shall include all Annexes, Exhibits and Schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Related Documents as the same may be in effect at any and all times such reference becomes operative.

“Related Security” means with respect to any Receivable: (a) all of Trust’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise and (c) all Records relating to such Receivable.

“Required Principal Balance” is defined in the Indenture.

“Requisite Percentage” means, with respect to any Account, the “Requisite Percentage” specified in the Transfer Agreement and or in an Assignment (as such term is defined in the Transfer Agreement).

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Sale Agreements” means (a) the Receivables Sale Agreements and (b) the Participation Interest Sale Agreements.

“Securities Act” means the Securities Act of 1933, 15 U.S.C. Sections 77 a et seq. and any regulations promulgated thereunder.

“Seller” means any Person designated as a “Seller” pursuant to a Sale Agreement.

“Series” means any series of Notes, which may include within any such Series a Class or Classes of Notes subordinate to another such Class or Classes of Notes.

“Series Account” means any account designated as such, established and owned by the Trust and maintained as specified in any Indenture Supplement.

“Servicer” means GE Capital Retail Bank, in its capacity as the Servicer under the Servicing Agreement, or any other Person designated as a Successor Servicer pursuant to the Servicing Agreement.

“Servicer Guaranty” means that certain Servicer Performance Guaranty, dated as of February 29, 2012, by GE Capital, as servicer performance guarantor.

“Servicing Agreement” means the Servicing Agreement, dated as of February 29, 2012, among the Servicer and the Trust.

“Shared Principal Collections” means the “Shared Principal Collections” as defined in the Indenture.

“Successor Servicer” means the successor servicer to the Servicer as appointed under the Servicing Agreement.

“Supplemental Interest” is defined in Section 3.4.

“Tax Opinion” means, with respect to any action, an Opinion of Counsel to the effect that, for Federal income tax purposes, (a) such action will not adversely affect the tax characterization as debt of Notes of any outstanding Class with respect to which an Opinion of Counsel was delivered at the time of their issuance that such Notes would be characterized as debt, (b) such actions will not cause the Trust to be classified, for federal income tax purposes, as an association (or publicly traded partnership) taxable as a corporation and (c) with respect to a New Issuance, unless otherwise specified in the Indenture Supplement, the Notes of the new Series will be treated as debt.

“Transfer Agreement” means the Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding and the Trust.

“Transferor Interest” means the undivided beneficial interest of GE Sales Finance Holding or its assigns in the Trust and the Trust Estate.

“Transferred Assets” is defined in Section 2.1 of the Transfer Agreement.

“Transferred Interests” means the Transferred Receivables and the Transferred Participation Interests.

“Transferred Participation Interests” means any Participation Interest purchased by the Trust from GE Sales Finance Holding pursuant to the Transfer Agreement or any Assignment (as such term is defined in the Transfer Agreement), including Finance Amounts that exist at the time of purchase of any Principal Amount of any Participation Interest in the same Account or that arise after the date of purchase of Principal Amounts in the Account. However, Participation Interests that are repurchased by GE Sales Finance Holding pursuant to the Transfer Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Transferred Participation Interests” from the date of such purchase.

“Transferred Receivable” means any Receivable that has been transferred by GE Sales Finance Holding to the Trust under the Transfer Agreement. However, Receivables that are repurchased by GE Sales Finance Holding pursuant to the Transfer Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Transferred Receivables” from the date of such purchase.

“Trust” means GE Sales Finance Master Trust.

“Trust Accounts” means any Series Account or the Collection Account.

“Trust Estate” means all right, title and interest of the Trust in and to the property and rights assigned to the Trust pursuant to the Transfer Agreement, all monies, investment property, instruments and other property on deposit from time to time in the Trust Accounts and all other property of the Trust from time to time, including any rights of the Trustee and the Trust pursuant to the Related Documents.

“Trust Interest” means the Transferor Interest or a Supplemental Interest, as applicable.

“Trust Principal Balance” means, as of any date of determination, the sum of (i) the Aggregate Principal Amounts and (ii) the amount on deposit in the Excess Funding Account at that time (exclusive of any investment earnings on such amount).

“Trust Statute” means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code §3801 et seq., as the same may be amended from time to time.

“Trust Termination Date” is defined in Section 8.1.

“Trustee” is defined in the preamble.

“UCC” means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

“Underlying Receivable” means any Receivable in which a Participation Interest is purchased by the Trust from GE Sales Finance Holding pursuant to the Transfer Agreement or any Assignment (as such term is defined in the Transfer Agreement). However, Receivables relating to Participation Interests that are repurchased by GE Sales Finance Holding pursuant to the Transfer Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Underlying Receivables” from the date of such purchase.

SECTION 1.2 Other Interpretive Matters. All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement, unless the context otherwise requires: (a) accounting terms not otherwise defined herein and accounting terms partly defined herein to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; and unless otherwise provided, references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the GE Capital fiscal calendar; (b) unless defined in this Agreement or the context otherwise requires, capitalized terms used in this Agreement which are defined in the UCC shall have the meaning given such term in the UCC; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement; (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement, and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (i) references to any Person include that Person’s successors and assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and (k) words in the singular include the plural and words in the plural include the singular.

ARTICLE II
ORGANIZATION

SECTION 2.1 Name. The Trust continued hereby shall be known as “GE Sales Finance Master Trust”, in which name the Trustee may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

SECTION 2.2 Office. The office of the Trust shall be in care of the Trustee at the Corporate Trust Office or at such other address as the Trustee may designate by written notice to GE Sales Finance Holding.

SECTION 2.3 Purposes and Powers. The purpose of the Trust is, and the Trust shall have the power and authority to, engage in the following activities:

(a) to execute, deliver and issue the Notes pursuant to the Indenture and the related Indenture Supplement and to issue the Transferor Interest and Supplemental Interests, if any, pursuant to this Agreement;

(b) with the proceeds of the issuance of the Notes, to acquire the Transferred Assets pursuant to the Transfer Agreement and pay to GE Sales Finance Holding the amounts owed pursuant to Section 2.4 of the Transfer Agreement;

(c) to Grant the Collateral pursuant to the Indenture and to hold, manage and distribute to the Holders, pursuant to the terms of this Agreement and the Related Documents, any portion of the Collateral released from the Lien of the Indenture;

(d) to enter into and perform its obligations under the Related Documents to which it is to be a party;

(e) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith; and

(f) subject to compliance with the Related Documents, to engage in such other activities as may be required in connection with conservation of the Collateral and the making of distributions to the Holders and payments to the Noteholders.

The Trust shall not engage in any activity other than in connection with the foregoing or other than as required or authorized by this Agreement or the Related Documents.

SECTION 2.4 Appointment of the Trustee. GE Sales Finance Holding hereby appoints the Trustee as trustee of the Trust effective as of the date hereof, to have all the rights, powers and duties set forth herein and in the Trust Statute.

SECTION 2.5 Capital Contribution of Trust Estate. Pursuant to the Initial Trust Agreement, GE Sales Finance Holding assigned to the Trustee the initial trust estate, consisting of \$1. The Trust hereby acknowledges receipt in trust of the initial trust estate from GE Sales

Finance Holding, as of the date hereof. Pursuant to the Transfer Agreement, GE Sales Finance Holding shall assign, transfer, contribute or otherwise convey to the Trust, as of the date hereof and from time to time, the assets specified in the Transfer Agreement. All contributions of assets made pursuant to the Transfer Agreement shall be made in exchange for an increase in the Free Equity Amount; provided that GE Sales Finance Holding may require the Trust to issue Notes in exchange for a decrease in the Free Equity Amount as provided in Section 2.12. In addition, GE Sales Finance Holding shall also be entitled to receive, as additional consideration, certain cash flows as described in the Related Documents. GE Sales Finance Holding shall pay organizational expenses of the Trust as they may arise or shall, upon the request of the Trustee, promptly reimburse the Trustee for any such expenses paid by the Trustee. GE Sales Finance Holding may also take steps necessary, including the execution and filing of any necessary filings, to ensure that the Trust is in compliance with any applicable state securities law.

SECTION 2.6 Declaration of Trust. The Trustee hereby declares that it will hold the Trust Estate in trust upon and subject to the conditions set forth herein for the use and benefit of the Holders, subject to the obligations of the Trust under the Related Documents. It is the intention of the parties hereto that the Trust constitute a statutory trust under the Trust Statute and that this Agreement constitute the governing instrument of such statutory trust. It is the intention of the parties hereto that, solely for income and franchise tax purposes, until the Transferor Interest is held by more than one Person, the Trust be disregarded as an entity separate from GE Sales Finance Holding. At such time as the Transferor Interest is held by more than one person, it is the intention of the parties hereto that, solely for income and franchise tax purposes, the Trust be treated as a partnership, with the assets of the partnership being the Transferred Interests and other assets held by the Trust, the partners of the partnership being the Holder of the Transferor Interest and the Holders of the Supplemental Interests. The parties agree that, unless otherwise required by appropriate tax authorities, until the Transferor Interest is held by more than one Person, the Trust will not file or cause to be filed annual or other returns, reports and other forms consistent with the characterization of the Trust as an entity separate from GE Sales Finance Holding. Effective as of the date hereof, the Trustee shall have all rights, powers and duties set forth herein and in the Trust Statute with respect to accomplishing the purposes of the Trust.

SECTION 2.7 Liability of Beneficiaries. Except as provided in any Related Document, the Holders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

SECTION 2.8 Title to Trust Property. Subject to the Lien granted in the Indenture, legal title to all the Trust Estate shall be vested at all times in the Trust as a separate legal entity except where applicable law in any jurisdiction requires title to any part of the Trust Estate to be vested in a trustee or trustees, in which case title shall be deemed to be vested in the Trustee, a co-trustee and/or a separate trustee, as the case may be.

SECTION 2.9 Situs of Trust. The Trust will be located in Delaware and administered in the States of Delaware and New York.

SECTION 2.10 Representations and Warranties of GE Sales Finance Holding GE Sales Finance Holding hereby represents and warrants to the Trustee that:

(a) GE Sales Finance Holding is duly organized and validly existing as a limited liability company in good standing under the laws of the State of Delaware, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) GE Sales Finance Holding is duly qualified to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications if the failure to obtain any such qualification, license or approval would cause a Material Adverse Effect.

(c) GE Sales Finance Holding has the power and authority to execute and deliver this Agreement and to carry out its terms; GE Sales Finance Holding has full power and authority to sell and assign the property to be sold and assigned to the Trust and GE Sales Finance Holding has duly authorized such sale and assignment to the Trust by all necessary corporate or other action; and the execution, delivery and performance of this Agreement have been duly authorized by GE Sales Finance Holding by all necessary limited liability company action.

(d) The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof (i) do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the certificate of formation or limited liability company agreement of GE Sales Finance Holding, or any indenture, agreement or other instrument to which GE Sales Finance Holding is a party or by which it is bound; (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than pursuant to the Related Documents); or (iii) violate any law or, to the best of GE Sales Finance Holding's knowledge, any order, rule or regulation applicable to GE Sales Finance Holding of any court or of any Federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over GE Sales Finance Holding or its properties which violation would cause a Material Adverse Effect.

(e) GE Sales Finance Holding has duly executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of GE Sales Finance Holding, enforceable in accordance with its terms, except as enforceability may be subject to or limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

SECTION 2.11 Credit and Collection Policy. With respect to the Receivables and all matters relating thereto, the Trust hereby adopts the credit and collection policies of GE Capital Retail Bank as they relate to the origination and collection of credit card assets and related assets,

as such credit and collection policies may be amended from time to time (the "Credit and Collection Policies"). For avoidance of doubt, the Trust hereby adopts the policies and practices of GE Capital Retail Bank as in effect from time to time as they relate to the determination of whether Collections are attributable to Finance Charge Receivables or Principal Receivables. References to the Trust's computer file of credit accounts shall refer to the Servicer's computer file of accounts for so long as the Servicing Agreement shall remain in effect. For the avoidance of doubt, the Trustee shall have no duty to monitor the Trust's compliance with the Credit and Collection Policies.

SECTION 2.12 Issuance of Notes. Upon Holder's request, the Trust shall from time to time issue a series of Notes to the Holder or its designee with such terms as specified in the related Indenture Supplement, so long as (i) such issuance is permitted under the terms of the Indenture and (ii) without limiting the generality of the foregoing, after giving effect to each such issuance (A) the Free Equity Amount is not less than the Minimum Free Equity Amount and (B) the Trust Principal Balance is not less than the Required Principal Balance.

ARTICLE III

BENEFICIAL INTERESTS

SECTION 3.1 Ownership. GE Sales Finance Holding shall after the date hereof be the sole beneficial owner of the Trust. All action taken pursuant to the Initial Trust Agreement is hereby ratified.

SECTION 3.2 Transferor Interest.

(a) The Trust hereby issues the Transferor Interest to GE Sales Finance Holding. The Transferor Interest shall represent an uncertificated, undivided beneficial interest in the Trust Estate subject to the Lien of the Notes created pursuant to the Indenture, including the right to receive amounts at the times and in the amounts specified in the Indenture and any Indenture Supplement to be paid to the Holder.

(b) As the Holder of the Transferor Interest, GE Sales Finance Holding hereby is granted the right to direct the Trust to exercise its discretion with respect to (i) making deposits and withdrawals from the Excess Funding Account pursuant to Section 8.2(d) of the Indenture, and (ii) making deposits to the Excess Funding Account pursuant to Section 8.5 of the Indenture with respect to Shared Principal Collections otherwise distributable to the Holder.

(c) As the Holder of the Transferor Interest, GE Sales Finance Holding is hereby granted the right to direct the Trust to retain an amount equal to the sum of (x) the portion of the Monthly Servicing Fee payable by the Trust on the related Payment Date, (y) the fees and expenses of the Administrator payable by the Trust on the related Payment Date and (z) the fees and expenses of the Indenture Trustee payable by the Trust on the related Payment Date, and use such retained amount to pay, on a *pro rata* basis according to the amounts owing to such Person, the Servicer, the Administrator and the Indenture Trustee, as applicable.

SECTION 3.3 Form of Transferor Interest. The Transferor Interest initially shall be an uncertificated interest in the Trust.

SECTION 3.4 Restrictions on Transfer; Issuance of Supplemental Interests.

(a) GE Sales Finance Holding may from time to time divide the Transferor Interest into one or more separate interests (each a **Supplemental Interest**"), which shall be in uncertificated form, and may transfer such Supplemental Interests, subject to the restrictions set forth in this Agreement. The form and terms of any Supplemental Interest shall be defined in a supplement to this Agreement (which supplement shall be subject to Section 10.2 to the extent that it amends any of the terms of this Agreement) to be delivered to or upon the order of GE Sales Finance Holding (or the Holder of a Supplemental Interest, in the case of the transfer or exchange thereof, as provided below). The issuance of any such Supplemental Interest to any Person other than GE Sales Finance Holding shall be subject to satisfaction of the following conditions: GE Sales Finance Holding shall have delivered to the Trustee and Indenture Trustee a Tax Opinion, dated the date of such action (or transfer, exchange or other disposition provided below), with respect to such action and an Opinion of Counsel to the effect that such issuance, action, transfer, exchange or other disposition does not require registration of the interest under the Securities Act or any state securities law except for any such registration that has been duly completed and become effective. A Supplemental Interest may be transferred or exchanged, and the Transferor Interest may be pledged, only upon satisfaction of the conditions set forth above.

(b) The Transferor Interest may be transferred in its entirety to a Person which is a member of the "affiliated group" as defined in Section 1504(a) of the Code of which GE Sales Finance Holding is a member without the consent or approval of the Noteholders, provided that GE Sales Finance Holding shall have delivered to the Trustee and the Indenture Trustee a Tax Opinion and an Opinion of Counsel of the type described in paragraph (a), dated the date of such transfer, with respect thereto. In connection with any such transfer, the Person to whom the Transferor Interest is transferred will, by its acquisition and holding of an interest in the Transferor Interest, assume all of the rights and obligations of GE Sales Finance Holding as described in this Agreement, each Related Document and in any supplement or amendment thereto (including the right under this paragraph (b) with respect to subsequent transfers of an interest in the Transferor Interest).

(c) The Transferor Interest and each Supplemental Interest, and any beneficial interest in the Transferor Interest or any Supplemental Interest, may not be purchased by or transferred to (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) any entity whose underlying assets include plan assets by reason of investment by an employee benefit plan or plans (including, without limitation, insurance company general accounts) in such entity.

SECTION 3.5 Registration of Transfer and Exchange of Trust Interests. The Trust shall keep or cause to be kept, at the Corporate Trust Office, a register (the "Register") in which,

subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of Trust Interests and of transfers and exchanges of Trust Interests. The Trustee shall be the "Registrar" for the purpose of registering the Trust Interests and the transfers of Trust Interests as provided herein. Upon any resignation of the Registrar, GE Sales Finance Holding shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of the Registrar. The Registrar shall be entitled to all the same rights, protections, indemnities and immunities hereunder as the Trustee.

SECTION 3.6 Persons Deemed Holders. Prior to the registration of a transfer of a Trust Interest, the Trustee and Registrar may treat the Person in whose name any Trust Interest shall be registered in the Register as the owner of such Trust Interest for all purposes whatsoever and neither the Trustee nor the Registrar shall be bound by any notice to the contrary.

ARTICLE IV

ACTIONS BY THE TRUSTEE

SECTION 4.1 Prior Notice to Holders with Respect to Certain Matters. With respect to the following matters, the Trustee shall not take action unless, at least 30 days before the taking of such action, the Trustee shall have notified the Holders in writing of the proposed action and the Holders shall not have notified the Trustee in writing prior to the 30th day after such notice is given that the Holders withheld consent or shall not have provided alternative direction:

- (a) the initiation of any claim or lawsuit by the Trust (except claims or lawsuits brought in connection with the collection of the Trust Estate) and the compromise of any action, claim or lawsuit brought by or against the Trust (except with respect to the aforementioned claims or lawsuits for collection of Trust Estate);
- (b) the election by the Trust to file an amendment to the Certificate of Trust unless such amendment is required by the Trust Statute;
- (c) the amendment of the Indenture;
- (d) the amendment, change or modification of the Administration Agreement, except to cure any ambiguity or to amend or supplement any provision in a manner, or add any provision, that would not materially and adversely affect the interests of the Holders; or
- (e) the appointment pursuant to the Indenture of a successor Note Registrar, Paying Agent or Indenture Trustee, or the consent to the assignment by the Note Registrar, Paying Agent or Indenture Trustee of its obligations under the Indenture or this Agreement, as applicable.

SECTION 4.2 Action by the Holders with Respect to Certain Matters. The Trustee shall not have the power, except upon the direction of the Holders, to: (a) remove the Administrator under the Administration Agreement, (b) appoint a successor Administrator, or (c)

except as expressly provided in the Related Documents, sell the Transferred Interests after the termination of the Indenture. The Trustee shall take the actions referred to in the preceding sentence only upon written instructions signed by the Holders.

SECTION 4.3 Action by the Holders with Respect to Bankruptcy. The Trustee shall not have the power to commence a voluntary proceeding in bankruptcy relating to the Trust without the prior approval of the Holders and the delivery to the Trustee by the Holders of a certificate certifying that the Holders reasonably believe that the Trust is insolvent.

SECTION 4.4 Restrictions on Power. The Holders shall not direct the Trustee to take or refrain from taking any action if such action or inaction would be contrary to any obligation of the Trust or the Trustee under this Agreement or any of the Related Documents or would be contrary to Section 2.3, nor shall the Trustee be obligated to follow any such direction, if given.

ARTICLE V

AUTHORITY AND DUTIES OF THE TRUSTEE

SECTION 5.1 General Authority. The Trustee is authorized and directed to execute and deliver the Related Documents to which the Trust is to be a party and each certificate or other document attached as an exhibit to or contemplated by the Related Documents to which the Trust is to be a party, in each case in such form as GE Sales Finance Holding shall approve as evidenced conclusively by the Trustee's execution thereof, and, on behalf of the Trust, to direct the Indenture Trustee, from time to time, to authenticate and deliver Notes in the amount specified in a letter of instruction from GE Sales Finance Holding to the Trustee. In addition to the foregoing, the Trustee is authorized, but shall not be obligated, to take all actions required of the Trust pursuant to the Related Documents. Except as otherwise provided in this Agreement, the Trustee is further authorized from time to time to take such action as GE Sales Finance Holding or the Administrator recommends with respect to the Related Documents.

SECTION 5.2 General Duties. It shall be the duty of the Trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to this Agreement and the Related Documents to which the Trust is a party and to administer the Trust in the interest of the Holders, subject to the Related Documents and in accordance with this Agreement. Notwithstanding the foregoing, the Trustee shall be deemed to have discharged its duties and responsibilities hereunder and under the Related Documents to the extent the Administrator has agreed in the Administration Agreement to perform any act or to discharge any duty of the Trustee or Trust hereunder or under any Related Document, and the Trustee shall not be held liable for the default or failure of the Administrator to carry out its obligations under the Administration Agreement.

SECTION 5.3 Action upon Instruction

(a) Subject to Article IV and in accordance with the Related Documents, the Holders may by written instruction direct the Trustee in the management of the Trust. Such direction may be exercised at any time by written instruction of the Holders pursuant to Article IV.

(b) The Trustee shall not be required to take any action hereunder or under any Related Document if the Trustee shall have reasonably determined, or shall have been advised by counsel, that such action is likely to result in liability on the part of the Trustee or is contrary to the terms hereof or of any Related Document or is otherwise contrary to law.

(c) Whenever the Trustee is unable to decide between alternative courses of action permitted or required by this Agreement or any Related Document, the Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Holders requesting instruction as to the course of action to be adopted, and to the extent the Trustee acts in good faith in accordance with any written instruction of the Holders received, the Trustee shall not be liable on account of such action to any Person. If the Trustee shall not have received appropriate instruction within 10 days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Related Documents, as it shall deem to be in the best interests of the Holders, and shall have no liability to any Person for such action or inaction.

(d) In the event that the Trustee is unsure as to the application of any provision of this Agreement or any Related Document or any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Agreement permits any determination by the Trustee or is silent or is incomplete as to the course of action that the Trustee is required to take with respect to a particular set of facts, the Trustee may give notice (in such form as shall be appropriate under the circumstances) to the Holders requesting instruction and, to the extent that the Trustee acts or refrains from acting in good faith in accordance with any such instruction received, the Trustee shall not be liable, on account of such action or inaction, to any Person. If the Trustee shall not have received appropriate instruction within 10 days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action, not inconsistent with this Agreement or the Related Documents, as it shall deem to be in the best interests of the Holders, and shall have no liability to any Person for such action or inaction.

SECTION 5.4 No Duties Except as Specified in this Agreement or in Instructions The Trustee shall not have any duty or obligation to manage, make any payment with respect to, register, record, sell, dispose of or otherwise deal with the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, any document contemplated hereby to which the Trustee is a party, except as expressly provided by this Agreement or in any document or written instruction received by the Trustee pursuant to this Agreement; and no implied duties or obligations shall be read into this Agreement or any Related Document against the Trustee. The Trustee shall have no responsibility for filing any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or Lien granted to it hereunder or to prepare or file any Commission filing for the Trust or to record this Agreement or any Related Document. Notwithstanding anything to

the contrary herein or in any Related Document, the Trustee shall not be required to execute, deliver or certify on behalf of the Trust or any other Person any filings, certificates, affidavits or other instruments required under the Sarbanes-Oxley Act of 2002, if applicable. The Trustee nevertheless agrees that it will, at its own cost and expense, promptly take all action as may be necessary to discharge any Liens on any part of the Trust Estate that result from the negligence or willful misconduct of the Trustee.

SECTION 5.5 No Action Except Under Specified Documents or Instructions The Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Trust Estate except: (i) in accordance with the powers granted to and the authority conferred upon the Trustee pursuant to this Agreement, (ii) in accordance with the Related Documents and (iii) in accordance with any document or instruction delivered to the Trustee pursuant to this Agreement.

SECTION 5.6 Restrictions. The Trustee shall not take any action: (a) that is inconsistent with the purposes of the Trust set forth in Section 2.3 or (b) that, to the actual knowledge of the Trustee, would result in the Trust becoming taxable as a corporation for Federal income tax purposes. GE Sales Finance Holding shall not direct the Trustee to take action that would violate this Section.

SECTION 5.7 Tax Returns. In the event the Trust shall be required to file tax returns, the Trustee, promptly upon request, will furnish the Administrator with all such information in the Trustee's actual custody or possession as may be reasonably requested by the Administrator in connection with the preparation of all tax returns of the Trust or any other Affiliate required to report income, gain, loss or deduction of the Trust, and shall, upon request, execute such returns of the Trust. In no event shall the Trustee be liable for any liabilities, costs or expenses of the Trust arising under any tax law, including federal, state or local income or excise taxes or any other tax imposed on or measured by income (or any interest or penalty with respect thereto arising from a failure to comply therewith).

ARTICLE VI CONCERNING THE TRUSTEE

SECTION 6.1 Acceptance of Trusts and Duties. The Trustee accepts the trusts hereby created and agrees to perform its duties hereunder with respect to such trusts but only upon the terms of this Agreement. The Trustee also agrees to disburse all moneys actually received by it constituting part of the Trust Estate upon the terms of the Related Documents and this Agreement. The Trustee shall not be answerable or accountable hereunder or under any Related Document under any circumstances, except: (i) for its own willful misconduct or gross negligence or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 6.3 expressly made by the Trustee. In particular, but not by way of limitation (and subject to the exceptions set forth in the preceding sentence):

(a) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(b) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the instructions of the Administrator, the Servicer, GE Sales Finance Holding or any Holder;

(c) no provision of this Agreement or any Related Document shall require the Trustee to expend or risk funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder or under any Related Document, if the Trustee shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured or provided to it;

(d) under no circumstances shall the Trustee be liable for indebtedness evidenced by or arising under any of the Related Documents, including the principal of and interest on the Notes or any representation, warranty or covenant of the Trust;

(e) the Trustee shall not be responsible for or in respect of the validity or sufficiency of this Agreement or for the due execution hereof by GE Sales Finance Holding or for the form, character, genuineness, sufficiency, value or validity of any of the Trust Estate or for or in respect of the validity or sufficiency of the Related Documents, and the Trustee shall in no event assume or incur any liability, duty or obligation to any Noteholder or to any Holder, other than as expressly provided for herein and in the Related Documents;

(f) the Trustee shall not be liable for the default or misconduct of the Administrator, GE Sales Finance Holding, the Indenture Trustee or the Servicer under any of the Related Documents or otherwise and the Trustee shall have no obligation or liability to perform the obligations of the Trust under this Agreement or the Related Documents that are required to be performed by the Administrator under the Administration Agreement, the Indenture Trustee under the Indenture or the Servicer under the Servicing Agreement; and the Trustee shall have no obligation to monitor such persons with respect to such obligations.

(g) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or otherwise or in relation to this Agreement or any Related Document, at the request, order or direction of the Holders unless the Holders offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by the Trustee therein or thereby. The right of the Trustee to perform any discretionary act enumerated in this Agreement or in any Related Document shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct in the performance of any such act.

(h) the Trustee shall not be personally liable for (x) special, consequential or punitive damages, however styled, including without limitation, lost profits or (y) any losses due to forces beyond the control of the Trustee, including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services.

SECTION 6.2 Furnishing of Documents. The Trustee shall furnish to a Holder promptly upon receipt of a written request therefor, and at the expense of such Holder, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the Trustee under the Related Documents.

SECTION 6.3 Representations and Warranties. The Trustee hereby represents and warrants to the Holders, that:

(a) it is a banking corporation duly organized and validly existing in good standing under the laws of the State of Delaware, with the requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement,

(b) it has taken all corporate action necessary to authorize the execution and delivery by it of this Agreement, and this Agreement will be executed and delivered by one of its officers who is duly authorized to execute and deliver this Agreement on its behalf,

(c) the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or by-laws of the Trustee, or to the best of its knowledge without independent investigation any indenture, agreement or other instrument to which the Trustee is a party or by which it is bound; or violate any Federal or state law governing the banking or trust powers of the Trustee; or, to the best of the Trustee's knowledge, violate any order, rule or regulation applicable to the Trustee of any court or of any Federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Trustee or its properties, and

(d) this Agreement, assuming due authorization, execution and delivery by GE Sales Finance Holding, constitutes a valid, legal and binding obligation of the Trustee, enforceable against it in accordance with the terms hereof subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

SECTION 6.4 Reliance; Advice of Counsel.

(a) Except to the extent otherwise provided in Section 6.1, the Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper

(whether in its original, electronic or facsimile form) believed by it to be genuine and believed by it to be signed by the proper party or parties. The Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed herein, the Trustee may for all purposes hereof rely on a certificate, signed by the president, any vice president, the treasurer or other authorized officers of the relevant party as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the trusts hereunder and in the performance of its duties and obligations under this Agreement or the Related Documents, the Trustee: (i) may act directly or through its agents or attorneys pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the conduct or misconduct of such agents or attorneys if such agents or attorneys shall have been selected by the Trustee with reasonable care, and (ii) may consult with counsel, accountants and other skilled Persons to be selected with reasonable care and employed by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written opinion or advice of any such counsel, accountants or other such Person.

SECTION 6.5 Not Acting in Individual Capacity Except as provided in this Article VI, in accepting the trusts hereby created BNY Mellon Trust of Delaware acts solely as the Trustee hereunder and not in its individual capacity and all Persons having any claim against the Trustee by reason of the transactions contemplated by this Agreement or any Related Document shall look only to the Trust Estate for payment or satisfaction thereof.

SECTION 6.6 Trustee Not Liable for Notes or Transferred Interests The recitals contained herein shall be taken as the statements of GE Sales Finance Holding, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representations as to the validity or sufficiency of this Agreement, of any Related Document, or of any Transferred Interest or related documents. The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Transferred Interest, or the perfection and priority of any security interest created by any Transferred Interest or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Trust Estate or its ability to generate the payments to be distributed to the Holders under this Agreement or the Noteholders under the Indenture, including: (a) the existence, condition and ownership of the Transferred Assets, (b) the existence and enforceability of any insurance thereon, (c) the existence and contents of any Transferred Interest on any computer or other record thereof, (d) the validity of the assignment of any Transferred Interest to the Trust or of any intervening assignment, (e) the completeness of any Transferred Interest, (f) the performance or enforcement of any Transferred Interest, and (g) the compliance by GE Sales Finance Holding or the Servicer with any warranty or representation made under any Related Document or in any related document or the accuracy of any such warranty or representation or any action of the Administrator, the Indenture Trustee or the Servicer or any subservicer taken in the name of the Trust or Trustee.

SECTION 6.7 Trustee May Not Own Notes. The Trustee shall not, in its individual capacity, but may in a fiduciary capacity, become the owner or pledgee of Notes or otherwise extend credit to the Trust. The Trustee may otherwise deal with GE Sales Finance Holding, the Administrator, the Indenture Trustee and the Servicer with the same rights as it would have if it were not the Trustee.

ARTICLE VII

COMPENSATION OF THE TRUSTEE

SECTION 7.1 Trustee's Fees and Expenses. The Trustee shall receive as compensation for its services hereunder such fees as have been separately agreed upon before the date hereof between GE Sales Finance Holding and the Trustee, and the Trustee shall be entitled to be reimbursed by GE Sales Finance Holding for its other reasonable expenses hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its rights and its duties hereunder.

SECTION 7.2 Indemnification. GE Sales Finance Holding shall be liable as primary obligor for, and shall indemnify the Trustee and its successors, assigns, agents and employees (collectively, the "Indemnified Parties") from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions and suits, and any and all reasonable costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses"), which may at any time be imposed on, incurred by or asserted against the Trustee or any other Indemnified Party in any way relating to or arising out of this Agreement, the Related Documents, the Trust Estate, the administration of the Trust Estate or the action or inaction of the Trustee hereunder, except only that GE Sales Finance Holding shall not be liable for or required to indemnify an Indemnified Party from and against Expenses arising or resulting from: (a) such Indemnified Party's willful misconduct or gross negligence, (b) any income tax or franchise tax incurred by an Indemnified Party, except to the extent that the incurrence of any such tax results from a breach or default by GE Sales Finance Holding under this Agreement or (c) with respect to the Trustee, the inaccuracy of any representation or warranty contained in Section 6.3 expressly made by the Trustee. The indemnities contained in this Section shall survive the resignation or termination of the Trustee or the termination of this Agreement.

In the event any proceeding (including any governmental investigation) shall be instituted involving any Indemnified Party pursuant to the preceding paragraph, such person shall promptly notify GE Sales Finance Holding in writing and GE Sales Finance Holding shall assume the defense thereof, including the retention of counsel reasonably satisfactory to such Indemnified Party to represent such Indemnified Party in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding upon delivery to GE Sales Finance Holding of demand therefor. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) GE Sales Finance Holding has failed to assume the defense thereof, (ii) GE Sales Finance Holding and the Indemnified Party shall have mutually agreed to

the retention of such counsel or (iii) the named parties to any such proceeding (including any impleaded parties) include both GE Sales Finance Holding and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that GE Sales Finance Holding shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties. GE Sales Finance Holding shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, GE Sales Finance Holding agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. GE Sales Finance Holding shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

SECTION 7.3 Payments to the Trustee. Any amounts paid to the Trustee pursuant to this Article VII shall be deemed not to be a part of the Trust Estate immediately after such payment.

SECTION 7.4 Subordination. To the extent that the Trustee has any claim or lien on the Trust Estate for any amounts due pursuant to the Related Documents, the Trustee agrees that such lien or claim shall be subordinate in priority to the lien of the Indenture Trustee on behalf of the Noteholders so long as the Indenture, and the liens created thereunder, have not been terminated and all obligations of the Trust with respect to the Notes have been satisfied.

ARTICLE VIII

TERMINATION OF TRUST AGREEMENT

SECTION 8.1 Termination of Trust Agreement

(a) The Trust shall dissolve upon the date specified by GE Sales Finance Holding (the "Trust Termination Date"), written notice of which shall be provided to the Trustee, provided, that the Trust Termination Date shall not be earlier than the day on which the rights of all Series of Notes to receive payments from the Trust have terminated. After satisfaction of liabilities of the Trust as provided by applicable law, any money or other property held as part of the Trust Estate following such distribution shall be distributed pro rata to the Holders. The bankruptcy, liquidation, dissolution, termination, death or incapacity of GE Sales Finance Holding shall not (x) operate to terminate this Agreement or annul, dissolve or terminate the Trust, (y) entitle GE Sales Finance Holding's legal representatives or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of all or any part of the Trust or Trust Estate or (z) otherwise affect the rights, obligations and liabilities of the parties hereto.

(b) Except as provided in Section 8.1(a), neither GE Sales Finance Holding nor any Holder shall be entitled to dissolve, revoke or terminate the Trust.

(c) Upon the dissolution of the Trust and the payment of all liabilities of the Trust in accordance with applicable law and upon written direction from the Holders, the Trustee shall cause the Certificate of Trust to be canceled by filing a certificate of cancellation with the Secretary of State in accordance with the provisions of Section 3810 (or successor section) of the Trust Statute, at which time the Trust and this Agreement (other than Article VII) shall terminate.

ARTICLE IX

SUCCESSOR TRUSTEES AND ADDITIONAL TRUSTEES

SECTION 9.1 Eligibility Requirements for the Trustee. The Trustee shall at all times: (a) be a "bank" within the meaning of the Investment Company Act of 1940, as amended, (b) be authorized to exercise corporate trust powers, (c) have a combined capital and surplus of at least \$50,000,000 and be subject to supervision or examination by Federal or state authorities, and (d) have (or have a parent that has) a rating of at least "Baa3" by Moody's or at least "BBB-" by S&P. If such corporation shall publish reports of condition at least annually, pursuant to law or the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. At all times, at least one the Trustee of the Trust shall satisfy the requirements of Section 3807(a) of the Trust Statute. In case at any time the Trustee shall cease to be eligible in accordance with this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 9.2.

SECTION 9.2 Resignation or Removal of the Trustee. The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Administrator. Upon receiving such notice of resignation, the Administrator, on behalf of the Trust, shall promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor Trustee shall have been so appointed and have accepted appointment within 60 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

If at any time the Trustee shall cease to be eligible in accordance with Section 9.1 and shall fail to resign after written request therefor by the Administrator, or if at any time the Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Administrator, on behalf of the Trust, may remove the Trustee. If the Administrator, on behalf of the Trust, shall remove the Trustee under the authority of the preceding sentence, the Administrator, on behalf of the Trust, shall promptly appoint a successor trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Trustee so removed and one copy to the successor trustee, and pay all fees owed to the outgoing Trustee.

Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to this Section shall not become effective until acceptance of appointment by the successor trustee pursuant to Section 9.3 and payment of all fees and expenses owed to the outgoing trustee.

SECTION 9.3 Successor Trustee. Any successor trustee appointed pursuant to this Section 9.3 shall execute, acknowledge and deliver to the Administrator and to its predecessor Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties, and obligations of its predecessor under this Agreement, with like effect as if originally named as the trustee. The predecessor Trustee shall upon payment of its fees and expenses deliver to the successor trustee all documents and statements and monies held by it under this Agreement; and the Administrator and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor trustee all such rights, powers, duties and obligations.

No successor trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor trustee shall be eligible pursuant to Section 9.1.

Upon acceptance of appointment by a successor trustee pursuant to this Section, the Administrator shall mail notice of such appointment to the Holders, the Indenture Trustee and the Noteholders. If the Administrator shall fail to mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Administrator.

SECTION 9.4 Merger or Consolidation of the Trustee. Any Person into which the Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder; provided, such Person shall be eligible pursuant to Section 9.1, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 9.5 Appointment of Co-Trustee or Separate Trustee. Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust or Trust Estate may at the time be located, the Administrator, on behalf of the Trust, and the Trustee acting jointly shall have the power and may execute and deliver all instruments to appoint one or more Person(s) approved by the Trustee to act as co-trustee(s), jointly with the Trustee, or separate trustee(s), of all or any part of the Trust Estate, and to vest in such Person(s), in such capacity and for the benefit of the Holders, such title to the Trust Estate, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Administrator, on behalf of

the Trust, and the Trustee may consider necessary or desirable. If the Administrator, on behalf of the Trust, shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 9.1 and no notice of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 9.3.

Each separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(a) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act(s) are to be performed, the Trustee shall be incompetent or unqualified to perform such act(s), in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(b) no trustee under this Agreement shall be personally liable by reason of any act or omission of any other trustee under this Agreement; and

(c) the Administrator, on behalf of the Trust, and the Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Each such instrument shall be filed with the Trustee and a copy thereof given to the Administrator.

Any separate trustee or co-trustee may at any time appoint the Trustee as its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

The Trustee shall have no obligation to determine whether a co-trustee or separate trustee is legally required in any jurisdiction in which any part of the Trust Estate may be located.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Clean-Up Call. On any day occurring on or after the date on which the outstanding principal balance of any Series of Notes is reduced to 10% or less of the initial outstanding principal balance of such Series, GE Sales Finance Holding shall have the option to reduce the Collateral Amount for that Series to zero by paying the Trust a redemption price equal to the greater of (x) the Collateral Amount, plus the applicable Floating Allocation Percentage of outstanding Finance Charge Receivables and (y) a minimum amount equal to (i) if such day is a Payment Date, the Reassignment Amount for such Payment Date or (ii) if such day is not a Payment Date, the Reassignment Amount for the Payment Date following such day. GE Sales Finance Holding shall give the Trust at least thirty days prior written notice of the date on which GE Sales Finance Holding intends to exercise such option.

SECTION 10.2 Supplements and Amendments. This Agreement may be amended from time to time by a written amendment duly executed and delivered by GE Sales Finance Holding and the Trustee without the consent of the Holders; provided that the consent of the Holders is required for any amendment that modifies in any manner the rights of the Holders.

Promptly after the execution of any such amendment or consent, GE Sales Finance Holding shall furnish written notification of the substance of such amendment or consent to the Indenture Trustee.

Promptly after the execution of any amendment to the Certificate of Trust, the Trustee shall cause the filing of such amendment with the Secretary of State of the State of Delaware.

The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officer's Certificate of GE Sales Finance Holding to the effect that the conditions to amendment have been satisfied.

The Trustee may, but shall not be obligated to, enter into any such amendment that affects the Trustee's own rights, duties or immunities under this Agreement or otherwise.

SECTION 10.3 No Legal Title to Trust Estate in GE Sales Finance Holding GE Sales Finance Holding shall not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title or interest of GE Sales Finance Holding in, to and under their ownership interest in the Trust Estate shall operate to terminate this Agreement or the trusts hereunder or entitle any transferee to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

SECTION 10.4 Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Trustee, GE Sales Finance Holding, and the Holders and nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Trust Estate or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

SECTION 10.5 Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by facsimile, email or other electronic transmission (with such transmission promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 10.5), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person designated in any written notice provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall only be effective if actually received by such party prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall only be effective on the immediately succeeding Business Day. (i) If to the Trustee, addressed to the Corporate Trust Office with a copy to 101 Barclay Street, Floor 8 West (ABS Unit), New York, New York, 10286, Attention: Antonio Vayas, Facsimile (212) 815-2493 or 3993; and (ii) if to GE Sales Finance Holding, L.L.C., 777 Long Ridge Road, Building B, 3rd Floor, Stamford, Connecticut 06927, Attention: Finance Manager – Securitization, Telephone: (203) 585-6254, Facsimile: (718) 247-5839, with a copy to GE Capital Retail Bank, as Administrator, 170 Election Road, Suite 125, Draper, Utah 84020, Attention: President, Telephone: (801) 816-4765, Facsimile: (801) 816-4770; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party.

SECTION 10.6 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.7 Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 10.8 Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, GE Sales Finance Holding and its successors, the Trustee and its successors and GE Sales Finance Holding and its successors and permitted assigns, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by the Holders of the Transferor Interest shall bind the successors and assigns of GE Sales Finance Holding and any other Holder.

SECTION 10.9 No Petition. The Trustee on behalf of the Trust, by entering into this Agreement and the Holders, by accepting a Trust Interest hereby covenant and agree that they will not at any time institute against GE Sales Finance Holding or the Trust, or join in any institution against GE Sales Finance Holding or the Trust of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, this Agreement or any of the Related Documents; provided that nothing in this paragraph shall preclude, or be deemed to estop, the Trustee or the Holders from taking any action prior to the expiration of the applicable preference period in any involuntary proceeding filed or commenced against GE Sales Finance Holding or the Trust by a Person other than the Trustee or the Holders or to otherwise limit any claims that the Trustee or the Holders may have against GE Sales Finance Holding or the Trustee. This Section 10.9 shall survive the termination of the Trust.

SECTION 10.10 No Recourse. A Holder (or any interest therein), by accepting a Trust Interest, acknowledges that the Trust Interest represents a beneficial interest in the Trust only and the Trust Interest does not represent an interest in or obligation of GE Sales Finance Holding, the Servicer, the Administrator, the Trustee, the Indenture Trustee or any Affiliate thereof, and no recourse may be had against such parties or their assets except as may be expressly set forth or contemplated provided in this Agreement or the Related Documents.

SECTION 10.11 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Delaware, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

SECTION 10.12 Administrator. GE Sales Finance Holding and Trustee acknowledge that the Administrator is authorized to execute on behalf of the Trust all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust or Trustee to prepare, file or deliver pursuant to this Agreement and the Related Documents. Upon written request, the Trustee shall execute and deliver to the Administrator a power of attorney appointing the Administrator its agent and attorney-in-fact to execute all such documents, reports, filings, instruments, certificates and opinions.

SECTION 10.13 Waiver of Jury. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Trust Agreement to be duly executed by their respective officers hereunto duly authorized as of the day and year first above written.

BNY MELLON TRUST OF DELAWARE,
as Trustee

By: /s/ Kristine K. Gullo

Name: Kristine Gullo
Title: Vice President

GE SALES FINANCE HOLDING, L.L.C.

By: /s/ Vishal Gulati

Name: Vishal Gulati
Title: Vice President

**CERTIFICATE OF TRUST
OF
GE SALES FINANCE MASTER TRUST**

This Certificate of Trust of GE Sales Finance Master Trust (the "Trust"), is being duly executed and filed by BNY Mellon Trust of Delaware a Delaware banking corporation, as trustee, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. §3801, et seq.).

(i) Name. The name of the statutory trust being formed hereby is GE Sales Finance Master Trust.

(ii) Delaware Trustee. The name and business address of the trustee of the Trust in the State of Delaware are BNY Mellon Trust of Delaware, 100 White Clay Center, Suite 102, Newark, DE 19711.

(iii) Effective Date. This Certificate of Trust shall be effective as of its filing.

IN WITNESS WHEREOF, the undersigned, being the trustee of the Trust, has executed this Certificate of Trust in accordance with Section 3811(a)(1) of the Act.

BNY Mellon Trust of Delaware, not in its individual capacity,
but solely as trustee of the Trust

By: _____
Name:
Title:

GE CAPITAL RETAIL BANK

and

GEMB LENDING INC.

AMENDED AND RESTATED
RECEIVABLES PARTICIPATION AGREEMENT

Dated as of February 29, 2012

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THIS AMENDED AND RESTATED RECEIVABLES PARTICIPATION AGREEMENT (this "Agreement"), dated as of February 29, 2012 (the "Amendment Date"), is made by and between GE CAPITAL RETAIL BANK, a federal savings bank ("Bank"), and GEMB LENDING INC., a Delaware corporation ("Purchaser").

WHEREAS, the Bank and the Purchaser are parties to that certain Receivables Participation Agreement, dated as of December 14, 2007 (as amended, supplemented or otherwise modified up to the date hereof, the "Original Agreement"); and

WHEREAS, the Bank and the Purchaser desire to amend and restate the Original Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank and the Purchaser agree as set forth herein:

1. Definitions: Interpretation.

- (a) All capitalized terms used herein are defined in Schedule 1.
- (b) All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any certificate or other document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement and all related certificates and other documents, unless the context otherwise requires:
 - (a) accounting terms not otherwise defined in this Agreement, and accounting terms partly defined in this Agreement to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles;
 - (b) terms defined in Article 9 of the UCC as in effect in the applicable jurisdiction and not otherwise defined in this Agreement are used as defined in that Article;
 - (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day;
 - (d) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate or document);
 - (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition;
 - (f) the term "including" means "including without limitation";
 - (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;
 - (h) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms;
 - (i) references to any Person include that Person's successors and permitted assigns;
 - (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and
 - (k) words in the singular include the plural and words in the plural include the singular.

2. Purchase of Participation Interest in Receivables: Payment to Bank

- (a) Pursuant to the Original Agreement, Bank agreed to contribute, and did contribute to Purchaser, and Purchaser agreed to accept, and did accept, from Bank on the Effective Date, all Conveyed Interests existing on the Effective Date. Bank does hereby sell, transfer, assign, set-over and otherwise convey to Purchaser, without recourse, and Purchaser does hereby purchase or otherwise accept from Bank, on each day during the term of this Agreement, each Conveyed Interest created from time to time after the Effective Date until the termination of this Agreement. In consideration for Bank's sale, transfer, assignment, set-over and conveyance to Purchaser on each day during the term of this Agreement of a Conveyed Interest, Purchaser agrees to pay to Bank, in accordance with Section 2(c), the aggregate of the Purchase Prices for all Conveyed Interests purchased by Purchaser since the preceding Settlement Date; provided that Bank may in its discretion contribute Conveyed Interests to Purchaser from time to time. The foregoing conveyance shall be effective instantaneously upon the creation of each Conveyed Interest. The foregoing does not constitute and is not intended to result in the creation or assumption by Purchaser of any obligation of Bank or any other person in connection with the Accounts or the Receivables or under any agreement or instrument relating thereto, including any obligation to Cardholders, Merchants, clearance systems or insurers.
- (b) For the avoidance of doubt, Bank and Purchaser hereby acknowledge and affirm that Bank sold and Purchaser purchased (i) certain Conveyed Interests in Acquired Accounts on certain dates (each, an "Initial Prior Sale Date") and for the respective prices specified in Schedule 3 hereto and (ii) on each day from and after each Initial Prior Sale Date to and including August 31, 2010, each Conveyed Interest in the related Acquired Accounts created from time to time, in each case on the terms set forth in this Agreement (each such transfer affirmed pursuant to this Section 2(b) being referred to as a "Prior Sale"). The parties hereto acknowledge and confirm that on each Initial Prior Sale Date a schedule of the related Accounts listing the account numbers, balance of Principal Receivables and balance of Finance Charge Receivables existing in the related Accounts as of the close of business on such Initial Prior Sale Date was delivered to Purchaser, and that the Purchase Price for each related Conveyed Interest was paid by Purchaser to Bank in accordance with this Agreement. The parties acknowledge and agree that the Prior Sales are intended to be treated as the sale of such assets by Bank for accounting purposes, to the extent permitted by generally accepted accounting principles in the United States, and for tax purposes. For the avoidance of doubt, to the extent that Bank retained any interest in any Conveyed Interests arising in the Acquired Accounts described in Schedule 3, for consideration previously received, Bank hereby irrevocably

conveys all right, title and interest in such Conveyed Interests to Purchaser. The parties acknowledge and agree that such conveyance is intended to be treated as the sale of such assets by Bank for accounting purposes, to the extent permitted by generally accepted accounting principles in the United States, and for tax purposes. For the avoidance of doubt, the Bank and the Purchaser shall execute and deliver an Addendum to this Agreement relating to each such Prior Sale, in substantially the form of Exhibit C.

- (c) On each Settlement Date (or less frequently if so agreed between Bank and Purchaser), Purchaser shall pay to Bank in immediately available funds the aggregate Purchase Price for all Conveyed Interests sold to Purchaser on or prior to such Settlement Date; provided that the Purchase Price for any Conveyed Interest contributed to Purchaser shall be deemed to be a capital contribution from Bank to Purchaser.
- (d) As of each day during the term of this Agreement, Purchaser shall become the owner for all purposes (e.g., tax, accounting and legal) of the Conveyed Interests created on such day. Bank shall make entries on its books and records to clearly indicate the sale of the Conveyed Interests to Purchaser as of each Transfer Date. The parties hereto intend that each transfer of the Conveyed Interests shall constitute a sale or contribution, as applicable, by Bank to Purchaser and not a loan by Bank to Purchaser secured by the Conveyed Interests. Notwithstanding anything to the contrary set forth in this Section 2(d), if a court of competent jurisdiction determines that any transaction provided for herein constitutes a loan and not a sale, then the parties hereto intend that this Agreement shall constitute a security agreement under applicable law and that Bank shall be deemed to have granted, and Bank hereby grants, to Purchaser a first priority lien and security interest in and to all of Bank's right, title and interest in, to and under the Conveyed Interests, subject only to Permitted Liens. Purchaser shall make entries on its books and records to clearly indicate the purchase of the Conveyed Interests hereunder. Bank shall execute, and file as necessary, such financing statements or other documents as may be required for recordation of the transfer to Purchaser of its interest in the Conveyed Interests. Notwithstanding anything otherwise provided herein, Purchaser shall have no legal or beneficial interest, whether of ownership or otherwise, in the Accounts.
- (e) For accounting purposes, to the extent permitted by generally accepted accounting principles, neither Bank nor Purchaser shall account for the transactions contemplated by this Agreement in any manner other than, with respect to the sale or contribution of each Conveyed Interest, as a true sale and/or absolute assignment of Bank's full right, title and ownership interest in the related Conveyed Interests to Purchaser.
- (f) Bank agrees, at its own expense, to include in its computer files a code identifying each credit account in which Conveyed Interests have been sold to Purchaser hereunder and any time that the code referenced in this sentence is included with respect to any credit account, such account shall be an "Account" for purposes of this Agreement.

3. Adjustments to Accounts. If on any day the outstanding amount of any Principal Receivable is reduced because of a rebate, refund, unauthorized charge (other than a fraudulent charge) or billing error to an accountholder, or because such Principal Receivable was created in respect of merchandise which was refused or returned by an accountholder, or if the outstanding amount of any Principal Receivable is otherwise reduced other than on account of Collections thereof or such amount being charged-off as uncollectible, then Bank shall compensate Purchaser for its Pro Rata Share of such reduction in the outstanding amount of such Principal Receivable as provided below. Any adjustment required pursuant to the preceding sentence shall be made not later than the second Business Day after the Date of Processing for the event giving rise to such adjustment or less frequently if so agreed between Purchaser and Bank. The amount of each such reduction shall be deducted from the amount of the Purchase Price payable by Purchaser to Bank on the Settlement Date that coincides with or next follows the date of the adjustment, and Bank shall pay Purchaser on that Settlement Date any excess of the aggregate amount of such reductions over the aggregate Purchase Price otherwise payable on that Settlement Date.

4. Delivery of Purchaser's Pro Rata Share of Collections; Ownership of Records.

- (a) On each day, Bank shall hold in trust for Purchaser the Pro Rata Share of Purchaser in all Collections on Receivables received by the Bank and, on each Settlement Date, pay to Purchaser or its designee, the Pro Rata Share of Purchaser in all Collections received by Bank in respect of the Receivables.
- (b) Bank shall, or shall cause its designee to, retain physical possession of all Records relating to the Conveyed Interests in the Accounts in trust for the benefit of Purchaser, and such retention and possession by Bank, or its designee, as applicable, is as custodian for the account of Bank and Purchaser as owners thereof.

5. General Representations and Warranties of Bank. Bank hereby represents and warrants as of the Effective Date and the Amendment Date of this Agreement that:

- (a) Bank is a federal savings bank, duly organized, validly existing under the laws of the U.S. and has full corporate power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement and the transfer of the Conveyed Interests have been and will continue to be duly authorized and are not and will not be in conflict with and do not violate the terms of the charter or bylaws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party;
- (b) All approvals, authorizations, licenses, registrations, consents, and other actions by, notices to, and filings with, any Person that may be required in connection with the execution, delivery, and performance of this Agreement by Bank, have been obtained;

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- (c) This Agreement constitutes a legal, valid, and binding obligation of Bank, enforceable against Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect (including the rights and obligations of receivers and conservators under 12 U.S.C. §§ 1821(d) and (e)), which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);
 - (d) There are no proceedings or investigations pending against Bank (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation by Bank of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Bank, would materially and adversely affect the performance by Bank of its obligations under this Agreement or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement;
 - (e) Bank is not Insolvent; and
 - (f) The execution, delivery and performance of this Agreement by Bank comply with all Applicable Laws, except where any failure to comply would not reasonably be expected to have a Material Adverse Effect.

The representations and warranties set forth in this Section 5 shall survive the sale, transfer and assignment of the Requisite Percentage of Receivables to Purchaser pursuant to this Agreement.

6. Additional Representations and Warranties of Bank. Bank hereby represents and warrants that, as of the Effective Date and the Amendment Date or such other date as specified below in a specific representation:

- (a) As of each Transfer Date, each Receivable in which a Conveyed Interest is sold or contributed to Purchaser on such Transfer Date was originated or acquired by Bank and each sale of a Conveyed Interest constitutes a valid sale, transfer, assignment, set-over and conveyance to Purchaser;
- (b) As of each Transfer Date, Bank was the legal and beneficial owner of all right, title and interest in and to each Receivable in which a Conveyed Interest is sold to Purchaser on such Transfer Date, and no such Receivable was subject to any Lien other than Permitted Liens, immediately prior to the transfer of the Conveyed Interest in such Receivable to Bank on such Transfer Date;

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- (c) Bank shall maintain its records in a manner to clearly and unambiguously reflect the ownership of Purchaser in the Conveyed Interests; and
 - (d) As of the applicable Transfer Date, with respect to each Conveyed Interest: (i) Bank has done nothing that would impair its enforceability of the related Receivable; and (ii) there is no limit on Bank's authority to sell a participation interest in the Receivable.

The representations and warranties set forth in this Section 6 shall survive the sale, transfer and assignment of the Requisite Percentage of Receivables to Purchaser pursuant to this Agreement.

7. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Bank, as of the Effective Date and the Amendment Date that:

- (a) Purchaser is corporation, duly organized and validly existing in good standing under the laws of the State of Delaware, and has full power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery, and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the limited liability company agreement of Purchaser and will not result in a material breach of or constitute a default under or require any consent under any indenture, loan, or agreement to which Purchaser is a party;
- (b) All approvals, authorizations, consents, and other actions by, notices to, and filings with any Person required to be obtained for the execution, delivery, and performance of this Agreement by Purchaser, have been obtained;
- (c) This Agreement constitutes a legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);
- (d) There are no proceedings or investigations pending or, to the best knowledge of Purchaser, threatened against Purchaser (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Purchaser pursuant to this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Purchaser, would materially and adversely affect the performance by Purchaser of its obligations under this Agreement or (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement;
- (e) Purchaser is not Insolvent; and
- (f) The execution, delivery and performance of this Agreement by Purchaser comply with Applicable Laws, except where any failure to comply would not reasonably be expected to have a Material Adverse Effect.

The representations and warranties set forth in this Section 7 shall survive the sale, transfer and assignment of the Requisite Percentage of Receivables to Purchaser pursuant to this Agreement.

8. Program Agreements and Policies.

- (a) Bank shall comply with and perform its obligations under the Program Agreements and the Cardholder Agreements relating to the Accounts and the Credit and Collection Policies except insofar as any failure to comply or perform would not materially or adversely affect the rights of Purchaser in, to and under the Conveyed Interests. Bank may change the terms and provisions of the Program Agreements, the Cardholder Agreements or the Credit and Collection Policies (including the reduction of the required minimum monthly payment, the calculation of the amount, or the timing, of charge offs and periodic finance charges and other fees assessed thereon), but subject to Section 8(b) and only if such change is made applicable to any comparable segment of the credit accounts owned and serviced by Bank which have characteristics the same as, or substantially similar to, the Accounts that are the subject of such change, except as otherwise restricted by an endorsement, sponsorship or other agreement between Bank and an unrelated third party or by the terms of the Program Agreement.
- (b) Except as otherwise required by any Requirement of Law, or as is deemed by Bank to be necessary in order for it to maintain its credit business in a safe, sound and competitive manner, based upon Bank's good faith assessment, in its sole discretion, of the nature of the competition in the credit business, Bank shall not at any time make any reduction in the periodic finance charges assessed on the Principal Receivables or other fees on the Accounts without the consent of Purchaser, which may be deemed given as described in the following sentence. Bank shall consult with Purchaser as necessary with respect to any such proposed reductions in periodic finance charges and other fees on the Accounts to allow Purchaser to assess whether Purchaser is obligated to withhold its consent pursuant to the Bank Participation Interest Sale Agreement or GEMB Lending Participation Interest Sale Agreement. If after such consultation, Purchaser does not promptly notify Bank that it objects to any proposed reduction, Purchaser shall be deemed to have consented to the proposed reduction.

9. Conditions Precedent to the Obligations of Purchaser. The obligations of Purchaser under this Agreement are subject to the satisfaction of the following conditions precedent on or prior to each Transfer Date:

- (a) As of each Transfer Date, no action or proceeding shall have been instituted or threatened against Purchaser or Bank to prevent or restrain the consummation of

the transactions contemplated hereby, and, on each Transfer Date, there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;

- (b) The representations and warranties of Bank set forth in Sections 5 and 6 shall be true and correct in all material respects on each Transfer Date as though made on and as of such date; and
- (c) The obligations of Bank set forth in this Agreement to be performed on or before each Transfer Date shall have been performed in all material respects as of such date by Bank.

10. Conditions Precedent to the Obligations of Bank. The obligations of Bank in this Agreement are subject to the satisfaction of the following conditions precedent on or prior to each Transfer Date:

- (a) As of each Transfer Date, no action or proceeding shall have been instituted or threatened against Purchaser or Bank to prevent or restrain the consummation of the purchase or other transactions contemplated hereby, and, on each Transfer Date, there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;
- (b) The representations and warranties of Purchaser set forth in Section 7 shall be true and correct in all material respects on each Transfer Date as though made on and as of such date; and
- (c) The obligations of Purchaser set forth in this Agreement to be performed on or before each Transfer Date shall have been performed in all material respects as of such date by Purchaser.

11. Compliance with the FDIC Rule.

- (a) Each of Purchaser and Bank acknowledges and agrees that the purpose of this Section 11 is to comply with the provisions of the FDIC Rule or FDIC Rule Interpretations.
- (b) Schedule 4 is expressly incorporated in this Agreement. Each of Bank and Purchaser agrees to perform their respective obligations set forth in Schedule 4.
- (c) In the event that Bank becomes the subject of an insolvency proceeding and the FDIC as receiver or conservator provides a written notice of repudiation as contemplated by paragraph (d)(4)(ii) of the FDIC Rule to Bank, Bank shall promptly deliver such notice to Purchaser, with a copy to the Issuer and the Indenture Trustee.

12. Term and Termination.

- (a) This Agreement shall have a term of five (5) years beginning on the Amendment Date hereof (the “Initial Term”) and shall renew automatically for successive terms of one (1) year each (each a “Renewal Term”) unless either Party provides notice of non-renewal to the other Party at least one hundred and eighty (180) days prior to the end of the Initial Term or any Renewal Term or this Agreement is earlier terminated in accordance with the provisions hereof. The Parties may by mutual consent agree to terminate this Agreement at any time with respect to all or any portion of the Accounts and Receivables.
- (b) A Party shall have the right to terminate this Agreement immediately upon written notice to the other Party in any of the following circumstances:
 - (1) any representation or warranty made by the other Party in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to such other Party;
 - (2) the other Party shall default in any payment obligation under this Agreement and such default shall continue after five (5) Business Days after written notice thereof has been given to such other Party;
 - (3) the other Party shall default in the performance of any material obligation or undertaking under this Agreement (other than as specified in clause (2) above) and such default shall continue for ninety (90) days after written notice thereof has been given to such other Party; or
 - (4) an Insolvency Event shall occur with respect to the other Party.
- (c) In addition to the foregoing termination rights, Bank may terminate this Agreement immediately if Bank is required to terminate this Agreement by the Office of Thrift Supervision, the Comptroller of the Currency or any other regulator with jurisdiction over the Bank.
- (d) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination.
- (e) Upon termination of this Agreement or if Bank otherwise becomes unable for any reason to transfer additional Conveyed Interests to Purchaser hereunder, then, in any such event, Bank agrees to transfer to Purchaser all Collections with respect to Conveyed Interests previously sold to Purchaser. To the extent that it is not clear to Bank whether such Collections related to a Principal Receivable in which a Conveyed Interest was previously sold to Purchaser, Bank agrees that it shall allocate Collections relating to any Account first to the oldest principal balance of such Account. Notwithstanding any cessation of the sale of Conveyed Interests to Purchaser hereunder, Conveyed Interests in Principal Receivables sold to Purchaser prior to cessation of sales hereunder and all Collections in respect thereof and the Requisite Percentage of all Finance Charge Receivables relating to Conveyed Interests previously sold to Purchaser and all Collections in respect thereof shall continue to be property of Purchaser.

13. Confidentiality.

- (a) Each Party agrees that Confidential Information of the other Party shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to this Agreement. Except as required by Applicable Laws or legal process, neither Party (the "Restricted Party") shall disclose Confidential Information of the other Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents or representatives for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents or representatives), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by and of its Affiliates, agents or representatives, (ii) to the Restricted Party's auditors, attorneys, accountants and other professional advisors, or to a Regulatory Authority with jurisdiction over such Restricted Party, (iii) in the case of Purchaser, to any financial institution or rating agency participating in the securitization of Financed Interests or (iv) to any other third party as mutually agreed by the Parties.
- (b) A Party's Confidential Information shall not include information that:
- (1) is generally available to the public;
 - (2) has become publicly known, without fault on the part of the Restricted Party subsequent to the Restricted Party acquiring the information;
 - (3) was otherwise known by, or available to, the Restricted Party on a non-confidential basis prior to entering into this Agreement; or
 - (4) becomes available to the Restricted Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Restricted Party after reasonable inquiry to be bound by a confidentiality agreement with the non-Restricted Party or otherwise prohibited from transmitting the information to the Restricted Party.
- (c) Upon written request or upon the termination of this Agreement, each Party shall return to the other Party all Confidential Information of the other Party in its possession that is in written form; provided, however, that either Party may maintain in its possession all such Confidential Information of the other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder.

- (d) In the event that a Restricted Party is requested or required by legal process to disclose any Confidential Information of the other Party, the Restricted Party will provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the other Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the other Party grants a waiver hereunder, the Restricted Party may furnish that portion of the Confidential Information of the other Party which the Restricted Party is legally compelled to disclose and will exercise such efforts to obtain reasonable assurance that confidential treatment will be accorded any Confidential Information of the other Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own confidential information.

14. Merchant Programs. The parties hereto may mutually agree to add Merchant Programs subject to this Agreement and, in accordance with the definition of "Merchant Programs," all cost centers related to the Bank's sales finance business line automatically shall be "Merchant Programs" as of the date the Bank enters into the related program agreement with the Merchant (or assumes such agreement by assignment). With respect to any Merchant Program automatically added as described in the preceding sentence, the parties hereto shall execute an Addendum in the form of Exhibit A hereto by the 15th Day following the last day of the month in which the related Merchant Programs became subject to this Agreement, and Schedule 2 shall automatically be updated to include those Merchant Programs described in Exhibit A to each such Addendum. The parties hereto agree that if any Accounts are designated for purchase by a Merchant pursuant to the terms of the related Program Agreement, the affected Accounts shall be removed as Accounts hereunder and the related Merchant Program shall cease to be a Merchant Program and shall be removed from Schedule 2 (such event, an "Involuntary Removal"). In connection with an Involuntary Removal, the Bank shall purchase from Purchaser, the Conveyed Interests relating to such removed Accounts for a purchase price equal to the fair market value of such Conveyed Interests as agreed upon by Buyer and Seller prior to such repurchase, and such purchase price shall be treated as Collections of such Participation Interests. In addition, Bank and Purchaser may mutually agree from time to time to remove Accounts from the operation of this Agreement and/or remove entire Merchant Programs and all related Accounts from the operation of this Agreement. In connection therewith, Bank and Purchaser shall execute a Removal Supplement. The Purchaser may, but shall not be required, to convey to the Bank or its designee the Conveyed Interests relating to the Removed Accounts. Any reassignment of the Conveyed Interests arising in Removed Accounts pursuant to this Section 14 shall be reassigned to the Bank for a purchase price equal to the fair market value of such Conveyed Interests as agreed upon by the Purchaser and the Bank prior to such reassignment, and such purchase price shall be treated as Collections of such Conveyed Interests. Notwithstanding anything to the contrary in this Section 14, no repurchase of Conveyed Interests pursuant to this Section 14 shall occur if the fair market value of the related Conveyed Interests is less than the aggregate of the Principal Amounts of the related Participation Interests plus the aggregate of the outstanding Finance Interests related thereto. Purchaser shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Bank to effect the conveyance of such Purchased Interests pursuant to this Section.

15. Assignment. This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the Parties and their respective successors, and permitted assigns. Neither Party shall be entitled to assign or transfer any rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided, however, that (A) either Party may assign this Agreement (i) to any affiliate or subsidiary without consent or (ii) in connection with any securitization by Bank or by Purchaser of all or any portion of its pro rata share of the Receivables and (B) Purchaser may grant a security interest in its rights under this Agreement in favor of GE Capital or one or more of its affiliates, in connection with debt financing provided by such persons to Purchaser or its subsidiaries. No assignment under this section shall relieve a Party of its obligations under this Agreement. Bank may use subcontractors in the performance of its obligations under this Agreement.

16. Third Party Beneficiaries. Nothing contained herein shall be construed as creating a third-party beneficiary relationship between either Party and any other Person.

17. Notices. All notices and other communications that are required or may be given in connection with this Agreement shall be in writing and shall be deemed received (i) on the day delivered, if delivered by hand; or (ii) three (3) Business Days after the date of mailing to the other Party, if mailed first-class mail postage prepaid, at the following address, or such other address as either Party shall specify in a notice to the other:

To Bank: GE Capital Retail Bank
170 Election Road, Suite 125
Draper, UT 84020
Attn: President
Telephone: (801) 816-4765
Facsimile: (801) 816-4770

To Purchaser: GEMB Lending Inc.
2995 Red Hill Avenue
Costa Mesa, CA 92626
Telephone: (651) 286-5044
Facsimile: (651) 286-5535

18. Relationship of Parties. Bank and Purchaser agree that in performing their obligations pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Bank and Purchaser.

19. Agreement Subject to Applicable Laws. If (a) either Party has been advised by legal counsel of a change in Applicable Laws or any judicial decision of a court having jurisdiction over a Party or any interpretation of a Regulatory Authority that, in the view of such legal counsel, would have a materially adverse effect on the rights or obligations of such Party under

this Agreement, (b) either Party shall receive a request of any Regulatory Authority having jurisdiction over such Party, including any letter or directive of any kind from any such Regulatory Authority, that prohibits or restricts such Party from carrying out its obligations under this Agreement, or (c) either Party has been advised by legal counsel that there is a material risk that such Party's or the other Party's continued performance under this Agreement would violate Applicable Laws, then the affected Party shall provide written notice to the other Party of such legal advice or request and the Parties shall meet and consider in good faith any modifications, changes or additions to this Agreement that may be necessary to eliminate such result. Notwithstanding any other provision of this Agreement, including Section 12 hereof, if the Parties are unable to reach agreement regarding such modifications, changes or additions to this Agreement within ten (10) Business Days after the Parties initially meet, either Party may terminate this Agreement upon five (5) days' prior written notice to the other Party.

20. Expenses. Each Party shall bear its own costs and expenses in performing its obligations under this Agreement. Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement.

21. Examination. Each Party agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over the other Party, during regular business hours and upon reasonable prior notice.

22. Inspection; Reports. Each Party, upon reasonable prior notice from the other Party, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to this Agreement, from time to time, during regular business hours subject, in the case of Bank, to the duty of confidentiality it owes to its customers and banking secrecy and confidentiality requirements otherwise applicable under Applicable Laws. All expenses of inspection shall be borne by the Party conducting the inspection.

23. Governing Law; Consent to Jurisdiction; Waiver of Jury Trial

(a) **THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.**

(b) **EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE**

BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE PURCHASER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE RECEIVABLES OR ANY SECURITY FOR THE OBLIGATIONS OF BANK ARISING HEREUNDER OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF PURCHASER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH SECTION 17 AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

- (c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

24. Brokers. Neither Party has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby that would give rise to any valid claim against the other Party for any brokerage commission or finder's fee or like payment.

25. Entire Agreement. This Agreement, including schedules and exhibits, constitutes the entire agreement between the Parties with respect to the subject matter thereof, and supersedes any prior or contemporaneous negotiations or oral or written agreements with regard to the same subject matter.

26. Amendment and Waiver. This Agreement may not be amended orally, but only by a written instrument signed by both Parties. The failure of any Party to require the performance of any term of this Agreement or the waiver by any Party of any default under this Agreement shall not prevent a subsequent enforcement of such term and shall not be deemed a waiver of any subsequent breach. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced.

27. Severability. Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

28. Drafting. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against either Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

29. Headings. Captions and headings in this Agreement are for convenience only and are not to be deemed part of this Agreement.

30. Counterparts. This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different Parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

31. Survival. Sections 11, 13, 23 and this Section 31 shall survive the expiration or earlier termination of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

GE CAPITAL RETAIL BANK

By: /s/ Michael Lagnese

Name: Michael Lagnese

Title: Senior Vice President Finance

GEMB LENDING INC.

By: /s/ Anthony Foster

Name: Anthony Foster

Title: Treasurer

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*Receivables Participation Agreement
GEMB Lending*

SCHEDULE 1

DEFINITIONS

All capitalized terms used in this Agreement shall have the following meanings:

- (a) “Account” shall mean (a) a Merchant Program Account or (b) an Acquired Account; provided that, notwithstanding anything to the contrary in this Agreement, to the extent the computer files of Bank identify any credit account as being a credit account in which the Conveyed Interests have been sold to Purchaser hereunder, such credit account will be considered an “Account” for purposes of this Agreement. A Removed Account shall cease to be an Account as of the related Removal Date.
- (b) “Acquired Account” shall mean (a) a credit account that has been acquired by Bank from GE Capital Financial Inc. pursuant to that certain Purchase and Sale Agreement, dated as of December 11, 2009, between Bank and GE Capital Financial Inc., and (b) a credit account the receivables of which were either (i) contributed to Bank from GE Consumer Finance Inc. pursuant to that certain Non-Cash Capital Contribution Agreement, dated as of December 30, 2008, between GE Consumer Finance Inc. and Bank or (ii) conveyed to Bank from Monogram Credit Services, LLC pursuant to that certain Purchase and Sale Agreement, dated as of December 30, 2008, between Monogram Credit Services, LLC and Bank.
- (c) “Affiliate” means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, or (c) each of such Person’s officers, directors, joint venturers and partners. For the purposes of this definition, “*control*” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.
- (d) “Agreement” has the meaning set forth in the introductory paragraph of this Agreement.
- (e) “Amendment Date” has the meaning set forth in the introductory paragraph of this Agreement.
- (f) “Applicable Laws” means all federal, state and local laws, statutes, regulations and orders applicable to a Party or relating to or affecting any aspect of this Agreement including all requirements of any Regulatory Authority having jurisdiction over a Party, as any such laws, statutes, regulations, orders and requirements may be amended and in effect from time to time during the term of this Agreement.

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- (g) “Bank Participation Interest Sale Agreement” shall mean (i) the Participation Interest Sale Agreement, dated as of March 30, 2007, between Bank and GEM Holding, L.L.C. and (ii) any other participation interest sale agreement entered into between the Bank and Transferor pursuant to which Bank sells Participation Interests to the Transferor.
- (h) “Business Day” means any day, other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of Utah are authorized or obligated by law or executive order to be closed.
- (i) “Cardholder” shall mean any person who has applied for and been issued a credit account (and any other person responsible for payment of amounts due on an Account) in connection with a Merchant Program.
- (j) “Cardholder Agreement” shall mean, with respect to any Account, the agreement between the Bank and a Cardholder establishing the terms of such Account.
- (k) “Charged-Off Receivable” means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectible in accordance with the Credit and Collection Policies.
- (l) “Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by a Cardholder on account of such Receivable during such period, including all in-store payments and all other fees and charges and (b) cash proceeds of Related Security with respect to such Receivable.
- (m) “Confidential Information” means the terms of this Agreement, and any proprietary information or non-public information of a Party, including a Party’s proprietary marketing plans and objectives, that is furnished to the other Party in connection with this Agreement.
- (n) “Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Cardholder and Bank, as such agreements may be amended, modified, or otherwise changed from time to time.
- (o) “Conveyed Interest” means each Participation Interest, together with the Requisite Percentage of the following: (a) the Related Security for the related Receivables; (b) all Collections with respect to the related Receivables (provided that the Conveyed Interest shall only include Recoveries allocated to the Conveyed Interests as described in the following sentence), (c) without limiting the generality of the foregoing or the following, all of Bank’s rights to receive payments from any Merchant on account of in-store payments and other amounts received by such Merchant in payment of such Receivables and (d) all proceeds of the foregoing. For administrative convenience, Recoveries, if any, will be allocated to the Conveyed Interests on a daily basis in an amount equal to the product of (i) the Sold Percentage and (ii) the amount of Recoveries received with respect to all Receivables.

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- (p) “Credit and Collection Policies” means the credit and collection policies adopted by the Bank as such policies and procedures may be amended from time to time.
- (q) “Effective Date” shall mean December 14, 2007.
- (r) “FDIC” shall mean the Federal Deposit Insurance Corporation or any successor agency.
- (s) “FDIC Rule” shall mean 12 C.F.R. §360.6, as such may be amended from time to time.
- (t) “FDIC Rule Interpretations” means clarifications and interpretations to the FDIC Rule as may be provided by the FDIC or by the FDIC’s staff from time to time.
- (u) “Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Bank using its then-current practices as in effect from time to time.
- (v) “Finance Document” shall mean, (i) the Participation Interest Sale Agreement, dated as of March 30, 2007, between Bank and GEM Holding, L.L.C., (ii) the Participation Interest Sale Agreement, dated as of July 15, 2008, between Purchaser and GEM Holding, L.L.C. and (iii) the Participation Interest Sale Agreement, dated as of February 29, 2012, between Purchaser and GE Sales Finance Holding, L.L.C.
- (w) “Financed Interests” shall mean any Retained Interest or Conveyed Interest sold to GEM Holding, L.L.C. or Transferor pursuant to a Finance Document.
- (x) “GEMB Lending Participation Interest Sale Agreements” shall mean (i) the Participation Interest Sale Agreement, dated as of July 15, 2008, between Purchaser and GEM Holding, L.L.C. and (ii) the Participation Interest Sale Agreement, dated as of February 29, 2012, between Purchaser and Transferor.
- (y) “Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.
- (z) “Indenture” means that certain Master Indenture, dated as of February 29, 2012, by and between Issuer and Indenture Trustee.

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- (aa) “Indenture Trustee” means Deutsche Bank Trust Company Americas, not in its individual capacity but solely as Indenture Trustee under the Indenture, or any successor Indenture Trustee.
- (bb) “Initial Term” shall have the meaning set forth in Section 12(a).
- (cc) “Insolvency Event” means, with respect to a specified Person: (a) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of such Person under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of such Person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of ninety (90) consecutive days; or (b) the commencement by such Person of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Person’s failure to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.
- (dd) “Insolvent” means the failure to pay debts in the ordinary course of business, the inability to pay its debts as they come due or the condition whereby the sum of an entity’s debts is greater than the sum of its assets.
- (ee) “Issuer” means GE Sales Finance Master Trust.
- (ff) “Lien” shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, participation or equity interest, deposit arrangement, encumbrance lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under UCC (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

- (gg) “Material Adverse Effect” means a material adverse effect on (a) the ability of Bank or Purchaser to perform any of its obligations under this Agreement in accordance with its terms, (b) the validity or enforceability of this Agreement and remedies of Bank or Purchaser hereunder or (c) the ownership interests or Liens of Bank or Purchaser with respect to the Conveyed Interests (or the underlying Receivables) or the priority of such interests or Liens.
- (hh) “Merchant” means any merchant, manufacturer, retailer, dealer or other provider of goods or services, or trade group, association or cooperative comprised of providers of goods or services that from time to time contracts with Bank (or whose contract with a third-party lender has been assigned to Bank) for the issuance of credit accounts for the financing of purchases of goods or services from such Person or third parties, as appropriate.
- (ii) “Merchant Program Account” shall mean a credit account established by, or acquired by, Bank in connection with the Merchant Programs.
- (jj) “Merchant Programs” means certain cost centers of the Bank associated with the private label and co-brand credit card programs and other programs established under agreements between Bank and Merchants or agreements with Merchants which have been assigned to Bank, which are listed on Schedule 2, as such Schedule may be updated from time to time in accordance with Section 14; provided that, unless otherwise specified by Bank, all cost centers related to the Bank’s sales finance business line shall be “Merchant Programs” as of the date of the Bank enters into the related program agreement with the Merchant (or assumes such agreement by assignment).
- (kk) “Participation Interest” means the Requisite Percentage of the following (without duplication): (i) with respect to the Accounts existing on the Effective Date, the Bank’s interest in the Receivables existing as of the close of business on the Effective Date, (ii) with respect to Merchant Program Accounts relating to Merchant Programs added to Schedule 2 pursuant to an Addendum to this Agreement or Acquired Accounts, the Bank’s interest in the Receivables as of the close of business on the “Effective Date” (as defined in the related Addendum) and (iii) with respect to each day on or after the Effective Date, the Bank’s interest in the Receivables created on such day.
- (ll) “Party” means either Purchaser or Bank and “Parties” means Purchaser and Bank.
- (mm) “Permitted Lien” shall mean with respect to the Receivables, (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, Purchaser.

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- (nn) “Person” means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity, or other entity of similar nature.
- (oo) “Principal Amount” means, with respect to any Principal Receivable, the Requisite Percentage of the outstanding balance of such Principal Receivable.
- (pp) “Principal Receivable” means each Receivable, other than a Finance Charge Receivable. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Bank using its then-current practices as in effect from time to time.
- (qq) “Pro Rata Share” means, with respect to Collections attributable to any Account, such Party’s proportional interest in such Collections equal to (i) in the case of Purchaser, the Requisite Percentage of such Collections and (ii) in the case of Bank, any Collections not allocated to Purchaser in accordance with this Agreement.
- (rr) “Program Agreement” means an agreement between the Bank and Merchant pursuant to which the Bank has established a private label or co-brand credit card program or other program with respect to credit accounts.
- (ss) “Purchase Price” means, with respect to any Conveyed Interest, the Requisite Percentage of the fair value of the related Receivables as agreed upon by Purchaser and Bank prior to the sale of such Conveyed Interest.
- (tt) “Receivable” shall refer to any and all amounts owing to Bank from time to time with respect to an Account whether or not billed, including any unpaid balance, finance charges and fees.
- (uu) “Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict transfer or pledge thereof) prepared and maintained by Bank, any servicer, or any sub-servicer with respect to the Receivables and the Cardholders thereunder.
- (vv) “Recoveries” means, with respect to any Receivable: (a) Collections of such Receivable received after such Receivable was charged off as uncollectible but before any sale or other disposition of such Receivable after charge off; and (b) any proceeds from such a sale or other disposition of such a Charged-Off Receivable, which in the case of clause (b) shall be allocated to the Charged-Off Receivables in each Merchant Program on a pro rata basis based on the amount of Charged-Off Receivables from such Merchant Program included in such sale or other disposition, and in each of clauses (a) and (b) net of expenses of recovery.

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- (ww) “Regulatory Authority” means any federal, state or local regulatory agency or other governmental agency or authority having jurisdiction over a Party and, in the case of Bank, shall include the Office of Thrift Supervision.
- (xx) “Related Security” means with respect to any Receivable: (a) all of Bank’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Cardholder Agreement related to such Receivable or otherwise and (c) all Records relating to such Receivable.
- (yy) “Removal Date” means, with respect to any Removed Account, the date designated as such pursuant to the related Removal Supplement.
- (zz) “Removal Supplement” means a supplement in the form of Exhibit B hereto pursuant to which Accounts are designated as Removed Accounts.
- (aaa) “Removed Accounts” means an Account identified as a “Removed Account” pursuant to a Removal Supplement.
- (bbb) “Renewal Term” shall have the meaning set forth in Section 12(a).
- (ccc) “Requirements of Law” means, as to any Person, the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether federal, state or local.
- (ddd) “Requisite Percentage” shall mean 95%.
- (eee) “Restricted Party” shall have the meaning set forth in Section 13(a).
- (fff) “Retained Interest” shall mean, with respect to any Receivable, the interest of Bank not sold to Purchaser under this Agreement.
- (ggg) “Settlement Date” shall mean each Business Day during the term hereof.
- (hhh) “Sold Percentage” means, at any time, a fraction, expressed as a percentage, (a) the numerator of which is equal to the Requisite Percentage of the outstanding principal balance of all Principal Receivables in which Conveyed Interests have been sold hereunder and (b) the denominator of which is equal to the aggregate principal amount of all Principal Receivables.
- (iii) “Transfer Date” means a date on which Purchaser acquires a Conveyed Interest from Bank pursuant to Section 2.1.
- (jjj) “Transferor” means GE Sales Finance Holding, L.L.C.

SCHEDULE 2

Merchant Programs

Merchant Program	Date Added	Account Balance	Purchase Price
CE09 AVB Buying Group	12/1/2007	\$ 179,613,317.67	\$ 179,613,317.67
CE10 Nationwide Buying Group	12/1/2007	\$ 192,365,159.79	\$ 192,365,159.79
CFA9 ROOMS TO GO-FDR	12/1/2007	\$ 304,209,591.89	\$ 304,209,591.89
CFB2 Ethan Allen-FDR	12/1/2007	\$ 284,144,642.16	\$ 284,144,642.16
CLNX Lennox	12/1/2007	\$ 191,547,315.03	\$ 191,547,315.03
CPJC Projectline Consumer	12/1/2007	\$ 523,560,710.40	\$ 523,560,710.40
CSEL Select Comfort	12/1/2007	\$ 321,608,551.06	\$ 321,608,551.06
CAQC Aquavantage	1/1/2008	\$ 141,706,393.83	\$ 141,706,393.83
CC04 Mohawk	1/1/2008	\$ 293,777,470.37	\$ 293,777,470.37
CC12 Empire	1/1/2008	\$ 413,766,913.60	\$ 413,766,913.60
CCLC Climate Select Consumer	1/1/2008	\$ 119,768,638.93	\$ 119,768,638.93
CF93 Sam Levitz	1/1/2008	\$ 54,925,338.66	\$ 54,925,338.66
CF94 Baers	1/1/2008	\$ 25,471,166.96	\$ 25,471,166.96
CF95 Home Design Strategic	1/1/2008	\$ 76,240,106.27	\$ 76,240,106.27
CFA2 Basset Furniture	1/1/2008	\$ 206,103,535.52	\$ 206,103,535.52
CFA4 City Furniture	1/1/2008	\$ 123,052,142.72	\$ 123,052,142.72
CFA8 Home Design	1/1/2008	\$ 259,946,645.39	\$ 259,946,645.39
CFCD Furniture Merchant Bank Card	1/1/2008	\$ 231,933.34	\$ 231,933.34
CMTC MTD Consumer	1/1/2008	\$ 150,235,796.45	\$ 150,235,796.45
C517 Receivables - Specific Balances for N53	3/1/2008	\$ 0.00	\$ 0.00
C518 Receivables - Specific Reserves Part to N53	9/1/2008	\$ 0.00	\$ 0.00
CE06 Sony	9/1/2008	\$ 0.00	\$ 0.00
CAAA Auto Accessories New	10/1/2008	\$ 0.00	\$ 0.00
CAAC American Car Care New	10/1/2008	\$ 0.00	\$ 0.00
CACD CC1 - Dealers New	10/1/2008	\$ 0.00	\$ 0.00
CADT Discount Tire New	10/1/2008	\$ 0.00	\$ 0.00
CAFD Ford New	10/1/2008	\$ 0.00	\$ 0.00
CAPB Pep Boys New	10/1/2008	\$ 0.00	\$ 0.00
CATN CC1 - TANA New	10/1/2008	\$ 0.00	\$ 0.00
CAVB CAVB - AVB Buying Group	10/1/2008	\$ 0.00	\$ 0.00
CCAU CCAU - Care Credit Audio	10/1/2008	\$ 0.00	\$ 0.00
CCBA Beaulieu of America New	10/1/2008	\$ 0.00	\$ 0.00
CCCH CCCH - Care Credit Chiro	10/1/2008	\$ 0.00	\$ 0.00
CCCO CCCO - Care Credit Cosmetic	10/1/2008	\$ 0.00	\$ 0.00
CCCP Carpets Plus New	10/1/2008	\$ 0.00	\$ 0.00

CCDE CCDE - Care Credit Dental	10/1/2008	\$0.00	\$0.00
CCOT CCOT - Care Credit Other	10/1/2008	\$0.00	\$0.00
CCPF Preferred Flooring New	10/1/2008	\$0.00	\$0.00
CCSH Shaw - FDR New	10/1/2008	\$0.00	\$0.00
CCVE CCVE - Care Credit Vet	10/1/2008	\$0.00	\$0.00
CCVI CCVI - Care Credit Vision	10/1/2008	\$0.00	\$0.00
CCWE CCWE - Care Credit Weigh	10/1/2008	\$0.00	\$0.00
CEAB ABT TV New	10/1/2008	\$0.00	\$0.00
CEBB Best Brands Plus New	10/1/2008	\$0.00	\$0.00
CEBR Bernies New	10/1/2008	\$0.00	\$0.00
CEBT Brandsmart PLCC New	10/1/2008	\$0.00	\$0.00
CEGF Electronics Misc New	10/1/2008	\$0.00	\$0.00
CEGR GECAF Regionals New	10/1/2008	\$0.00	\$0.00
CEHH CEHH - HH Gregg	10/1/2008	\$0.00	\$0.00
CEPC CEPC - PC Richards	10/1/2008	\$0.00	\$0.00
CEPG ProGroup New	10/1/2008	\$0.00	\$0.00
CERC Ritz Camera-FDR New	10/1/2008	\$0.00	\$0.00
CETW Tweeter New	10/1/2008	\$0.00	\$0.00
CEUL Ultimate New	10/1/2008	\$0.00	\$0.00
CEVD Video Only New	10/1/2008	\$0.00	\$0.00
CFAK Arkansas Furniture New	10/1/2008	\$0.00	\$0.00
CFBR Broyhill Furniture New	10/1/2008	\$0.00	\$0.00
CFBY Boyles Furniture New	10/1/2008	\$0.00	\$0.00
CFDH Drexel Heritage Furniture New	10/1/2008	\$0.00	\$0.00
CFFN Finger Furniture-FDR New	10/1/2008	\$0.00	\$0.00
CFHM Home Misc New	10/1/2008	\$0.00	\$0.00
CFHN Henredon Furniture Industries New	10/1/2008	\$0.00	\$0.00
CFIT Interiors New	10/1/2008	\$0.00	\$0.00
CFKN Kincaid Home Furnishing New	10/1/2008	\$0.00	\$0.00
CFLN Lane Furniture-FDR New	10/1/2008	\$0.00	\$0.00
CFLX Luxury Home New	10/1/2008	\$0.00	\$0.00
CFLZ Lazboy - US New	10/1/2008	\$0.00	\$0.00
CFMF Morris Furniture New	10/1/2008	\$0.00	\$0.00
CFMT Mattress Firm New	10/1/2008	\$0.00	\$0.00
CFNW Norwalk Furniture-FDR New	10/1/2008	\$0.00	\$0.00
CFSL Sleepy's New	10/1/2008	\$0.00	\$0.00
CFST Steinhafels New	10/1/2008	\$0.00	\$0.00
CFTH Thomasville-FDR New	10/1/2008	\$0.00	\$0.00
CJCR Cartier New	10/1/2008	\$0.00	\$0.00
CJJE CJJE - Jewelry Express	10/1/2008	\$0.00	\$0.00
CJLS Luxury Specialty New	10/1/2008	\$0.00	\$0.00
CJLX Luxury Jewelry Group New	10/1/2008	\$0.00	\$0.00
CJTR Tourneau New	10/1/2008	\$0.00	\$0.00
CJUU Ultra Jewelry-FDR New	10/1/2008	\$0.00	\$0.00
CLCT Cutting Edge Consumer New	10/1/2008	\$0.00	\$0.00
CLHQ Husqvarna New	10/1/2008	\$0.00	\$0.00
CLIR Ingersoll Rand New	10/1/2008	\$0.00	\$0.00
CLPW Park West New	10/1/2008	\$0.00	\$0.00

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CLTR Toro Revolving New	10/1/2008	\$	0.00	\$	0.00
CMAR CMAR - Marta Buying Group	10/1/2008	\$	0.00	\$	0.00
CMED Education Industry Miscellaneous New	10/1/2008	\$	0.00	\$	0.00
CMMU Music-FDR New	10/1/2008	\$	0.00	\$	0.00
CMSP Sporting Goods Industry New	10/1/2008	\$	0.00	\$	0.00
CMSR Serenity New	10/1/2008	\$	0.00	\$	0.00
CMTR Travel Industry Miscellaneous New	10/1/2008	\$	0.00	\$	0.00
CPBR BRPRS - REV New	10/1/2008	\$	0.00	\$	0.00
CPFN Funancing New	10/1/2008	\$	0.00	\$	0.00
CPHN Honda New	10/1/2008	\$	0.00	\$	0.00
CREF RefineDesign New	10/1/2008	\$	0.00	\$	0.00
CSAC Ace Hardware Consumer New	10/1/2008	\$	0.00	\$	0.00
CSAN Andersons Consumer New	10/1/2008	\$	0.00	\$	0.00
CSBP Bass Pro Receivables New	10/1/2008	\$	0.00	\$	0.00
CSBR Bernina-FDR New	10/1/2008	\$	0.00	\$	0.00
CSCT Carter Consumer New	10/1/2008	\$	0.00	\$	0.00
CSCY McCoys Consumer New	10/1/2008	\$	0.00	\$	0.00
CSDS Dicks Sport Consumer New	10/1/2008	\$	0.00	\$	0.00
CSFM Farm & Home New	10/1/2008	\$	0.00	\$	0.00
CSGR Grossmans Consumer New	10/1/2008	\$	0.00	\$	0.00
CSHS Home Source BRC New	10/1/2008	\$	0.00	\$	0.00
CSLM Lumber Consumer New	10/1/2008	\$	0.00	\$	0.00
CSLN Lenscrafters New	10/1/2008	\$	0.00	\$	0.00
CSMF Mills Fleet PLCC New	10/1/2008	\$	0.00	\$	0.00
CSPR Preferred Customer New	10/1/2008	\$	0.00	\$	0.00
CSPV Pearle Vision New	10/1/2008	\$	0.00	\$	0.00
CSSK S&K Menswear New	10/1/2008	\$	0.00	\$	0.00
CSST Sutherlands Consumer New	10/1/2008	\$	0.00	\$	0.00
CSSY Syms Consumer New	10/1/2008	\$	0.00	\$	0.00
CSWC WCI New	10/1/2008	\$	0.00	\$	0.00
CSWM World Market New	10/1/2008	\$	0.00	\$	0.00
CFF1 Furniture First	12/1/2008	\$	0.00	\$	0.00
CFMP Funancing Motorcycle Prime	12/1/2008	\$	0.00	\$	0.00
CFTP Funancing Trailer Prime	12/1/2008	\$	0.00	\$	0.00
CHHN HI Non-Lien Prime	12/1/2008	\$	124,379,307.85	\$	124,379,307.85
CLMT MTD Installment Prime	12/1/2008	\$	12,060,898.14	\$	12,060,898.14
CMMI Music - Installment Prime	12/1/2008	\$	25,058,436.20	\$	25,058,436.20
CPAP Powersports Misc Closed End Prime	12/1/2008	\$	11,290,118.74	\$	11,290,118.74
CPAR Arctic Cat Installment Prime	12/1/2008	\$	5,568,781.26	\$	5,568,781.26
CPBB BRPRS - Inst Prime	12/1/2008	\$	185,078,603.99	\$	185,078,603.99
CPBC Bombardier-Ohio Prime	12/1/2008	\$	29,362,163.81	\$	29,362,163.81
CPCE CI Receivable Prime	12/1/2008	\$	829,232,233.43	\$	829,232,233.43
CPDU Ducati - Closed End-Vision Plus Prime	12/1/2008	\$	24,956,225.76	\$	24,956,225.76
CPFD Financing Decision Plus Installment Prime	12/1/2008	\$	28,580.10	\$	28,580.10

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CPIR Ingersoll Rand - Installment Prime	12/1/2008	\$ 3,535,135.41	\$ 3,535,135.41
CPKI Kioti - Installment Prime	12/1/2008	\$ 2,596,645.09	\$ 2,596,645.09
CPPO Polaris - Inst Prime	12/1/2008	\$ 341,592,079.79	\$ 341,592,079.79
CPTR Triumph-Ohio Prime	12/1/2008	\$ 21,299,752.69	\$ 21,299,752.69
CPYM Yamaha Prime	12/1/2008	\$ 493,109,821.10	\$ 493,109,821.10
CEXN Exmark Installment	3/31/2009	\$ 0.00	\$ 0.00
CHHI Secured Prime	3/31/2009	\$ 0.00	\$ 0.00
CTRN Toro Installment	3/31/2009	\$ 0.00	\$ 0.00
CZUK Suzuki	3/31/2009	\$ 0.00	\$ 0.00
CABW ABC Warehouse	6/30/2009	\$ 0.00	\$ 0.00
CART Art Van Furniture	6/30/2009	\$ 0.00	\$ 0.00
CPT3 Triumph Revolving New	6/30/2009	\$ 0.00	\$ 0.00
CWHF WHFA	6/30/2009	\$ 0.00	\$ 0.00
CLMB Lumber Liquidators	9/1/2009	\$ 0.00	\$ 0.00
CTRE Toro Revolving NB	9/1/2009	\$ 0.00	\$ 0.00
CFLS Living Spaces	12/1/2009	\$ 0.00	\$ 0.00
C821 Lowes BRC	12/1/2009	\$ 311,649,806.25	\$ 311,649,806.25
C874 Lowes/Eagle	12/1/2009	\$ 8,435,221.99	\$ 8,435,221.99
C82N Lowes BRC - LQA contra	12/1/2009	\$ 0.00	\$ 0.00
C94R Sam's BRC	12/1/2009	\$ 221,607,463.39	\$ 221,607,463.39
C94T Sams BRC - LQA Contra	12/2/2009	\$ 0.00	\$ 0.00
CG9D Sams Comm'l Dual Card	12/1/2009	\$ 418,334,512.96	\$ 418,334,512.96
CH15 Sams CML DC - LQA contra	12/1/2009	\$ 0.00	\$ 0.00
C13Y Wal-Mart BRC	12/1/2009	\$ 12,078,746.06	\$ 12,078,746.06
C13W Wal-Mart BRC - LQA Contra	12/1/2009	\$ 0.00	\$ 0.00
C81Q Lowes CML Prox	12/1/2009	\$ 68,825,059.73	\$ 68,825,059.73
C82L Lowes BRC Participation Portfolio	12/1/2009	\$ 53,599,308.76	\$ 53,599,308.76
CFLV Levin Furniture	1/1/2010	\$ 0.00	\$ 0.00
CDHN Dixie Homecrafters New	3/1/2010	\$ 0.00	\$ 0.00
CON1-CONNS Electronics	3/1/2010	\$ 0.00	\$ 0.00
CP11 Electronics Installment	3/1/2010	\$ 0.00	\$ 0.00
CAMN American Exteriors Consumer New	4/1/2010	\$ 0.00	\$ 0.00
CBRN Bryant New	4/1/2010	\$ 0.00	\$ 0.00
CCST Snapper Contractor	4/1/2010	\$ 0.00	\$ 0.00
CE15 Magnolia Hi-Fi	4/1/2010	\$ 0.00	\$ 0.00
CGIN EGIA new	4/1/2010	\$ 0.00	\$ 0.00
CKDN K Designers New	4/1/2010	\$ 0.00	\$ 0.00
CRBN Renewal by Andersen	4/1/2010	\$ 0.00	\$ 0.00
CRMN Rheem New	4/1/2010	\$ 0.00	\$ 0.00
CTHN Thermal Industries New	4/1/2010	\$ 0.00	\$ 0.00

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CWIN US Windows New	4/1/2010	\$	0.00	\$	0.00
CHIN Improvement Solutions New	5/1/2010	\$	0.00	\$	0.00
CJ05 Jewelry Miscellaneous	5/1/2010	\$	0.00	\$	0.00
CNDN Nordyne New	5/1/2010	\$	0.00	\$	0.00
CCCA CCC US	6/1/2010	\$	0.00	\$	0.00
CNTL Nautilus	6/1/2010	\$	0.00	\$	0.00
CM1D Mills Fleet Dual Card	7/1/2010	\$	0.00	\$	0.00
CFA0 Furniture Miscellaneous	7/1/2010	\$	0.00	\$	0.00
CDSN Dicks Sporting Goods Consumer New RCF	7/1/2010	\$	0.00	\$	0.00
CHMF HOM Furniture	9/25/2010	\$	0.00	\$	0.00
C519 Portfolio Purchase - Project BEAR	10/5/2010	\$	1,415,532,857.65	\$	1,415,532,857.65
CKAW Kawasaki	10/13/2010	\$	0.00	\$	0.00
CH03 Wolohan	10/31/2010	\$	0.00	\$	0.00
CHFO NHFA Originations	10/31/2010	\$	0.00	\$	0.00
CAIO AIMM Originations	11/28/2010	\$	0.00	\$	0.00
CCEO CEA Originations	11/28/2010	\$	0.00	\$	0.00
CNBO Nationwide Brand Direct Originations	11/28/2010	\$	0.00	\$	0.00
CCOO Cornerstone Best Brands Plus Originations	11/28/2010	\$	0.00	\$	0.00
CC00 Floor Covering Misc	11/28/2010	\$	0.00	\$	0.00
CSCO Smart Carpet Originations	11/28/2010	\$	0.00	\$	0.00
CSHO Shaw Originations	11/28/2010	\$	0.00	\$	0.00
CFSO HD Strategic Originations	11/28/2010	\$	0.00	\$	0.00
CBSO Big Sandy Furniture Originations	11/28/2010	\$	0.00	\$	0.00
CCGO Generic HVAC Originations	11/28/2010	\$	0.00	\$	0.00
CHFO NHFA Originations	11/28/2010	\$	0.00	\$	0.00
CSPO Sporting Goods Originations	12/31/2010	\$	0.00	\$	0.00
CBLN Blains	12/31/2010	\$	0.00	\$	0.00
CASP Ashley Citi Purchase	1/11/2011	\$	530324019.18	\$	530324019.18
CAIP AIMM Citi Purchase	1/31/2011	\$	0.00	\$	0.00
CANP NAPA Auto Parts	1/31/2011	\$	0.00	\$	0.00
CAQO Generic Spa Originations	1/31/2011	\$	0.00	\$	0.00
CAQP Generic Spa Citi Purchase	1/31/2011	\$	0.00	\$	0.00
CASO Ashley Originations	1/31/2011	\$	0.00	\$	0.00
CASP Ashley Citi Purchase	1/31/2011	\$	0.00	\$	0.00

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CBLQ Bear Citi Liquidating	1/31/2011	\$0.00	\$0.00
Cbsp Big Sandy Furniture Citi Purchase	1/31/2011	\$0.00	\$0.00
CCCB CCA US Citi Purchase	1/31/2011	\$0.00	\$0.00
CCEP CEA Citi Purchase	1/31/2011	\$0.00	\$0.00
CCGP Generic HVAC Citi Purchase	1/31/2011	\$0.00	\$0.00
CCOP Cornerstone Best Brands Plus Citi Purchase	1/31/2011	\$0.00	\$0.00
CCRO Carrier Originations	1/31/2011	\$0.00	\$0.00
CCRP Carrier Citi Purchase	1/31/2011	\$0.00	\$0.00
CFAO Misc Dealer Originations	1/31/2011	\$0.00	\$0.00
CFAP Misc Dealer Citi Purchase	1/31/2011	\$0.00	\$0.00
CFSP HD Strategic Citi Purchase	1/31/2011	\$0.00	\$0.00
CGFO Generic Flooring Originations	1/31/2011	\$0.00	\$0.00
CGFP Generic Flooring Citi Purchase	1/31/2011	\$0.00	\$0.00
CHAO Havertys Furniture Originations	1/31/2011	\$0.00	\$0.00
CHAP Havertys Furniture Citi Purchase	1/31/2011	\$0.00	\$0.00
CHBO Home Source Originations	1/31/2011	\$0.00	\$0.00
CHBP Home Source Citi Purchase	1/31/2011	\$0.00	\$0.00
CHFP NHFA Citi Purchase	1/31/2011	\$0.00	\$0.00
CHMB HOM BEAR PURCHASED	1/31/2011	\$0.00	\$0.00
CNBP Nationwide Brand Direct Citi Purchase	1/31/2011	\$0.00	\$0.00
COEM Retail OEM	1/31/2011	\$0.00	\$0.00
CSCP Smart Carpet Citi Purchase	1/31/2011	\$0.00	\$0.00
CSHP Shaw Citi Purchase	1/31/2011	\$0.00	\$0.00
CSLO Sleep Train Originations	1/31/2011	\$0.00	\$0.00
CSLP Sleep Train Citi Purchase	1/31/2011	\$0.00	\$0.00
CSPP Sporting Goods Citi Purchase	1/31/2011	\$0.00	\$0.00
CVBO Vaughn Bassett Originations	1/31/2011	\$0.00	\$0.00
CVBP Vaughn Bassett Purchase	1/31/2011	\$0.00	\$0.00
CWHO WHFA Originations	1/31/2011	\$0.00	\$0.00
CWHP WHFA Citi Purchase	1/31/2011	\$0.00	\$0.00
CBOS Bose Electronics	3/31/2011	\$0.00	\$0.00
CHMF HOM Furniture	9/25/2010	\$0.00	\$0.00
C519 Portfolio Purchase - Project BEAR	10/5/2010	\$0.00	\$0.00
CKAW Kawasaki	10/13/2010	\$0.00	\$0.00
CH03 Wolohan	10/31/2010	\$0.00	\$0.00
CHFO NHFA Originations	10/31/2010	\$0.00	\$0.00
CAIO AIMM Originations	11/28/2010	\$0.00	\$0.00
CCEO CEA Originations	11/28/2010	\$0.00	\$0.00
CNBO Nationwide Brand Direct Originations	11/28/2010	\$0.00	\$0.00
CCOO Cornerstone Best Brands Plus Originations	11/28/2010	\$0.00	\$0.00
CC00 Floor Covering Misc	11/28/2010	\$0.00	\$0.00

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CSCO Smart Carpet Originations	11/28/2010	\$0.00	\$0.00
CSHO Shaw Originations	11/28/2010	\$0.00	\$0.00
CFSO HD Strategic Originations	11/28/2010	\$0.00	\$0.00
CBSO Big Sandy Furniture Originations	11/28/2010	\$0.00	\$0.00
CCGO Generic HVAC Originations	11/28/2010	\$0.00	\$0.00
CHFO NHFA Originations	11/28/2010	\$0.00	\$0.00
CSPO Sporting Goods Originations	12/31/2010	\$0.00	\$0.00
CBLN Blains	12/31/2010	\$0.00	\$0.00
CAIP AIMM Citi Purchase	1/31/2011	\$0.00	\$0.00
CANP NAPA Auto Parts	1/31/2011	\$0.00	\$0.00
CAQO Generic Spa Originations	1/31/2011	\$0.00	\$0.00
CAQP Generic Spa Citi Purchase	1/31/2011	\$0.00	\$0.00
CASO Ashley Originations	1/31/2011	\$0.00	\$0.00
CASP Ashley Citi Purchase	1/31/2011	\$0.00	\$0.00
CBLQ Bear Citi Liquidating	1/31/2011	\$0.00	\$0.00
CBSP Big Sandy Furniture Citi Purchase	1/31/2011	\$0.00	\$0.00
CCCB CCA US Citi Purchase	1/31/2011	\$0.00	\$0.00
CCEP CEA Citi Purchase	1/31/2011	\$0.00	\$0.00
CCGP Generic HVAC Citi Purchase	1/31/2011	\$0.00	\$0.00
CCOP Cornerstone Best Brands Plus Citi Purchase	1/31/2011	\$0.00	\$0.00
CCRO Carrier Originations	1/31/2011	\$0.00	\$0.00
CCRP Carrier Citi Purchase	1/31/2011	\$0.00	\$0.00
CFAO Misc Dealer Originations	1/31/2011	\$0.00	\$0.00
CFAP Misc Dealer Citi Purchase	1/31/2011	\$0.00	\$0.00
CFSP HD Strategic Citi Purchase	1/31/2011	\$0.00	\$0.00
CGFO Generic Flooring Originations	1/31/2011	\$0.00	\$0.00
CGFP Generic Flooring Citi Purchase	1/31/2011	\$0.00	\$0.00
CHAO Havertys Furniture Originations	1/31/2011	\$0.00	\$0.00
CHAP Havertys Furniture Citi Purchase	1/31/2011	\$0.00	\$0.00
CHBO Home Source Originations	1/31/2011	\$0.00	\$0.00
CHBP Home Source Citi Purchase	1/31/2011	\$0.00	\$0.00
CHFP NHFA Citi Purchase	1/31/2011	\$0.00	\$0.00
CHMB HOM BEAR PURCHASED	1/31/2011	\$0.00	\$0.00
CNBP Nationwide Brand Direct Citi Purchase	1/31/2011	\$0.00	\$0.00
COEM Retail OEM	1/31/2011	\$0.00	\$0.00
CSCP Smart Carpet Citi Purchase	1/31/2011	\$0.00	\$0.00
CSHP Shaw Citi Purchase	1/31/2011	\$0.00	\$0.00
CSLO Sleep Train Originations	1/31/2011	\$0.00	\$0.00
CSLP Sleep Train Citi Purchase	1/31/2011	\$0.00	\$0.00
CSPP Sporting Goods Citi Purchase	1/31/2011	\$0.00	\$0.00
CVBO Vaughn Bassett Originations	1/31/2011	\$0.00	\$0.00

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CVBP Vaughn Bassett Purchase	1/31/2011	\$0.00	\$0.00
CWHO WHFA Originations	1/31/2011	\$0.00	\$0.00
CWHP WHFA Citi Purchase	1/31/2011	\$0.00	\$0.00
CBOS Bose Electronics	3/31/2011	\$0.00	\$0.00
CANW Andersen Window	5/31/2011	\$0.00	\$0.00

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SCHEDULE 3

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$179,613,317.67 and a purchase price of \$179,613,317.67.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$192,365,159.79 and a purchase price of \$192,365,159.79.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$304,209,591.89 and a purchase price of \$304,209,591.89.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$284,144,642.16 and a purchase price of \$284,144,642.16.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$191,547,315.03 and a purchase price of \$191,547,315.03.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$523,560,710.40 and a purchase price of \$523,560,710.40.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2007. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$321,608,551.06 and a purchase price of \$321,608,551.06.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$141,706,393.83 and a purchase price of \$141,706,393.83.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$293,777,470.37 and a purchase price of \$293,777,470.37.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$413,766,913.60 and a purchase price of \$413,766,913.60.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$119,768,638.93 and a purchase price of \$119,768,638.93.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$54,925,338.66 and a purchase price of \$54,925,338.66.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$25,471,166.96 and a purchase price of \$25,471,166.96.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$76,240,106.27 and a purchase price of \$76,240,106.27.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$206,103,535.52 and a purchase price of \$206,103,535.52.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$123,052,142.72 and a purchase price of \$123,052,142.72.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$259,946,645.39 and a purchase price of \$259,946,645.39.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$231,933.34 and a purchase price of \$231,933.34.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of January 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$150,235,796.45 and a purchase price of \$150,235,796.45.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$124,379,307.85 and a purchase price of \$124,379,307.85.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$12,060,898.14 and a purchase price of \$12,060,898.14.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$25,058,436.20 and a purchase price of \$25,058,436.20.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$11,290,118.74 and a purchase price of \$11,290,118.74.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$5,568,781.26 and a purchase price of \$5,568,781.26.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$185,078,603.99 and a purchase price of \$185,078,603.99.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$29,362,163.81 and a purchase price of \$29,362,163.81.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$829,232,233.43 and a purchase price of \$829,232,233.43.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$24,956,225.76 and a purchase price of \$24,956,225.76.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$28,580.10 and a purchase price of \$28,580.10.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$3,535,135.41 and a purchase price of \$3,535,135.41.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$2,596,645.09 and a purchase price of \$2,596,645.09.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$341,592,079.79 and a purchase price of \$341,592,079.79.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$21,299,752.69 and a purchase price of \$21,299,752.69.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2008. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$493,109,821.10 and a purchase price of \$493,109,821.10.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$311,649,806.25 and a purchase price of \$311,649,806.25.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$8,435,221.99 and a purchase price of \$8,435,221.99.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$221,607,463.39 and a purchase price of \$221,607,463.39.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$418,334,512.96 and a purchase price of \$418,334,512.96.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$12,078,746.06 and a purchase price of \$12,078,746.06.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$68,825,059.73 and a purchase price of \$68,825,059.73.

Conveyed Interests in the Acquired Accounts as described on an electronic file delivered by Bank to Purchaser and were sold to Purchaser as of December 1, 2009. As of the date of transfer, such Conveyed Interests had an aggregate principal balance of \$53,599,308.76 and a purchase price of \$53,599,308.76.

Schedule 3-5

SCHEDULE 4

As required by the FDIC Rule:

(a) As used in this Schedule, references to (i) “sponsor” shall mean GE Capital Retail Bank, (ii) “issuing entity” shall have the meaning specified in the FDIC Rule and, for purposes of clause (b) shall mean, collectively, the Transferor, the Issuer and each other transferee of the financial assets, including the Purchaser, (iii) “servicer” shall mean the Servicer and each other “servicer” of the financial assets within the meaning of the FDIC Rule, (iv) “obligations” or “securitization obligations” shall mean the Notes, and (v) “financial assets” and “securitized financial assets” shall mean the Transferred Assets as defined in the Indenture (except in clause (c) of this Schedule, where such term shall have the meaning specified in the FDIC Rule).

(b) While obligations are outstanding, the issuing entity shall provide to investors information with respect to the credit performance of the obligations and the financial assets, including periodic and cumulative financial asset performance data, delinquency and modification data for the financial assets, substitutions and removal of financial assets, servicer advances, as well as losses that were allocated to such tranche and remaining balance of financial assets supporting such tranche, if applicable, and the percentage of each tranche in relation to the securitization as a whole.

(c) The sponsor shall separately identify in its financial asset databases the financial assets transferred into any securitization and shall maintain an electronic or paper copy of the closing documents for each securitization in a readily accessible form, and a current list of all of its outstanding securitizations and issuing entities, and the most recent Form 10-K, if applicable, or other periodic financial report for each securitization and issuing entity. The sponsor shall make these records readily available for review by the FDIC promptly upon written request.

(d) Prior to the effective date of regulations required under Section 15G of the Securities Exchange Act, 15 U.S.C. 78aet seq., added by Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such regulations, the “Section 941 Rules” and such date, the “Section 941 Effective Date”), the sponsor shall retain an economic interest in a material portion, defined as not less than five (5) percent, of the credit risk of the financial assets. This retained interest may be either in the form of an interest of not less than five (5) percent in each of the credit tranches sold or transferred to the investors or in a representative sample of the securitized financial assets equal to not less than five (5) percent of the principal amount of the financial assets at transfer. This retained interest may not be sold or pledged or hedged, except for the hedging of interest rate or currency risk, during the term of the securitization. With respect to any obligation issued after the Section 941 Effective Date, the Section 941 Rules shall exclusively govern the requirement to retain an economic interest in a portion of the credit risk of the financial assets and the sponsor agrees to comply with the Section 941 Rules with respect to any obligations subject to the Section 941 Rules. This clause (d) shall not be construed to require the sponsor to retain any greater economic interest in the credit risk of the financial assets than is required to comply with the FDIC Rule and other applicable law. Accordingly, upon the Section 941 Effective Date and thereafter, the sponsor shall be entitled to adjust the amount of credit risk that it retains, or the terms under which such credit risk is retained, so long as the sponsor’s retention shall be in compliance with then applicable law and the FDIC Rule.

For the purposes of this Schedule, the following terms shall have the meaning set forth below:

“Notes” shall mean the notes issued by Issuer pursuant to the Indenture.

“Servicer” shall mean the “Servicer” specified pursuant to that certain Servicing Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and Issuer.

Schedule 4-2

**ADDENDUM TO
AMENDED AND RESTATED RECEIVABLES PARTICIPATION AGREEMENT**

This addendum (“Addendum”) to the Amended and Restated Receivables Participation Agreement by and between GE Capital Retail Bank, formerly known as GE Capital Consumer Card Co., (“Bank”) and GEMB Lending Inc. (“Purchaser”), dated February 29, 2012 (the “Participation Agreement”), is entered into by and between Bank and Purchaser on [], 20[] (“Effective Date”).

Section 1. Defined Terms. Capitalized terms not defined in this Addendum shall have the meaning set forth in the Participation Agreement.

Section 2. Purchase of Conveyed Interests on Effective Date. On the Effective Date, Bank hereby sells, transfers, assigns, sets-over and otherwise conveys to Purchaser, without recourse, and Purchaser does hereby purchase from Bank a Conveyed Interest in the Receivables arising in the Accounts that Bank owns in connection with the programs set forth in Exhibit A to this Addendum and that are in existence as of the opening of business on the Effective Date.

Section 3. Purchase Price. In consideration of Bank’s sale, transfer, assignment, set-over and conveyance to Purchaser of the interest described in Section 2 of this Addendum, Purchaser shall pay to Bank on the Effective Date a purchase price equal to \$[], which equals the fair value of the related Conveyed Interests.

Section 4. Amendment of Schedule 2. Schedule 2 is hereby amended by adding the programs described on Exhibit A to this Addendum, which programs shall from and after the Effective Date be Merchant Programs under the Participation Agreement.

Section 5. Participation Agreement. The terms of the Participation Agreement shall apply to the sale by Bank and purchase by Purchaser described in this Addendum except to the extent the terms and conditions of this Addendum conflict with the Participation Agreement, in which case the terms and conditions of this Addendum shall control.

Section 6. Counterparts. This Addendum may be executed and delivered by the Parties in any number of counterparts, and by different Parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

Section 7. Governing Law. THIS ADDENDUM AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

IN WITNESS THEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized officers as of the Effective Date.

GE CAPITAL RETAIL BANK

By: _____
Name:
Title:

GEMB LENDING INC.

By: _____
Name:
Title:

Exhibit A-2

**REMOVAL SUPPLEMENT
TO RECEIVABLES PARTICIPATION AGREEMENT**

This REMOVAL SUPPLEMENT No. _____ dated as of _____ (this "Removal Supplement"), is entered into between GE CAPITAL RETAIL BANK, a federal savings bank ("Bank"), and GEMB LENDING INC., a Delaware corporation ("Purchaser"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS Bank and Purchaser are parties to the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 (as it may be amended and supplemented from time to time the "Agreement"); and

WHEREAS pursuant to the Agreement, Bank and Purchaser desire to remove [the Merchant Programs identified on Schedule I hereto (the "Removed Merchant Programs") as "Merchant Programs" under the Agreement and to remove all credit accounts associated with such Merchant Programs as "Accounts" under the Agreement (collectively, the "Removed Accounts") [credit accounts identified on Schedule I hereto (collectively, the "Removed Accounts") as "Accounts" under the Agreement] ; and

[WHEREAS pursuant to the Agreement, Purchaser wishes to convey to Bank, and Bank desires to [purchase] [accept as a dividend] all the Conveyed Interests owned by Purchaser in the Removed Accounts on the Effective Date (the "Subject Conveyed Interests"); and]

NOW, THEREFORE, Bank and Purchaser hereby agree as follows:

Section 1. Defined Terms. Capitalized terms not defined in this Addendum shall have the meaning set forth in the Participation Agreement. The "Effective Date" of this Removal Supplement shall be [_____], 20[____] .

Section 2. Removal of [Merchant Programs and] Accounts. [Schedule 2 is hereby amended by deleting the Removed Merchant Programs, which programs shall from and after the Effective Date cease to be Merchant Programs under the Participation Agreement.] The Removed Accounts shall cease to be Accounts for purposes of the Participation Agreement from and after the Effective Date.

Section 3. [Agreement to Convey Subject Conveyed Interests to Bank] Purchaser hereby agrees to [sell,] [dividend,] transfer, assign, set-over and otherwise convey to Bank, without recourse, and Bank does hereby [purchase] [accept as a dividend] or otherwise accept from Purchaser, on the date hereof, all right, title and interest of Purchaser in, to and under the Conveyed Interests existing at the opening of business on the Effective Date, together with all

monies due to become due and all amounts received or receivable with respect thereto and all proceeds of the foregoing. [In consideration for Purchaser's sale, transfer, assignment, set-over and conveyance to Bank, Bank agrees to pay to Purchaser the aggregate fair market value of the Subject Conveyed Interests as of the Effective Date.] [Purchaser's transfer, assignment, set-over and conveyance of the Subject Conveyed Interests to Bank shall be a dividend from Purchaser to Bank equal to the aggregate fair value of the Subject Conveyed Interests as of the Effective Date.]¹

Section 4. Counterparts. This Removal Supplement may be executed and delivered by the Parties in any number of counterparts, and by different Parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

Section 5. Governing Law. THIS REMOVAL SUPPLEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

¹ Section to be "[Reserved]" if Conveyed Interests are not being conveyed to the Bank as part of the removal.

IN WITNESS WHEREOF, the undersigned have caused this Removal Supplement to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GE CAPITAL RETAIL BANK

By: _____
Name:
Title:

GEMB LENDING, INC.

By: _____
Name:
Title:

Exhibit B-3

Schedule 1
to Removal Supplement

[REMOVED MERCHANT PROGRAMS][REMOVED ACCOUNTS]

Exhibit B-4

**ADDENDUM TO
AMENDED AND RESTATED RECEIVABLES PARTICIPATION AGREEMENT
FOR A PRIOR SALE**

This addendum (“Addendum”) to the Amended and Restated Receivables Participation Agreement by and between GE Capital Retail Bank, formerly known as GE Capital Consumer Card Co., (“Bank”) and GEMB Lending Inc. (“Purchaser”), dated February 29, 2012 (as amended or supplemented from time to time the “Participation Agreement”), is entered into by and between Bank and Purchaser on [], 20[].

Section 1. Defined Terms. Capitalized terms not defined in this Addendum shall have the meaning set forth in the Participation Agreement. The “Effective Date” of this Addendum shall be [], 20[].

Section 2. Purchase of Conveyed Interests on Effective Date. Bank, as of the Effective Date, hereby sells, transfers, assigns, sets-over and otherwise conveys to Purchaser, without recourse, and Purchaser does hereby purchase from Bank a Conveyed Interest in the Acquired Accounts set forth in Schedule 1 to this Addendum and that are in existence as of the close of business on the Effective Date.

Section 3. Purchase Price. In consideration of Bank’s sale, transfer, assignment, set-over and conveyance to Purchaser of the interest described in Section 2 of this Addendum, Purchaser paid to Bank a purchase price equal to \$[], which equals the fair value of the related Conveyed Interests on the Effective Date.

Section 4. Participation Agreement. The terms of the Participation Agreement shall apply to the sale by Bank and purchase by Purchaser described in this Addendum except to the extent the terms and conditions of this Addendum conflict with the Participation Agreement, in which case the terms and conditions of this Addendum shall control.

Section 5. Counterparts. This Addendum may be executed and delivered by the Parties in any number of counterparts, and by different Parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

Section 6. Governing Law. THIS ADDENDUM AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

IN WITNESS THEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized officers as of the Effective Date.

GE CAPITAL RETAIL BANK

By: _____
Name:
Title:

GEMB LENDING INC.

By: _____
Name:
Title:

Exhibit C-2

Schedule 1 to Addendum

The Conveyed Interests described on an electronic file delivered to the Buyer on [], 20[] and such file and incorporated hereinafter are sold to Buyer pursuant to the Participation Agreement and this Addendum. The purchase price of such Conveyed Interests, as calculated pursuant to the Agreement is \$[].

² Such file shall contain the relevant account numbers (or such portion of the account number as is sufficient to identify the relevant accounts) and, if the Transferred Receivables do not represent all of the receivables existing in such accounts on the Closing Date, such information necessary to distinguish the Transferred Receivables from other receivables existing in such accounts.

Exhibit C-3

**FIRST AMENDMENT TO AMENDED AND RESTATED RECEIVABLES
PARTICIPATION AGREEMENT**

This FIRST AMENDMENT, dated as of August 17, 2012 (this "Amendment"), between GE CAPITAL RETAIL BANK, a federal savings bank (formerly known as GE Money Bank, "Bank"), and GEMB LENDING INC., a Delaware corporation ("Purchaser"), to the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 (the "GEMB Lending Participation Agreement"), between Bank and Purchaser.

PRELIMINARY STATEMENTS

1. Bank and Purchaser desire to amend the GEMB Lending Participation Agreement as set forth herein.
2. In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

AMENDMENTS

SECTION 1. Amendment to the GEMB Lending Participation Agreement The third sentence of Section 2(d) of the GEMB Lending Participation Agreement is deleted in its entirety and replaced with the following:

"The parties hereto intend that each transfer of the Purchased Interests shall constitute a sale by Bank to Purchaser and not a loan by Purchaser to Bank secured by the Purchased Interests."

SECTION 2. Representations and Warranties

In order to induce the parties hereto to enter into this Amendment, each party hereto represents and warrants unto the other party hereto as set forth in this Section 2:

- (a) The execution, delivery and performance by such party of this Amendment are within its powers, have been duly authorized by all necessary action, and do not:
 - (i) contravene its organizational documents or
 - (ii) contravene any contractual restriction, law or governmental regulation or court decree or order being on or affecting it.
- (b) This Amendment constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and general equitable principles.

SECTION 3. Effectiveness.

This Amendment shall become effective, as of the date first set forth above (the "Effective Date"); provided that Bank and Purchaser shall have executed a counterpart of the Amendment.

SECTION 4. Binding Effect; Ratification of GEMB Lending Participation Agreement

(a) On and after the execution and delivery hereof, (i) this Amendment shall become part of the GEMB Lending Participation Agreement and (ii) each reference in the GEMB Lending Participation Agreement to "this Agreement" or "hereof", "hereunder" or words of like import, and each reference in any other Related Document to the GEMB Lending Participation Agreement, shall mean and be a reference to such GEMB Lending Participation Agreement as amended hereby.

(b) Except as expressly amended hereby, the GEMB Lending Participation Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. Governing Law.

THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, BE GOVERNED BY AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 6. Headings.

Headings used herein are for convenience of reference only and shall not affect the meanings of this Amendment.

SECTION 7. Counterparts.

This Amendment may be executed in any number of counterparts, and by parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers as of the Effective Date.

GE CAPITAL RETAIL BANK

By: /s/ Michael Lagnese

Name: Michael Lagnese

Title: SVP

GEMB LENDING INC.

By: /s/ Chris Cutshall

Name: Chris Cutshall

Title: VP

**SECOND AMENDMENT TO AMENDED AND RESTATED RECEIVABLES
PARTICIPATION AGREEMENT**

This SECOND AMENDMENT, dated as of August 5, 2013 (this "Amendment"), between GE CAPITAL RETAIL BANK, a federal savings bank (formerly known as GE Money Bank, "Bank"), and GEMB LENDING INC., a Delaware corporation ("Purchaser"), to the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 (as amended prior to the date hereof, the "GEMB Lending Participation Agreement"), between Bank and Purchaser.

PRELIMINARY STATEMENTS

1. Bank and Purchaser desire to amend the GEMB Lending Participation Agreement as set forth herein.
2. In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

AMENDMENTS

SECTION 1. Amendment to the GEMB Lending Participation Agreement Clause (a) of the definition of "Acquired Account" in Schedule 1 to the GEMB Lending Participation Agreement is deleted in its entirety and replaced with the following:

"(a) a credit account that has been acquired by Bank from GE Capital Financial Inc. pursuant to that certain Purchase and Sale Agreement, dated as of December 11, 2009, between Bank and GE Capital Financial Inc., other than those credit accounts (i) the borrower of which was subprime under the Bank's standards, which correlate to those set forth in the 2001 Interagency Expanded Guidance for Subprime Lending Programs, when purchased by the Bank or (ii) was "low-quality asset," as that term is defined in 12 C.F.R. 223.3(v), when purchased by the Bank."

SECTION 2. Representations and Warranties

In order to induce the parties hereto to enter into this Amendment, each party hereto represents and warrants unto the other party hereto as set forth in this ~~Section 2~~:

(a) The execution, delivery and performance by such party of this Amendment are within its powers, have been duly authorized by all necessary action, and do not: (i) contravene its organizational documents or (ii) contravene any contractual restriction, law or governmental regulation or court decree or order being on or affecting it.

(b) This Amendment constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and general equitable principles.

SECTION 3. Effectiveness.

This Amendment shall become effective, as of the date first set forth above (the "Effective Date"); provided that Bank and Purchaser shall have executed a counterpart of the Amendment.

SECTION 4. Binding Effect; Ratification of GEMB Lending Participation Agreement

(a) On and after the execution and delivery hereof, (i) this Amendment shall become part of the GEMB Lending Participation Agreement and (ii) each reference in the GEMB Lending Participation Agreement to "this Agreement" or "hereof", "hereunder" or words of like import, and each reference in any other Related Document to the GEMB Lending Participation Agreement, shall mean and be a reference to such GEMB Lending Participation Agreement as amended hereby.

(b) Except as expressly amended hereby, the GEMB Lending Participation Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. Governing Law.

THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, BE GOVERNED BY AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

SECTION 6. Headings.

Headings used herein are for convenience of reference only and shall not affect the meanings of this Amendment.

SECTION 7. Counterparts.

This Amendment may be executed in any number of counterparts, and by parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers as of the Effective Date.

GE CAPITAL RETAIL BANK

By: /s/ Michael Lagnese
Name: Michael Lagnese
Title: Sr. Vice President Finance

GEMB LENDING INC.

By: /s/ Chris Cutshall
Name: Chris Cutshall
Title: Vice President

PARTICIPATION INTEREST SALE AGREEMENT

between

GEMB LENDING INC.,

Seller,

and

GE SALES FINANCE HOLDING, L.L.C.

Buyer

Dated as of February 29, 2012

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PARTICIPATION INTEREST SALE AGREEMENT, dated as of February 29, 2012 (this "Agreement"), between GEMB LENDING INC., a Delaware corporation, as Seller ("Seller") and GE SALES FINANCE HOLDING, L.L.C., a Delaware limited liability company, as Buyer ("Buyer").

In consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions.

"Account" means each Initial Account and each Additional Account, but excludes any credit accounts all of the Participation Interests in which are either reassigned or assigned to Seller or its designee in accordance with this Agreement, and any Accounts which in accordance with Originator's customary practices have been removed from Originator's computer records due to lack of activity. The term "Account" includes each account into which an Account is transferred (a "Transferred Account") so long as (a) such transfer is made in accordance with the Credit and Collections Policies, and (b) such Transferred Account can be traced or identified, by reference to or by way of any Account Schedule delivered to Buyer pursuant to this Agreement, as an account into which an Account has been transferred. Notwithstanding the foregoing, no account in a Dual Card Program shall be deemed to be a "Transferred Account" with respect to any Account in a Private Label Program. Any Account in which the Receivables have become Charged-Off Receivables shall cease to be an Account for all purposes other than the calculation of Recoveries, and no existing balance or future charges on such account shall be deemed to be Principal Amounts or Finance Amounts notwithstanding any subsequent reaffirmation of such account by the Obligor and any resulting action by Originator. The term Account includes an Additional Account only from and after its Addition Date and includes any Removed Account only prior to its Removal Date. To avoid doubt, and without limiting the foregoing, each Flagged Account is an Account.

"Account Schedule" means a computer file held on a shared drive accessible to the Buyer containing a true and complete list of Accounts, identified by account number (or by an alpha-numeric identifier that uniquely and objectively identifies the applicable account number pursuant to a protocol that has been provided to the Buyer) and setting forth the receivables balance for each as of (i) the applicable Addition Cut-Off Date, in the case of an Account Schedule relating to Additional Accounts, (ii) the Removal Cut-Off Date, in the case of an Account Schedule relating to Removed Accounts or (iii) the date specified therein, in the case of any Account Schedule relating to Transferred Accounts or any other Account Schedule.

"Accounting Changes" means, with respect to any Person, changes (a) in accounting principles generally accepted within the United States of America as those principles have been promulgated by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or any successor thereto or any agency with similar functions) including any

rule, regulation, pronouncement or opinion of or any interpretation thereof applicable to that Person; (b) in accounting principles concurred upon by such Person's certified public accountants; (c) resulting from purchase accounting adjustments made in accordance with applicable GAAP and any subsequent reversal thereof (in whole or in part); and (d) resulting from the application of GAAP that has the effect of establishing or reversing (in whole or in part) reserves for taxes.

"Addition Cut-Off Date" means, with respect to any Additional Account, the date specified as the "Addition Cut-Off Date" in the related Assignment.

"Addition Date" means, as to any Additional Account, the date as of which Participation Interests arising in such Additional Account are first sold to Buyer, as specified in the related Assignment.

"Additional Accounts" is defined in Section 2.6.

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, or (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Reassignment Amount" means, for any reassignment of the Participation Interests pursuant to Section 6.1(f), the aggregate of the Principal Amounts and Finance Amounts of the Participation Interests as of the end of the last preceding Monthly Period.

"Agreement" is defined in the preamble.

"Agreement Termination Date" is defined in Section 7.4.

"Approved Segments" means the following segments of GE Capital Retail Bank's sales finance business: CareCredit, Furniture, Electronics, Home, HVAC, Specialty, Lawn & Garden, Luxury and Auto.

"Assignment" is defined in Section 2.6.

"Authorized Officer" means, with respect to any bank, corporation, limited liability company or statutory trust, the Chairman or Vice-Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer and each other officer of such bank, corporation, limited liability company, statutory trust or trustee of such trust specifically authorized in resolutions of the Board of Directors of such bank, corporation, limited liability company or statutory trust or the trust agreement of such trust to sign agreements, instruments or other documents on behalf of such corporation or statutory trust in connection with the transactions contemplated by the Related Documents.

“Average Recovery Price Ratio” means, as of any date, for any segment of serviced credit accounts, which may include credit accounts relating to one or more of the Programs from which the Accounts were selected (each, a “Segment”), the average for the six (6) preceding fiscal months of the percentage equal to a fraction, the numerator of which is the total amount of recoveries on related receivables for the applicable fiscal month and the denominator of which is the aggregate amount of charged-off receivables for such fiscal month, in each case for all serviced receivables in that Segment. For purposes of the foregoing, “recoveries” and “charged-off receivables” shall have the same meaning as “Recoveries” and “Charged-Off Receivables,” respectively, but as applied to all serviced receivables in a particular Program, rather than only Underlying Receivables. The Seller and Buyer shall mutually agree on the composition of each applicable Segment for purposes of calculating the “Average Recovery Price Ratio” from time to time. Seller and Buyer may from time to time modify the formula to calculate “Average Recovery Price Ratio” in order to more closely approximate the actual Recoveries on Underlying Receivables.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Connecticut.

“Buyer” is defined in the preamble.

“Charged-Off Receivable” means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectible in accordance with the Credit and Collection Policies.

“Closing Date” means February 29, 2012.

“Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by an Obligor on account of such Receivable during such period, including all in-store payments and all other fees and charges, and (b) Recoveries and cash proceeds of Related Security with respect to such Receivable, including Insurance Proceeds; provided that a Participation Interest shall only include an interest in Recoveries with respect to any Receivable to the extent allocated to the Participation Interest and paid to Seller pursuant to the Receivables Participation Agreement.

“Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Obligor and Originator, as such agreements may be amended, modified, or otherwise changed from time to time.

“Credit and Collection Policies” means the credit and collection policies adopted by the Originator as such policies and procedures may be amended from time to time.

“Debtor Relief Laws” means Title 11 of the United States Code, the Federal Deposit Insurance Act and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect, affecting the rights of creditors generally.

“Dual Card Program” means any arrangement in which Originator agrees to extend general purpose credit accounts to customers of a Retailer, which accounts combine a private label credit line for use at the Retailer’s retail establishments or in its catalogue sales business and a general purpose credit line for use elsewhere.

“Eligible Account” means a credit account that (x) in the case of any Initial Account, satisfied each of the requirements below as of the Initial Cut-Off Date and (y) in the case of any Additional Account, satisfies each of the requirements below as of the applicable Addition Cut-Off Date:

- (a) the account is established or acquired by Originator;
- (b) the account has not been cancelled;
- (c) the account is payable in United States dollars;
- (d) except as provided below, the account has not been identified as an account (i) the credit cards, if any, for which have been reported to Originator as lost or stolen or (ii) the Obligor of which is the subject of a bankruptcy proceeding;
- (e) none of the Receivables in the account have been, sold, pledged, assigned or otherwise conveyed to any Person other than Buyer, Issuer or the Indenture Trustee, unless any such pledge or assignment is released on or before the Closing Date or the Addition Date, as applicable;
- (f) except as provided below, none of the Receivables in the account are Charged-Off Receivables or have been identified by Originator, or by the relevant Obligor to Originator, as having been incurred as a result of fraudulent use;
- (g) the account has an Obligor who has provided as his or her most recent billing address, an address located in the United States or a United States military address;
- (h) none of the Receivables in the account is an obligation of the United States, any state or agency or instrumentality or political subdivision thereof;
- (i) the account, as of 5 Business Days prior to the related Addition Cut-Off Date, did not have any amount owing by the Obligor thereunder that was more than 30 days past due; and
- (j) the account satisfies any additional requirements agreed upon between Seller and Buyer from time to time.

Notwithstanding the foregoing, Eligible Accounts may include accounts, the receivables in which have been written off as uncollectible, or as to which Originator believes the related Obligor is bankrupt and certain receivables that have been identified by the Obligor as having been incurred as a result of fraudulent use of credit cards or any credit cards have been reported to Originator as lost or stolen, so long as (1) the balance of all receivables included in such

accounts is reflected on the books and records of Originator (and is treated for purposes of the Related Documents) as “zero” and (2) charging privileges with respect to all such accounts have been canceled and are not reinstated.

“Eligible Receivable” means a Receivable:

- (a) that has arisen under an Eligible Account;
- (b) that was created in compliance with the Credit and Collection Policies and all Requirements of Law applicable to Originator the failure to comply with which would have a material adverse effect on Buyer or any of its creditors;
- (c) with respect to which all consents, licenses, approvals or authorizations of, or registrations with, any Governmental Authority required to be obtained or made by Originator in connection with the creation of such Receivable, have been duly obtained or made and are in full force and effect as of the date of creation of such Receivable, but failure to comply with this clause (c) shall not cause a Receivable not to be an Eligible Receivable if, and to the extent that, the failure to so obtain or make any such consent, license, approval, authorization or registration would not have a material adverse effect on Buyer or its assigns;
- (d) that at the time a Participation Interest therein is transferred to Buyer, is the legal, valid and binding payment obligation of the Obligor thereof, legally enforceable against such Obligor in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws, and by general principles of equity (whether considered in a suit at law or in equity);
- (e) that constitutes an “account”, “general intangible” or “chattel paper” within the meaning of UCCSection 9-102;
- (f) that, at the time a Participation Interest therein is transferred to Buyer, has not been waived or modified except as permitted by this Agreement;
- (g) that, at the time a Participation Interest therein is transferred to Buyer, is not subject to any right of rescission, setoff, counterclaim or any other defense of the Obligor (including the defense of usury), other than defenses arising out of Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or equity) or as to which Seller makes an adjustment pursuant to Section 2.5; and
- (h) as to which, at the time a Participation Interest therein is transferred to Buyer, Seller has satisfied all obligations to be fulfilled at such time.

“Finance Amount” means, with respect to any Finance Charge Receivable, the Requisite Percentage of such Finance Charge Receivable.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account.

“Flagged Account” is defined in Section 2.1(b).

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time.

“GE Capital” means General Electric Capital Corporation, a Delaware corporation.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Indenture” means that certain Master Indenture, dated as of February 29, 2012, by and between the Issuer and the Indenture Trustee.

“Indenture Trustee” means Deutsche Bank Trust Company Americas, not in its individual capacity but solely as Indenture Trustee under the Indenture, or any successor Indenture Trustee.

“Ineligible Participation Interest” is defined in Section 6.1(d).

“Initial Account” means each credit account included in the “Accounts” as of the Closing Date, which Accounts, if any, will be identified in an Account Schedule delivered to Buyer on the Closing Date.

“Initial Cut-Off Date” means, with respect to each Initial Account, the date specified in the related Account Schedule as the cut-off date for such Initial Account.

“Insolvency Event” means, with respect to a specified Person: (a) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of such Person under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of such Person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of ninety (90) consecutive days; or (b) the commencement by such Person of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or

taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Person's failure to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.

“Insurance Proceeds” means any amounts payable to Seller pursuant to any credit insurance policies covering any Obligor with respect to Receivables under such Obligor's Account.

“Interchange” means interchange fees payable to GE Capital Retail Bank, in its capacity as credit card issuer, through VISA, USA, Inc., MasterCard International Incorporated, Discover Bank, American Express Co. or any similar entity or organization with respect to any type of credit accounts included as Accounts.

“Involuntary Removal” is defined in Section 2.7(b).

“Issuer” means GE Sales Finance Master Trust, a Delaware statutory trust.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction).

“Litigation” means, with respect to any Person, any action, claim, lawsuit, demand, investigation or proceeding pending or threatened against such Person before any court, board, commission, agency or instrumentality of any federal, state, local or foreign government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators.

“Material Adverse Effect” means a material adverse effect on (a) the ability of Seller to perform any of its obligations under the Related Documents in accordance with the terms thereof, (b) the validity or enforceability of any Related Document or the rights and remedies of Seller or Buyer under any Related Document or (c) the ownership interests or Liens of Seller or Buyer with respect to the Participation Interests or the priority of such interests or Liens.

“Monthly Period” means each period beginning on the 22nd day of the second preceding calendar month and ending on the 2nd day of the immediately preceding calendar month; except that the initial Monthly Period shall begin on the Closing Date and shall end on March 21, 2012.

“Obligor” means, with respect to any Receivable, any Person obligated to make payments in respect thereof.

“Officer's Certificate” means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for, or an employee of, the Person providing the opinion.

“Originator” means GE Capital Retail Bank or any other originator so designated pursuant to Section 2.9.

“Outstanding Balance” means, with respect to any Principal Receivable: (a) as of the Transfer Date for the related Participation Interest, the outstanding amount of such Principal Receivable as reflected on Seller’s books and records; and (b) thereafter, the amount referred to in clause (a) minus Collections with respect to that Principal Receivable that are allocable to a reduction of the Outstanding Balance thereof minus any subsequent discounts to or any other modifications that reduce such Outstanding Balance; provided, that the Outstanding Balance of a Charged-Off Receivable shall equal zero.

“Participation Interest” shall mean, with respect to any Receivable, an interest in such Receivable equal to the applicable Requisite Percentage of such Receivable.

“Payment Date” means, the 15th day of each calendar month, or if the 15th day is not a Business Day, the next Business Day.

“Permitted Encumbrances” means the following encumbrances: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, Buyer.

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a business trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

“Principal Amount” means, with respect to any Principal Receivable, the Requisite Percentage of the Outstanding Balance of such Principal Receivable.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable.

“Private Label Program” means a business arrangement in which Originator agrees to extend credit accounts to customers of a Retailer and such Retailer agrees to allow purchases to be made at its retail establishments, through an Internet website, in its catalogue sales business or through any other remote channel, under such accounts.

“Program” means a Private Label Program, Dual Card Program or other program pursuant to which an Originator offers credit accounts to Obligor.

“Program Agreement” means (i) one or more agreements between Originator and a Retailer pursuant to which Originator provides a Private Label Program, a Dual Card Program or both to the Retailer and its customers or (ii) with respect to any other Program, one or more agreements entered into by Originator pursuant to which Originator establishes a Program to offer credit accounts to Obligor.

“Purchase Date” means the Closing Date and thereafter, each Business Day.

“Purchase Price” is defined in Section 2.4(a).

“Reassignment” is defined in Section 2.7(a).

“Receivable” means any amount owing by an Obligor under an Account from time to time.

“Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict transfer or pledge thereof) prepared and maintained by Originator, Servicer, or any Sub-Servicer with respect to the Underlying Receivables and the Obligors thereunder.

“Recoveries” means, with respect to any Underlying Receivable: (a) Collections of such Underlying Receivable received after such Underlying Receivable was charged off as uncollectible but before any sale or other disposition of such Underlying Receivable after charge off; and (b) any proceeds from such a sale or other disposition of such a charged-off Underlying Receivable, in each of clauses (a) and (b) net of expenses of recovery.

“Related Documents” means this Agreement, the Transfer Agreement, the Trust Agreement, the Servicing Agreement, the Indenture and all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Person, or any employee of any Person, and delivered in connection with any of the foregoing or the transactions contemplated thereby.

“Related Security” means with respect to any Receivable: (a) all of Originator’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise and (c) all Records relating to such Receivable.

“Removal Cut-Off Date” means the date specified as the “Removal Cut-Off Date” in the related Reassignment or, in the case of any zero balance account designated pursuant to Section 2.7(c), the date as of which the related Account Schedule has been prepared.

“Removal Date” is defined in Section 2.7(a).

“Removed Accounts” is defined in Section 2.7(a).

“Requirements of Law” means, as to any Person, the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether federal, state or local.

“Requisite Percentage” means, (a) with respect to the Initial Accounts, 95% and (ii) with respect to any Additional Account, the percentage designated in the related Assignment delivered in connection with the designation of such Additional Accounts; provided that upon agreement of the Buyer and Seller, the Requisite Percentage for any Account may be adjusted from time to time.

“Retailer” means any Person that operates or has an arrangement with, retail establishments at which, or a catalog sales business, Internet website or other remote channel, through which, goods or services may be purchased under an Account.

“Segment” is defined within the definition of Average Recovery Price Ratio.

“Seller” means GEMB Lending Inc. or any additional Person designated as a “Seller” in accordance with Section 2.8.

“Servicer” means GE Capital Retail Bank, in its capacity as Servicer under the Servicing Agreement, or any other Person designated as a successor servicer pursuant to the Servicing Agreement.

“Servicing Agreement” means the Servicing Agreement, dated as of February 29, 2012, between Servicer and the Issuer.

“Transfer Agreement” means that certain Transfer Agreement, dated as of February 29, 2012, between Buyer and the Issuer.

“Transfer Date” means a date on which Buyer acquires Participation Interests from Seller pursuant to Section 2.1 or any Assignment.

“Transferred Account” is defined within the definition of Account.

“Transferred Assets” is defined in Section 2.1.

“Trust Agreement” means the Amended and Restated Trust Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and BNY Mellon Trust of Delaware.

“UCC” means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

“Underlying Receivable” means any Receivable in which a Participation Interest is purchased by Buyer from Seller pursuant to this Agreement or any Assignment. However, Receivables relating to Participation Interests that are repurchased by Seller pursuant to this Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Underlying Receivables” from the date of such purchase.

“United States” means the United States of America, together with its territories and possessions.

SECTION 1.2 Other Interpretive Matters. All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any certificate or other document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement and all related certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined in this Agreement, and accounting terms partly defined in this Agreement to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; and unless otherwise provided, references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the GE Capital fiscal calendar; (b) terms defined in Article 9 of the UCC as in effect in the applicable jurisdiction and not otherwise defined in this Agreement are used as defined in that Article; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate or document); (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; and (i) references to any Person include that Person’s successors and permitted assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and (k) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

SALES

SECTION 2.1 Sales.

(a) By execution of this Agreement, Seller does hereby transfer, assign, set over and otherwise convey to Buyer, without recourse except as provided herein, all its right, title and interest in, to and under, (i) the Participation Interests existing at the opening of business on the Closing Date, and thereafter created from time to time until the Agreement Termination Date, (ii) the Requisite Percentage of the Related Security for the Underlying Receivables relating to such Participation Interests, (iii) the Requisite Percentage of all Collections with respect to the Underlying Receivables relating to such Participation Interests, including, without duplication, any Recoveries allocated to such Participation Interests, (iv) without limiting the generality of the foregoing or the following, all of Seller’s rights to receive payments from any Retailer on account of in-store payments and other amounts received by such Retailer in payment of such Receivables and (v) all proceeds of all of the foregoing (collectively, the “Transferred Assets”); provided that Seller may in its discretion contribute Transferred Assets to Buyer from time to time. As of each day during the term of this Agreement, Buyer shall become the legal owner and

the owner for tax purposes of the Participation Interests created on such day. The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of any Originator, Seller or any other Person in connection with the Accounts or the Underlying Receivables or under any agreement or instrument relating thereto, including any obligation to Obligor, merchant banks, Retailers, clearance systems or insurers. The foregoing conveyance shall be effective (x) on the Closing Date, as to all Transferred Assets then existing and (y) thereafter, instantaneously upon the creation of each Transferred Asset.

(b) Seller agrees, at its own expense, (i) on or prior to (x) the Closing Date, in the case of the Initial Accounts, (y) the applicable Addition Date, in the case of Additional Accounts, and (z) the applicable Removal Date, in the case of Removed Accounts, to indicate, or cause to be indicated, in the appropriate computer files that Participation Interests created (or reassigned, in the case of Removed Accounts) in connection with the Accounts have been conveyed to Buyer pursuant to this Agreement (or conveyed to Seller or its designee in accordance with Section 2.7, in the case of Removed Accounts) by including, or causing to be included, in such computer files a code so identifying each such Account (or, in the case of Removed Accounts, deleting, or causing to be deleted, such code thereafter) and (ii) on or prior to the date referred to in clause (i)(x), (y) or (z), as applicable, to deliver to Buyer an Account Schedule. The initial such Account Schedule, as supplemented from time to time to reflect Additional Accounts and Removed Accounts, shall be marked as Schedule 1 to this Agreement and is hereby incorporated into and made a part of this Agreement. Once the code referenced in clause (i) of this paragraph has been included with respect to any Account, Seller further agrees not to permit such code to be altered during the remaining term of this Agreement unless and until (x) such Account becomes a Removed Account, or (y) Seller shall have delivered to Buyer prior written notice of its intention to do so and has taken such action as is necessary or advisable to cause the interest of Buyer in the Participation Interests to continue to be perfected with the priority required by this Agreement. At any time that the code referenced in clause (i) is included with respect to any account, such account shall be a "Flagged Account".

(c) Seller may in the future convey a portion of the Interchange relating to any Account to Buyer pursuant to an agreement supplemental hereto in form and substance satisfactory to Seller and Buyer.

(d) On or prior to the Closing Date, Seller agrees to record and file, at its own expense, financing statements (and continuation statements when applicable) with respect to the Transferred Assets conveyed by Seller existing on the Closing Date and thereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect, and maintain the perfection of, the transfer and assignment of its interest in such Transferred Assets to Buyer, and to deliver a file stamped copy of each such financing statement or other evidence of such filing (which may, for purposes of this Section 2.1 consist of telephone confirmation of such filing promptly followed by delivery to Buyer of a file-stamped copy) as soon as practicable after the Closing Date, and (if any additional filing is so necessary) as soon as practicable after the applicable Addition Date, in the case of Transferred Assets arising in Additional Accounts. Buyer shall be under no obligation whatsoever to file such financing or continuation statements or to make any other filing under the UCC in connection with such transfer and assignment.

SECTION 2.2 Acceptance by Buyer.

(a) Buyer hereby acknowledges its acceptance of all right, title and interest to the property, now existing and hereafter created, conveyed to Buyer pursuant to Section 2.1. Buyer shall maintain a copy of Schedule 1, as delivered to it from time to time.

(b) Buyer hereby agrees not to disclose to any Person any account numbers or other information contained in the Account Schedule marked as Schedule 1 and delivered to Buyer, from time to time, except (i) to Servicer, any sub-servicer or as required by a Requirement of Law applicable to Buyer, (ii) in connection with the performance of Buyer's duties hereunder, (iii) to the indenture trustee under the Indenture in connection with its duties or (iv) to bona fide creditors or potential creditors of Servicer or Seller for the limited purpose of enabling any such creditor to identify Participation Interests, Underlying Receivables or Accounts subject to this Agreement. Buyer agrees to take such measures as shall be reasonably requested by Seller to protect and maintain the security and confidentiality of such information and, in connection therewith, shall allow Seller or its duly authorized representatives to inspect Buyer's security and confidentiality arrangements from time to time during normal business hours upon prior written notice. Buyer shall promptly notify Seller of any request received by Buyer to disclose information of the type described in this Section 2.2(b), which notice shall in any event be provided no later than five (5) Business Days prior to disclosure of any such information unless Buyer is compelled pursuant to a Requirement of Law to disclose such information prior to the date that is five (5) Business Days after the giving of such notice.

SECTION 2.3 Grant of Security Interest. The parties hereto intend that each transfer of the Transferred Assets shall constitute a sale by Seller to Buyer and not a loan by Buyer to Seller secured by the Transferred Assets. Notwithstanding anything to the contrary set forth in this Section 2.3, if a court of competent jurisdiction determines that any transaction provided for herein constitutes a loan and not a sale, then the parties hereto intend that this Agreement shall constitute a security agreement under applicable law and that Seller shall be deemed to have granted, and Seller hereby grants, to Buyer a first priority lien and security interest in and to all of Seller's right, title and interest in, to and under the Transferred Assets, subject only to Permitted Encumbrances.

SECTION 2.4 Purchase Price.

(a) The purchase price for Transferred Assets shall equal the fair value of the related Participation Interests as agreed upon by Buyer and Seller prior to such sale (such amount for any Transferred Assets, the "Purchase Price").

(b) The Purchase Price for any Transferred Assets sold by Seller shall be payable in full in cash on each Purchase Date or less frequently if so agreed between Buyer and Seller; provided, that the Purchase Price for any Transferred Assets contributed to Buyer shall be deemed to be a capital contribution from Seller to Buyer. On each such Purchase Date or other date set by the parties for payment, Buyer shall, upon satisfaction of the applicable conditions set forth in Article III, make available to Seller the Purchase Price for the applicable Transferred Assets in same day funds. The Purchase Price payable on each Purchase Date shall be based on good faith estimates of the amount of new Receivables since the prior Purchase Date, and the Buyer and Seller shall make compensating payments on each Payment Date as necessary to correct for any errors in estimation.

SECTION 2.5 Adjustments. If on any day the Principal Amount of any Participation Interest is reduced because of a rebate, refund, unauthorized charge (other than a fraudulent charge) or billing error to an account holder, or because the related Principal Receivable was created in respect of merchandise which was refused or returned by an account holder, or if the outstanding amount of any related Principal Receivable is otherwise reduced other than on account of Collections thereof or such amount being charged-off as uncollectible, then, Seller shall compensate Buyer for such reduction in the Principal Amount as provided below. The amount of each such reduction shall be deducted from the amount of the Purchase Price payable by Buyer to Seller on the Purchase Date that coincides with or next follows the second Business Day after the date of the adjustment, and Seller shall pay Buyer on that Purchase Date any excess of the aggregate amount of such reductions over the aggregate Purchase Price otherwise payable on that Purchase Date (such adjustment may be made less frequently if so agreed between Buyer and Seller). Notwithstanding the foregoing, on any Purchase Date the aggregate amount of such reductions shall be paid gross by Seller to Buyer, without netting against the Purchase Price, to the extent that Buyer informs Seller that Buyer requires funds to make payments on account of such reductions under any of the Related Documents.

SECTION 2.6 Addition of Accounts. From time to time, Seller, with the consent of Buyer, may designate additional Eligible Accounts ("Additional Accounts") to be included as Accounts. In designating such Eligible Accounts, Seller shall not employ any selection procedure that it believes would result in such designated Accounts having overall performance characteristics that are materially adverse compared to the overall performance characteristics of all of the accounts relating to GE Capital Retail Bank's sales finance business at the time of such designation; provided, however, that the foregoing provisions shall not limit Seller's discretion to designate Eligible Accounts from any of the Approved Segments and any designation from an Approved Segment shall in no event be viewed to result from a prohibited selection procedure. On or before the Addition Date, Seller shall have delivered to Buyer, a written assignment in substantially the form of Exhibit A (the "Assignment"), and Seller shall indicate in its computer files that the Receivables created in connection with the Additional Accounts have been transferred to Buyer.

SECTION 2.7 Removal of Accounts.

(a) From time to time, Seller may request (which request Buyer may deny, except in the case of Involuntary Removals effected pursuant to Section 2.7(b)) the reassignment to it or its designee of all Buyer's right, title and interest in, to and under the Participation Interests then existing and thereafter created in one or more Accounts (the "Removed Accounts"), together with the Related Security and Collections with respect thereto and Recoveries allocated to Buyer as provided herein, in each case together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto. Any such reassignment shall be subject to the satisfaction of the following conditions:

(i) on or before the day immediately preceding the Removal Date, Seller shall have given Buyer written notice of such request and specifying the date for removal of the Removed Accounts (the "Removal Date");

(ii) except in the case of any Involuntary Removal, Buyer shall have delivered its written consent for such removal to Seller;

(iii) on or prior to the Removal Date, Seller shall have delivered to Buyer an Account Schedule listing the Removed Accounts; and

(iv) except in the case of any Involuntary Removal, Seller shall have delivered to Buyer an Officer's Certificate, dated as of the Removal Date, to the effect that no selection procedure believed by Seller to be materially adverse to the interest of Buyer or any of its creditors has been used in removing Removed Accounts from among any pool of Accounts of a similar type.

Upon satisfaction of the above conditions (and subject to Buyer's agreement, except in the case of Involuntary Removals, and receipt by Buyer of the reassignment price agreed upon between Buyer and Seller), Buyer shall execute and deliver to Seller or its designee a written reassignment in substantially the form of Exhibit B (the "Reassignment") and shall, without further action, be deemed to transfer, assign, set over and otherwise convey to Seller or its designee, effective as of the Removal Date, without recourse, representation or warranty, all the right, title and interest of Buyer in and to the Transferred Assets arising in the Removed Accounts and all proceeds thereof. In addition, Buyer shall execute such other documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Seller to effect the conveyance of Transferred Assets pursuant to this Section. Any reassignment of the Transferred Assets arising in Removed Accounts pursuant to this Section 2.7(a) shall be reassigned to the Seller for a purchase price equal to the fair market value of such Transferred Assets as agreed upon by the Buyer and the Seller prior to such reassignment, and such purchase price shall be treated as Collections of such Transferred Assets. Notwithstanding the foregoing, no repurchase of Transferred Assets pursuant to this Section 2.7(a) shall occur if the fair market value of the related Participation Interests is less than the aggregate of the Principal Amounts of such Participation Interests plus the aggregate of the outstanding Finance Amounts related thereto.

(b) Seller shall from time to time designate as Removed Accounts any Accounts designated for purchase by a Retailer pursuant to the terms of the related Program Agreement (each, an "Involuntary Removal"). Any repurchase of the Transferred Assets arising in Removed Accounts pursuant to this Section 2.7(b) shall be repurchased by the Seller for a purchase price equal to the fair market value of such Transferred Assets as agreed upon by Buyer and Seller prior to such repurchase, and such purchase price shall be treated as Collections of such Participation Interests. Notwithstanding the foregoing, no repurchase of Transferred Assets pursuant to this Section 2.7(b) shall occur if the fair market value of the related Participation Interests is less than the aggregate of the Principal Amounts of such Participation Interests plus the aggregate of the outstanding Finance Amounts related thereto.

(c) Seller may from time to time, at its option, by notice to Buyer, designate as a Removed Account any Account that has a zero balance as of the related Removal Cut-Off Date, as shown on the Account Schedule delivered to Buyer with such notice.

SECTION 2.8 Additional Sellers. Seller may designate additional or substitute Persons to be included as Sellers under this Agreement by an amendment to this Agreement with the consent of Buyer.

SECTION 2.9 Additional Originators. Seller may designate additional Persons as Originators under this Agreement by an amendment to this Agreement with the consent of Buyer.

ARTICLE III

CONDITIONS PRECEDENT

SECTION 3.1 Conditions to all Transfers. Each sale hereunder (including the initial sale) shall be subject to satisfaction of the following conditions precedent (any one or more of which may be waived by Buyer) as of the Transfer Date therefor:

(a) This Agreement or counterparts hereof shall have been duly executed by, and delivered to, Seller and Buyer, and, with respect to the initial sale or contribution, Buyer shall have received such documents, instruments, agreements and legal opinions as Buyer shall reasonably request in connection with the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to Buyer;

(b) The representations and warranties of Seller contained herein or in any other Related Document required to be made on such Transfer Date shall be true and correct in all material respects as of such Transfer Date, both before and after giving effect to such sale; and

(c) Seller shall be in compliance in all material respects with each of its covenants and other agreements set forth herein.

The consummation by Seller of the sale of Transferred Assets on any Transfer Date shall be deemed to constitute, as of any such Transfer Date, a representation and warranty by Seller that the conditions in clauses (b) and (c) of this Section 3.1 have been satisfied.

ARTICLE IV

OTHER MATTERS RELATING TO SELLER

SECTION 4.1 Merger or Consolidation of, or Assumption of the Obligations of, Seller, etc.

(a) Seller shall not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the Person formed by such consolidation or into which Seller is merged or the Person which acquires by conveyance or transfer the properties and assets of Seller substantially as an entirety shall be, if Seller is not the surviving entity, an entity organized and existing under the laws of the United States of America or any state or the District of Columbia, and, if Seller is not the surviving entity, such entity shall expressly assume, by an agreement supplemental hereto, executed and delivered to Buyer, in form reasonably satisfactory to Buyer, the performance of every covenant and obligation of Seller hereunder;

(ii) Seller has delivered to Buyer (A) an Officer's Certificate stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with, and (B) an Opinion of Counsel to the effect that such supplemental agreement is a valid and binding obligation of such surviving entity enforceable against such surviving entity in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity); and

(iii) if Seller is not the surviving entity, the surviving entity shall file new UCC 1 financing statements with respect to the interest of Buyer in the Transferred Assets, if any.

(b) This Section 4.1 shall not be construed to prohibit or in any way limit Seller's ability to effectuate any consolidation or merger pursuant to which Seller would be the surviving entity.

(c) The obligations of Seller hereunder shall not be assignable nor shall any Person succeed to the obligations of Seller hereunder except in each case in accordance with (i) the provisions of the foregoing paragraphs, (ii) Section 2.8 of this Agreement or (iii) conveyances, mergers, consolidations, assumptions, sales or transfers to other entities (1) for which Seller delivers an Officer's Certificate to Buyer indicating that Seller reasonably believes that such action will not result in a Material Adverse Effect, (2) which meet the requirements of clause (ii) of paragraph (a) and (3) for which such purchaser, transferee, pledgee or entity shall expressly assume, in an agreement supplemental hereto, executed and delivered to Buyer in writing in form satisfactory to Buyer, the performance of every covenant and obligation of Seller thereby conveyed.

ARTICLE V

INSOLVENCY EVENTS

SECTION 5.1 Rights upon the Occurrence of a Insolvency Event If a Insolvency Event occurs with respect to Seller, Seller shall on the day any such event occurs, immediately cease to transfer Participation Interests to Buyer and shall promptly give notice of such event to the Indenture Trustee under the Indenture and Buyer. Notwithstanding any cessation of the

transfer to Buyer of additional Participation Interests, Participation Interests transferred to Buyer prior to the occurrence of such Insolvency Event and Collections in respect of such Participation Interests, and Finance Amounts whenever created accrued in respect of such Participation Interests, shall continue to be property of Buyer.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 6.1 Representations and Warranties of Seller.

(a) To induce Buyer to accept the Transferred Assets, Seller makes the representations and warranties in subsections (i) through (viii) to Buyer, as of the Closing Date and each subsequent Transfer Date.

(i) Valid Existence; Power and Authority. Seller (A) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (B) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification and where the failure to be so qualified or in good standing would have a Material Adverse Effect; and (C) has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(ii) UCC Information. The true legal name of Seller as registered in the jurisdiction of its organization, and the current location of Seller's jurisdiction of organization and the address of its chief executive office are set forth in Schedule 6.1(a), as amended from time to time in accordance with Section 4.1 or 6.3(c). In addition, Schedule 6.1(a) lists Seller's (A) federal employer identification number and (B) charter number or organizational identification number as designated by the jurisdiction of its organization, as applicable.

(iii) Authorization of Transaction; No Violation. The execution, delivery and performance by Seller of this Agreement and the other Related Documents to which Seller is a party and the creation and perfection of all Liens and ownership interests provided for herein: (A) have been duly authorized by all necessary action on the part of Seller, and (B) do not violate any provision of any law or regulation of any Governmental Authority, or contractual or other restrictions binding on Seller, except where such violations, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(iv) Enforceability. On or prior to the Closing Date, each of the Related Documents to which Seller is a party shall have been duly executed and delivered by Seller and each such Related Document shall then constitute a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms, as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect and by general principles of equity (whether considered in a suit at law or in equity).

(v) Use of Proceeds. No proceeds received by Seller under this Agreement will be used by it for any purpose that violates Regulation U of the Federal Reserve Board.

(vi) Judgment or Tax Lien. Seller is not aware of any judgment or tax lien filing against Seller.

(vii) Accuracy of Certain Information. All written factual information heretofore furnished by Seller to Buyer with respect to the Transferred Interests for the purposes of, or in connection with, this Agreement was true and correct in all material respects on the date as of which such information was stated or certified, or as of the date most recently updated; it being understood that no breach of this representation shall occur unless the Buyer shall be materially and adversely affected by the failure of any such information to be true and correct; and

(viii) Participation Interests and Underlying Receivables. With respect to Participation Interests and Additional Accounts, Seller represents and warrants that:

(A) each Underlying Receivable satisfies the criteria for an Eligible Receivable as of the applicable Transfer Date for the related Participation Interest;

(B) in order to perfect the transfer hereunder, this Agreement creates a valid and continuing security interest in the Transferred Assets in favor of Buyer, which (x) with respect to Transferred Assets existing as of the Closing Date and thereafter created in the Initial Accounts will be enforceable against Seller upon execution of this Agreement, and with respect to Transferred Assets as of any Addition Date and thereafter created in Additional Accounts, will be enforceable against Seller as of the applicable Addition Date, in each case as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect, and by general principles of equity (whether considered in a suit at law or in equity) and (y) upon filing of the financing statements described in Section 2.1 and, in the case of Transferred Assets thereafter created, upon the creation thereof, will be prior to all other Liens (other than Permitted Encumbrances);

(C) the Participation Interests constitute “accounts”, “general intangibles” or “chattel paper” within the meaning of UCC Section 9-102;

(D) immediately prior to the conveyance of the Transferred Assets pursuant to this Agreement, Seller owns and has good and marketable title to the Transferred Assets free and clear of any Lien, claim or encumbrance of any Person (other than Permitted Encumbrances);

(E) all authorizations, consents, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by Seller in connection with the conveyance by Seller of the Transferred Assets to Buyer have been duly obtained, effected or given and are in full force and effect;

(F) Seller has caused or will have caused, on or prior to the Closing Date or the applicable Addition Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest granted to Buyer under this Agreement in the Transferred Assets arising in the Initial Accounts and Additional Accounts, respectively; and

(G) subject to Permitted Encumbrances, other than the transfer and assignment and the security interest granted to Buyer pursuant to this Agreement, Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Transferred Assets and Seller has not authorized the filing of and is not aware of any financing statements against Seller that included a description of collateral covering the Transferred Assets.

The representations and warranties described in this Section 6.1(a) shall survive the sale of the Transferred Assets to Buyer, any subsequent assignment or sale of the Transferred Assets by Buyer, and the termination of this Agreement and the other Related Documents and shall continue until the payment in full of all Transferred Assets.

(b) [Reserved].

(c) Upon discovery by Seller or Buyer of a breach of any of the representations and warranties by Seller set forth in this Section 6.1, the party discovering such breach shall give prompt written notice to the other. Seller agrees to cooperate with Buyer in attempting to cure any such breach.

(d) If any representation or warranty of Seller contained in Section 2.6 and Section 6.1(a)(viii), is not true and correct in any material respect as of the date specified therein with respect to any Participation Interest, Underlying Receivable or any Account and as a result of such breach any Underlying Receivables in the related Account become Charged-Off Receivables or Buyer's rights in, to or under such Participation Interest or the proceeds of such Participation Interest are impaired or such proceeds are not available for any reason to Buyer free and clear of any Lien other than Permitted Encumbrances, unless cured within 90 days (or such longer period, not in excess of 150 days, as may be agreed to by Buyer) after the earlier to occur of the discovery thereof by Seller or receipt by Seller or a designee of Seller of notice thereof given by Buyer, then such Participation Interest shall be designated an "Ineligible Participation Interest"; provided that such Participation Interests will not be deemed to be Ineligible Participation Interests if, on any day prior to the end of such 90-day or longer period, the relevant representation and warranty shall be true and correct in all material respects as if made on such day.

(e) On the first Purchase Date that coincides with or falls after the date on which any Participation Interest is designated as an Ineligible Participation Interest, Seller shall repurchase such Ineligible Participation Interest from Buyer as provided below. The purchase price for the Ineligible Participation Interests in any Account shall equal the Purchase Price paid for such Ineligible Participation Interests, less Collections of Principal Amounts received on that Participation Interest in the interim. On any Purchase Date the aggregate amount of such

repurchase prices then payable may be netted against the Purchase Price then payable, unless, Buyer informs Seller that Buyer requires funds to make payments on account of the related Ineligible Participation Interests under any of the Related Documents, in which case such amounts shall be paid gross.

(f) If any representation or warranty of Seller contained in Section 6.1(a)(i), 6.1(a)(ii), 6.1(a)(iii) or 6.1(a)(iv) of this Agreement is not true and correct in any material respect and such breach has a material adverse effect on the Participation Interests transferred to Buyer by Seller or the availability of the proceeds thereof to Buyer, then Seller shall be obligated to accept a reassignment of the Participation Interests if such breach and any material adverse effect caused by such breach is not cured within 90 days of receipt of notice of such breach from the Buyer (or within such longer period, not in excess of 150 days, as specified in such notice); provided that such Participation Interests will not be reassigned to Seller if, on any day prior to the end of such 90-day or longer period (i) the relevant representation and warranty shall be true and correct in all material respects as if made on such day and (ii) Seller shall have delivered an Officer's Certificate describing the nature of such breach and the manner in which the relevant representation and warranty became true and correct.

Seller shall pay to Buyer in immediately available funds not later than 12:00 noon, New York City time, on the first Payment Date following the Monthly Period in which such reassignment obligation arises, in payment for such reassignment, an amount equal to the Aggregate Reassignment Amount. The payment of such deposit amount in immediately available funds shall otherwise be considered payment in full of all of the Participation Interests.

(g) Upon the payment, if any, required to be made to Buyer as provided in Section 6.1(e) or 6.1(f), Buyer shall automatically and without further action be deemed to transfer, assign, set over and otherwise convey to Seller or its designee, without recourse, representation or warranty, all the right, title and interest of Buyer in and to the applicable Participation Interests, all moneys due or to become due and all amounts received with respect thereto and all proceeds thereof. Buyer shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Seller to effect the conveyance of such Participation Interests pursuant to this Section. The obligation of Seller to make the payments, if any, required to be made pursuant to Sections 6.1(e) and 6.1(f) shall be the sole remedy respecting any event giving rise to such obligation available to Buyer or any assignee of its rights under this Agreement.

SECTION 6.2 Affirmative Covenants of Seller. Seller covenants and agrees that, unless otherwise consented to by Buyer, from and after the Closing Date and until the date after the Agreement Termination Date when the Principal Amounts of all Participation Interests have been reduced to zero:

(a) **Account Allocations.** If Seller is unable for any reason to transfer Participation Interests to Buyer in accordance with the provisions of this Agreement (including by reason of the application of the provisions of Section 5.1 or an order by any Governmental Authority that Seller not transfer any additional Participation Interests to Buyer) or if this Agreement shall terminate for any reason prior to the reduction of the Principal Amounts of all Participation Interests to zero (the date of any such inability to transfer receivables or other termination of this

Agreement, being referred to as a “sale termination date”), then, in any such event, Seller agrees to pay to Buyer all Collections with respect to Participation Interests previously sold to Buyer. To the extent that it is not clear to Seller whether such Collections related to a Principal Receivable in which a Participation Interest was previously sold to Buyer, Seller agrees that it shall allocate Collections relating to any Account first to the oldest principal balance of such Account. Notwithstanding any cessation of the sale of Participation Interests to Buyer hereunder, Participation Interests in Principal Receivables sold to Buyer prior to cessation of sales hereunder and all Collections in respect thereof and the Finance Amounts relating to Participation Interests previously sold to Buyer and all Collections in respect thereof shall continue to be property of Buyer.

(b) Notice of Material Event. Seller shall promptly inform Buyer in writing of the occurrence of any of the following, in each case setting forth the details thereof and what action, if any, Seller proposes to take with respect thereto:

(i) any Litigation commenced against Seller or with respect to or in connection with all or any substantial portion of the Transferred Assets or developments in such Litigation, in each case, that Seller believes has a reasonable risk of being determined adversely and having a Material Adverse Effect;

(ii) the commencement of a proceeding against Seller seeking a decree or order in respect of Seller (A) under the Federal Deposit Insurance Act or any other applicable federal, state or foreign bankruptcy or other similar law, (B) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for Seller or for any substantial part of Seller’s assets, or (C) ordering the winding-up or liquidation of the affairs of Seller; or

(iii) Seller’s failure to comply with any of its obligations under this Agreement.

(c) Notice of Liens. Seller shall notify Buyer promptly after becoming aware of any Lien on any Transferred Asset other than Permitted Encumbrances.

(d) Information for Reports. Seller shall promptly deliver any material written information, documents, records or reports with respect to the Participation Interests that Buyer shall reasonably request.

(e) Deposit of Collections. Seller shall transfer to Buyer or Servicer on its behalf, promptly, and in any event no later than the Business Day after receipt thereof, all Collections it may receive in respect of Transferred Assets.

(f) Program Agreements and Policies. Seller shall enforce Originator’s obligation to comply with and perform its obligations under the Program Agreements and the Contracts relating to the Accounts and the Credit and Collection Policies except insofar as any failure to comply or perform would not materially or adversely affect the rights of Buyer. Seller may permit Originator to change the terms and provisions of the Program Agreements, the Contracts or the Credit and Collection Policies (including the reduction of the required minimum monthly payment, the calculation of the amount, or the timing, of charge offs and periodic finance

charges and other fees assessed thereon), but subject to Section 6.3(b) and only if such change is made applicable to any comparable segment of the credit accounts owned and serviced by Originator which have characteristics the same as, or substantially similar to, the Accounts that are the subject of such change, except as otherwise restricted by an endorsement, sponsorship or other agreement between Originator and an unrelated third party or by the terms of the Program Agreements.

SECTION 6.3 Negative Covenants of Seller. Seller covenants and agrees that, without the prior written consent of Buyer, from and after the Closing Date and until the date after the Agreement Termination Date when the Principal Amounts of all Participation Interests transferred hereunder prior to such Agreement Termination Date have been reduced to zero:

(a) Liens. Seller shall not create, incur, assume or permit to exist any Lien, other than Permitted Encumbrances, on or with respect to the Transferred Assets.

(b) Periodic Finance Charges and Other Fees. Except as otherwise required by any Requirement of Law, or as is deemed by Originator to be necessary in order for it to maintain its credit business, based upon Originator's good faith assessment, in its sole discretion, of the nature of the competition in the credit business, Seller shall not at any time permit Originator to reduce the periodic finance charges assessed on any Underlying Receivable or other fees on any Account without the consent of Buyer, which may be deemed given as described in the following sentence. Seller shall consult with Buyer as necessary with respect to any such proposed reductions in periodic finance charges and other fees on the Accounts to allow Buyer to assess whether Buyer is obligated to withhold its consent pursuant to the Transfer Agreement. If after such consultation, Buyer does not promptly notify Seller that it objects to any proposed reduction, the Buyer shall be deemed to have consented to the proposed reduction.

(c) UCC Matters. Seller shall not change its state of organization or incorporation or its name such that any financing statement filed to perfect Buyer's interests under this Agreement would become seriously misleading, unless Seller shall have given Buyer not less than 15 days' prior written notice of such change and shall have delivered to Buyer a revised Schedule 6.1(a), which shall automatically amend and restate Schedule 6.1(a) hereto.

(d) No Proceedings. From and after the Closing Date and until the date one year plus one day following the date on which all amounts due with respect to securities that were issued by any entity holding Transferred Assets or an interest therein have been paid in full in cash, Seller shall not, directly or indirectly, institute or cause to be instituted against Buyer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law; provided that the foregoing shall not in any way limit Seller's right to pursue any other creditor rights or remedies that Seller may have under any applicable law. Without prejudice to the survival of any other agreement of Seller hereunder, the agreements and obligations of Seller under this Section 6.3(d) shall survive the termination of this Agreement.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by facsimile, email or other similar electronic transmission (with such transmission promptly confirmed by delivery of a copy by personal delivery or United States mail as otherwise provided in this Section 7.1), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number set forth below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Buyer) designated in any written communication provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall be effective only if actually received by such party prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall be effective only on the immediately succeeding Business Day.

If to Seller:

GEMB Lending, Inc.
2995 Red Hill Avenue
Costa Mesa, California 92626
Attention: President
Telephone (651) 286-5044
Facsimile: (651) 286-5535

With a copy to:

General Electric Capital Corporation
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

If to Buyer:

GE Sales Finance Holding, L.L.C.
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

With a copy to:

General Electric Capital Corporation
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

SECTION 7.2 No Waiver; Remedies.

(a) Either party's failure, at any time or times, to require strict performance by the other party hereto of any provision of this Agreement shall not waive, affect or diminish any right of such party thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, warranties, covenants and representations of either party contained in this Agreement, and no breach or default by either party hereunder or thereunder, shall be deemed to have been suspended or waived by the other party unless such waiver or suspension is by an instrument in writing signed by an officer of or other duly authorized signatory of such party and directed to the defaulting party specifying such suspension or waiver.

(b) Each party's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that such party may have under any other agreement, including the other Related Documents, by operation of law or otherwise.

SECTION 7.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Seller and Buyer and their respective successors and permitted assigns, except as otherwise provided herein. Except as provided below and in Section 2.8 or 4.1 of this Agreement, Seller may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder, or consent to any assignment by the Issuer under the Transfer Agreement, without having obtained the prior express written consent of Buyer. Any such purported assignment, transfer, hypothecation or other conveyance by Seller without the prior express written consent of Buyer shall be void. Seller acknowledges that under the Transfer Agreement, Buyer will assign its rights granted hereunder to the Issuer, and upon such assignment, Issuer shall have, to the extent of such assignment, all rights of Buyer hereunder and such transferee may in turn transfer such rights. The terms and provisions of this Agreement are

for the purpose of defining the relative rights and obligations of Seller and Buyer with respect to the transactions contemplated hereby and no Person shall be a third-party beneficiary of any of the terms and provisions of this Agreement.

SECTION 7.4 Termination. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the earlier of (a) the termination of the Issuer and (b) the date selected by Seller upon prior notice thereof to Buyer (such date the “Agreement Termination Date”).

SECTION 7.5 Survival. Except as otherwise expressly provided herein or in any other Related Document, no termination or cancellation (regardless of cause or procedure) of any commitment made by Seller under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Seller or the rights of Seller relating to any unpaid portion of any and all obligations of Seller to Buyer, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Agreement Termination Date. Except as otherwise expressly provided herein or in any other Related Document, all undertakings, agreements, covenants, warranties and representations of or binding upon Seller, and all rights of Seller hereunder shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the date after the Agreement Termination Date when the Principal Amounts of all Participation Interests transferred hereunder prior to such Agreement Termination Date have been reduced to zero; provided, that the rights and remedies pursuant to the provisions of Sections 2.5, 6.3(d), 7.3, 7.11 and 7.13 shall be continuing and shall survive any termination of this Agreement.

SECTION 7.6 Complete Agreement; Modification of Agreement. This Agreement constitutes the complete agreement between the parties with respect to the subject matter hereof, supersedes all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except by written agreement of the parties hereto. Notwithstanding any other provision of this Section 7.6, Schedule 6.1(a) shall be automatically amended upon delivery by Seller to Buyer of an updated Schedule 6.1(a).

SECTION 7.7 GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

(a) THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM

PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; **PROVIDED**, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; **PROVIDED FURTHER**, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE BUYER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE RECEIVABLES OR ANY SECURITY FOR THE OBLIGATIONS OF SELLER ARISING HEREUNDER OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF BUYER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH **SECTION 7.1** AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 7.8 **Counterparts**. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

SECTION 7.9 **Severability**. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any

provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 7.10 Section Titles. The section titles and table of contents contained in this Agreement are provided for ease of reference only and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

SECTION 7.11 No Setoff. Seller's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right Seller might have against Buyer, all of which rights are hereby expressly waived by Seller.

SECTION 7.12 Confidentiality. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, THE OBLIGATIONS OF CONFIDENTIALITY CONTAINED HEREIN, SHALL NOT APPLY TO THE FEDERAL TAX STRUCTURE OR FEDERAL TAX TREATMENT OF THIS TRANSACTION, AND EACH PARTY (AND ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF ANY PARTY) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE FEDERAL TAX STRUCTURE AND FEDERAL TAX TREATMENT OF THIS TRANSACTION. THE PRECEDING SENTENCE IS INTENDED TO CAUSE THIS TRANSACTION TO BE TREATED AS NOT HAVING BEEN OFFERED UNDER CONDITIONS OF CONFIDENTIALITY FOR PURPOSES OF SECTION 1.6011-4(B)(3) (OR ANY SUCCESSOR PROVISION) OF THE TREASURY REGULATIONS PROMULGATED UNDER SECTION 6011 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND SHALL BE CONSTRUED IN A MANNER CONSISTENT WITH SUCH PURPOSE. IN ADDITION, EACH PARTY ACKNOWLEDGES THAT IT HAS NO PROPRIETARY OR EXCLUSIVE RIGHTS TO THE FEDERAL TAX STRUCTURE OF THIS TRANSACTION OR ANY FEDERAL TAX MATTER OR FEDERAL TAX IDEA RELATED TO THIS TRANSACTION.

SECTION 7.13 Further Assurances.

(a) Seller shall, at its sole cost and expense, upon request of Buyer, promptly and duly authorize, execute and/or deliver, as applicable, any and all further instruments and documents and take such further actions that may be necessary or desirable or that Buyer may request to carry out more effectively the provisions and purposes of this Agreement or to obtain the full benefits of this Agreement and of the rights and powers herein granted, including authorizing and filing any financing or continuation statements under the UCC with respect to the ownership interests or Liens granted hereunder. Seller hereby authorizes Buyer to file any such financing or continuation statements without the signature of Seller to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Assets or any part thereof shall be sufficient as a notice or financing statement where permitted by law. If any amount payable under or in connection with any of the Transferred Assets is or shall become evidenced by any instrument, such instrument, other than checks and notes received in the ordinary course of business, shall be duly endorsed in a manner satisfactory to Buyer immediately upon Seller's receipt thereof and promptly delivered to or at the direction of Buyer.

(b) If Seller fails to perform any agreement or obligation under this Section 7.13, Buyer may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Buyer incurred in connection therewith shall be payable by Seller upon demand of Buyer.

SECTION 7.14 Relationship of Parties. Seller and Buyer agree that in performing their obligations pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Seller and Buyer.

SECTION 7.15 Accounting Changes. If any Accounting Changes occur and such changes result in a change in the standards or terms used herein, then the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the financial condition of such Persons and their Subsidiaries shall be the same after such Accounting Changes as if such Accounting Changes had not been made. If the parties hereto agree upon the required amendments to this Agreement, then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained herein shall, only to the extent of such Accounting Change, refer to GAAP consistently applied after giving effect to the implementation of such Accounting Change. If such parties cannot agree upon the required amendments within 30 days following the date of implementation of any Accounting Change, then all financial statements delivered and all standards and terms used herein shall be prepared, delivered and used without regard to the underlying Accounting Change.

SECTION 7.16 No Indirect or Consequential Damages. **NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.**

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Seller and Buyer have caused this Receivables Sale Agreement to be duly executed by their respective officers as of the day and year first above written.

GEMB LENDING INC., Seller

By: /s/ Anthony Foster

Name: Anthony Foster

Title: Treasurer

GE SALES FINANCE HOLDING, L.L.C., Buyer

By: /s/ Vishal Gulati

Name: Vishal Gulati

Title: Vice President

SCHEDULE 1

LIST OF ACCOUNTS

[Delivered Separately]

Sch. 1-1

*Participation Interest Sale Agreement
GEMB Lending*

SCHEDULE 6.1(a)

SELLER'S UCC INFORMATION

Legal Name

GEMB Lending Inc.

Jurisdiction of Organization

Delaware

Address of Chief Executive Officer

3355 Michelson Drive, 2nd Floor
Irvine, California 92612

Federal Employer Identification Number

95-3737685

Sch. 6.1(a)

*Participation Interest Sale Agreement
GEMB Lending*

EXHIBIT A

FORM OF ASSIGNMENT OF RECEIVABLES
IN ADDITIONAL ACCOUNTS

(As required by Section 2.6 of the Agreement)

ASSIGNMENT No. OF RECEIVABLES IN ADDITIONAL ACCOUNTS (this "Assignment") dated as of _____, by and between GEMB Lending Inc., a Delaware corporation, as Seller ("Seller") and GE Sales Finance Holding, L.L.C., a limited liability company organized under the laws of the State of Delaware, as Buyer ("Buyer"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS, Seller and Buyer are parties to the Participation Interest Sale Agreement, dated as of February 29, 2012 (as it may be amended and supplemented from time to time the "Agreement"); and

WHEREAS, pursuant to the Agreement, Seller wishes to designate Additional Accounts to be included as Accounts and to convey Participation Interests in the Receivables in such Additional Accounts that have been designated "Additional Accounts" pursuant to the Agreement, whether now existing or hereafter created, to Buyer (as each such term is defined in the Agreement); and

WHEREAS, Buyer is willing to accept such designation and conveyance subject to the terms and conditions hereof;

NOW, THEREFORE, Seller and Buyer hereby agree as follows:

1. Defined Terms. All terms defined in the Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

"Addition Date" means, with respect to the Additional Accounts designated hereby, [_____], 20[____].

"Addition Cut-Off Date" means, with respect to Additional Accounts designated hereby, [_____], 20[____].

"Requisite Percentage" means, with respect to Additional Accounts designated hereby, [____]%.

2. Designation of Additional Accounts. The Accounts listed on Schedule 1 to this Assignment have been designated "Additional Accounts" pursuant to the Agreement. Schedule 1 to this Assignment, as of the Addition Date, shall supplement Schedule 1 to the Agreement as required by Section 2.1(b) of the Agreement.

3. Conveyance of Receivables. (a) Seller does hereby transfer, assign, set over and otherwise convey, without recourse except as set forth in this Agreement, to Buyer, all its right, title and interest in, to and under the Participation Interests in such Additional Accounts existing at the close of business on the Addition Date and thereafter created from time to time until the Agreement Termination Date and other Transferred Assets relating thereto and all proceeds thereof. The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of any Originator, Seller or any other Person in connection with the Accounts or the Underlying Receivables or under any agreement or instrument relating thereto, including any obligation to Obligors, merchant banks, Retailers, clearance systems or insurers.

(b) Seller agrees to record and file, at its own expense, financing statements (and continuation statements when applicable) with respect to the Receivables in Additional Accounts existing on the Addition Date and thereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect, and maintain perfection of, the sale and assignment of its interest in such Receivables to Buyer, and to deliver a file-stamped copy of each such financing statement or other evidence of such filing to Buyer within ten (10) days of the Addition Date. Buyer shall be under no obligation whatsoever to file such financing or continuation statements or to make any other filing under the UCC in connection with such sale and assignment.

(c) In connection with such assignment, Seller further agrees, at its own expense, on or prior to the date of this Assignment, to indicate in the appropriate computer files that Receivables created in connection with the Additional Accounts and designated hereby have been conveyed to Buyer pursuant to the Agreement and this Assignment.

(d) In order to perfect the transfer hereunder, Seller does hereby grant to Buyer a security interest in all of its right, title and interest, whether now owned or hereafter acquired, in and to the Transferred Assets arising in the Additional Accounts existing on the Addition Date and thereafter created and all proceeds thereof. This Assignment constitutes a security agreement under the UCC.

4. Acceptance by Buyer. Buyer hereby acknowledges its acceptance of all right, title and interest to the property, existing on the Addition Date and thereafter created, conveyed to Buyer pursuant to Section 3(a) of this Assignment. Buyer further acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, Seller delivered to it the Account Schedule described in Section 2 of this Assignment.

5. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as of the Addition Date:

(a) each Underlying Receivable satisfies the criteria for an Eligible Receivable as of the Addition Cut-Off Date;

(b) this Assignment constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable Debtor Relief Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(c) each Additional Account is, as of the Addition Cut-Off Date, an Eligible Account;

(d) the Participation Interests constitute “accounts”, “general intangibles” or “chattel paper” within the meaning of UCC Section 9-102;

(e) immediately prior to the conveyance of the Transferred Assets pursuant to this Agreement, Seller owns and has good and marketable title to, or has a valid security interest in, the Transferred Assets free and clear of any Lien, claim or encumbrance of any Person, (other than Permitted Encumbrances);

(f) no selection procedures believed by Seller to be materially adverse to the interests of Buyer or any of its creditors were utilized in selecting the Additional Accounts from the available Eligible Accounts;

(g) as of the Addition Date, Seller is solvent;

(h) the Account Schedule delivered pursuant to this Assignment is an accurate and complete listing in all material respects of all the Accounts as of the related Addition Cut-Off Date, and the information contained therein with respect to the identity of such Accounts, the Requisite Percentages and the Underlying Receivables existing in such Accounts, is true and correct in all material respects as of the Addition Cut-Off Date;

(i) the Agreement and this Assignment create a valid and continuing security interest in the Transferred Assets in favor of Buyer, which security interest (x) is enforceable against Seller, as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect, and by general principles of equity (whether considered in a suit at law or in equity) and (y) upon filing of the financing statements described herein and, in the case of Transferred Assets thereafter created, upon the creation thereof, will be prior to all other Liens (other than Permitted Encumbrances); and

(j) subject to Permitted Encumbrances, other than the transfer and assignment and the security interest granted to Buyer pursuant to this Agreement, Seller had not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Participation Interests. Seller has not authorized the filing of and is not aware of any financing statements against Seller that included a description of collateral covering the Transferred Assets.

6. Amendment of the Agreement. The Agreement is hereby amended to provide that all references therein to “this Agreement” and “herein” shall be deemed from and after the Addition Date to be a dual reference to this Agreement as supplemented by this Assignment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms.

7. Counterparts. This Assignment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Exhibit A-4

Participation Interest Sale Agreement

IN WITNESS WHEREOF, the undersigned have caused this Assignment of Participation Interests in Additional Accounts to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GEMB LENDING INC., Seller

By: _____
Name:
Title:

GE SALES FINANCE HOLDING, L.L.C., Buyer

By: _____
Name:
Title:

Exhibit A-5

Participation Interest Sale Agreement

Schedule I
to Assignment of Participation Interests
in Additional Accounts

ADDITIONAL ACCOUNTS

This Account Schedule relating to Additional Accounts consists of one computer file listing the "Additional Accounts" designated pursuant to the Agreement and such computer file has been made available to the Buyer on the Addition Date and is incorporated herein. The aggregate of the Principal Amounts of the Participation Interests arising in the Additional Accounts described therein as of the related Addition Cut-Off Dates is approximately \$[].

Exhibit A-6

Participation Interest Sale Agreement

EXHIBIT B

**FORM OF REASSIGNMENT OF RECEIVABLES
IN REMOVED ACCOUNTS**

(As required by Section 2.7 of the Agreement)

REASSIGNMENT No. _____ OF RECEIVABLES IN REMOVED ACCOUNTS dated as of _____, by and among GEMB Lending Inc., a Delaware corporation, as Seller (the "Seller"), and GE Sales Finance Holding, L.L.C. (the "Buyer"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS Seller and Buyer are parties to the Participation Interest Sale Agreement, dated as of February 29, 2012 (as it may be amended and supplemented from time to time the "Agreement");

WHEREAS pursuant to the Agreement, Seller wishes to remove from Buyer all Participation Interests owned by Buyer in certain designated Accounts and to cause Buyer to reconvey the Participation Interests of such Removed Accounts, whether now existing or hereafter created, from Buyer to Seller; and

WHEREAS Buyer is willing to accept such designation and to reconvey the Participation Interests in the Removed Accounts subject to the terms and conditions hereof;

NOW, THEREFORE, Seller and Buyer hereby agree as follows:

1. Defined Terms. All terms defined in the Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

"Removal Date" means, with respect to the Removed Accounts designated hereby, _____, _____.

"Removal Cut-Off Date" means, with respect to the Removed Accounts _____, _____.

2. Designation of Removed Accounts. Schedule 1 to this Reassignment, as of the Removal Date, shall supplement Schedule 1 to the Agreement as required by Section 2.1(b) of the Agreement.

3. Conveyance of Participation Interests. (a) Buyer does hereby transfer, assign, set over and otherwise convey to Seller, without representation, warranty or recourse, on and after the Removal Cut-Off Date, all right, title and interest of Buyer in, to and under the Transferred Assets existing at the close of business on the Removal Cut-Off Date and thereafter created from time to time in the Removed Accounts designated hereby and all proceeds thereof.

Exhibit B-1

Participation Interest Sale Agreement

(b) In connection with such transfer, Buyer agrees to execute and deliver to Seller on or prior to the date this Reassignment is delivered, applicable termination statements prepared by Seller with respect to the Transferred Assets existing at the close of business on the Removal Cut-Off Date and thereafter created from time to time in the Removed Accounts reassigned hereby and the proceeds thereof evidencing the release by Buyer of its interest in the Transferred Assets in the Removed Accounts, and meeting the requirements of applicable state law, in such manner and such jurisdictions as are necessary to terminate such interest.

4. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as of the Removal Date:

(a) Legal Valid and Binding Obligation. This Reassignment Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity); and

(b) List of Removed Accounts. The list of Removed Accounts attached hereto, is an accurate and complete listing in all material respects of all the Accounts as of the Removal Cut-Off Date.

5. Amendment of the Agreement. The Agreement is hereby amended to provide that all references therein to "this Agreement" and "herein" shall be deemed from and after the Removal Date to be a dual reference to the Agreement as supplemented by this Reassignment. Except as expressly amended hereby, all of the representations, warranties, terms and covenants and conditions of the Agreement shall remain unamended and shall continue to be and shall remain in full force and effect in accordance with its terms.

6. Counterparts. This Reassignment may be executed in two or more counterparts, and by different parties on separate counterparts), each of which shall be an original, but all of which shall constitute one and the same instrument.

7. GOVERNING LAW. THIS REASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the undersigned have caused this Reassignment of Receivables in Removed Accounts to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GEMB LENDING INC., Seller

By: _____
Name:
Title:

GE SALES FINANCE HOLDING, L.L.C., Buyer

By: _____
Name:
Title:

Exhibit B-3

Participation Interest Sale Agreement

Schedule 1
to Reassignment Agreement

REMOVED ACCOUNTS

Exhibit B-4

Participation Interest Sale Agreement

FIRST AMENDMENT TO PARTICIPATION INTEREST SALE AGREEMENT

This FIRST AMENDMENT TO PARTICIPATION INTEREST SALE AGREEMENT, dated as of September 19, 2012 (this Amendment), is entered into between: (i) GEMB LENDING INC., a Delaware corporation ("Seller"); and (ii) GE SALES FINANCE HOLDING, L.L.C., a Delaware limited liability company ("Buyer").

BACKGROUND

1. Seller and Buyer entered into that certain Participation Interest Sale Agreement, dated as of February 29, 2012 (the Participation Interest Sale Agreement).
2. Seller and Buyer desire to amend the Participation Interest Sale Agreement as set forth herein.

AMENDMENTS

The parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, (a) capitalized terms which are defined in the preamble hereto shall have the meanings as so defined, and (b) capitalized terms not so defined shall have the meanings set forth in the Participation Interest Sale Agreement as amended hereby.

SECTION 2. AMENDMENTS TO PARTICIPATION INTEREST SALE AGREEMENT

(a) The phrase "and paid to Seller pursuant to the Receivables Participation Agreement" shall be removed where it appears in clause (b) of the definition of "Collections" in Section 1.1 of the Participation Interest Sale Agreement.

(b) Section 2.1 of the Participation Interest Sale Agreement is hereby amended by adding the following subsection (c) immediately after subsection (d) in such Section:

"(c) For administrative convenience, Buyer shall allocate Recoveries for each Monthly Period as follows: separately for each Segment, the Average Recovery Price Ratio for such Segment multiplied by the aggregate of the Principal Amounts (immediately prior to charge-off) with respect to Principal Receivables in that Segment that became Charged-Off Receivables during such Monthly Period."

(c) Section 2.3 of the Participation Interest Sale Agreement is hereby amended by adding the words "or contribution" after each reference to the word "sale" in such section.

SECTION 3. EFFECTIVENESS. This Amendment shall become effective as of the opening of business on the date hereof; provided that Buyer and Seller shall have executed a counterpart of this Amendment.

SECTION 4. BINDING EFFECT; RATIFICATION.

(a) On and after the execution and delivery hereof, (i) this Amendment shall be a part of the Participation Interest Sale Agreement and (ii) each reference in the Participation Interest Sale Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import, and each reference in any other Related Document to the Participation Interest Sale Agreement, shall mean and be a reference to such Participation Interest Sale Agreement as amended hereby.

(b) Except as expressly amended hereby, the Participation Interest Sale Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. MISCELLANEOUS. (a) THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401(1) OF THE GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

(c) This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

IN WITNESS WHEREOF, the parties have executed this Amendment by their respective officers thereunto duly authorized as of the date first above written.

GEMB LENDING INC., Seller

By: /s/ Michael Lagnese

Name: Michael Lagnese

Title: President

S-1

*Participation Interest Sale Agreement
First Amendment*

By: /s/ Andrew Lee

Name: Andrew Lee

Title: VP

SECOND AMENDMENT TO PARTICIPATION INTEREST SALE AGREEMENT

This SECOND AMENDMENT TO PARTICIPATION INTEREST SALE AGREEMENT, dated as of March 21, 2014 (this Amendment), is entered into between: (i) GEMB LENDING INC., a Delaware corporation ("Seller"); and (ii) GE SALES FINANCE HOLDING, L.L.C., a Delaware limited liability company ("Buyer").

BACKGROUND

1. Seller and Buyer entered into that certain Participation Interest Sale Agreement, dated as of February 29, 2012 (as amended by First Amendment to Participation Interest Sale Agreement, dated as of September 19, 2012, the "Participation Interest Sale Agreement").
2. Seller and Buyer desire to amend the Participation Interest Sale Agreement as set forth herein.

AMENDMENTS

The parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, (a) capitalized terms which are defined in the preamble hereto shall have the meanings as so defined, and (b) capitalized terms not so defined shall have the meanings set forth in the Participation Interest Sale Agreement as amended hereby.

SECTION 2. AMENDMENTS TO PARTICIPATION INTEREST SALE AGREEMENT. Section 1.1 of the Participation Interest Sale Agreement shall be amended by deleting the definition of "Average Recovery Price Ratio" in its entirety and replacing it with the following:

"Average Recovery Price Ratio" means, as of any date of determination during a Monthly Period, for any segment of serviced credit accounts, which may include credit accounts relating to one or more of the Programs from which the Accounts were selected (each, a "Segment"), the average for the most recent six fiscal months ending prior to the first day of such Monthly Period of the percentage equal to a fraction, the numerator of which is the total amount of recoveries on related receivables for the applicable fiscal month and the denominator of which is the aggregate amount of charged-off receivables for such fiscal month, in each case for all serviced receivables in that Segment. For purposes of the foregoing, "recoveries" and "charged-off receivables" shall have the same meaning as "Recoveries" and "Charged-Off Receivables," respectively, but as applied to all serviced receivables in a particular Program, rather than only Underlying Receivables. Seller and Buyer shall mutually agree on the composition of each applicable Segment for purposes of calculating the "Average Recovery Price Ratio" from time to time. Seller and Buyer may from time to time modify the formula to calculate "Average Recovery Price Ratio" in order to more closely approximate the actual Recoveries on Underlying Receivables."

SECTION 3. EFFECTIVENESS. This Amendment shall become effective as of the opening of business on the date hereof; provided that Buyer and Seller shall have executed a counterpart of this Amendment.

SECTION 4. BINDING EFFECT; RATIFICATION.

(a) On and after the execution and delivery hereof, (i) this Amendment shall be a part of the Participation Interest Sale Agreement and (ii) each reference in the Participation Interest Sale Agreement to "this Agreement", "hereof", "hereunder" or words of like import, and each reference in any other Related Document to the Participation Interest Sale Agreement, shall mean and be a reference to such Participation Interest Sale Agreement as amended hereby.

(b) Except as expressly amended hereby, the Participation Interest Sale Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. MISCELLANEOUS. (a) THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401(1) OF THE GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

(c) This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

(d) It is expressly understood and agreed by the parties hereto that (a) this Amendment is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Amendment or any other related documents.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Amendment by their respective officers thereunto duly authorized as of the date first above written.

GEMB LENDING INC., Seller

By: /s/ Michael Lagnese

Name: Michael Lagnese

Title: President & CEO

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*Participation Interest Sale Agreement
Second Amendment*

By: /s/ Andrew Lee

Name: Andrew Lee

Title: VP

Agreed and Consented to by:

GE SALES FINANCE MASTER TRUST,
as Issuer

By: **BNY MELLON TRUST OF DELAWARE,**
not in its individual capacity, but solely as Trustee on
behalf of the Issuer

By: /s/ Kristine Gullo

Name: Kristine K. Gullo

Title: Vice President

S-3

*Participation Interest Sale Agreement
Second Amendment*

TRANSFER AGREEMENT

between

GE SALES FINANCE HOLDING, L.L.C.,

Transferor,

and

GE SALES FINANCE MASTER TRUST,

Buyer,

Dated as of February 29, 2012

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TRANSFER AGREEMENT, dated as of February 29, 2012 (this "Agreement"), between GE SALES FINANCE HOLDING, L.L.C., a Delaware limited liability company, as Transferor ("Transferor") and GE SALES FINANCE MASTER TRUST, a Delaware statutory trust, as Buyer ("Buyer").

In consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions

"Account" means each Initial Account and each Additional Account, but excludes any credit accounts all of the Transferred Interests in which are either reassigned or assigned to Transferor or its designee in accordance with this Agreement, and any Accounts which in accordance with Transferor's customary practices have been removed from Transferor's computer records due to lack of activity. The term "Account" includes each account into which an Account is transferred (a "Transferred Account") so long as (a) such transfer is made in accordance with the Credit and Collections Policies and (b) such Transferred Account can be traced or identified, by reference to or by way of any Account Schedule delivered to Buyer pursuant to this Agreement, as an account into which an Account has been transferred. Notwithstanding the foregoing, no account in a Dual Card Program shall be deemed to be a "Transferred Account" with respect to any Account in a Private Label Program. Any Account in which the Receivables have become Charged-Off Receivables shall cease to be an Account for all purposes other than the calculation of Recoveries, and no existing balance or future charges on such account shall be deemed to be Transferred Interests notwithstanding any subsequent reaffirmation of such account by the Obligor and any resulting action by Originator. The term Account includes an Additional Account only from and after its Addition Date and includes any Removed Account only prior to its Removal Date. To avoid doubt, and without limiting the foregoing, each Flagged Account is an Account.

"Account Schedule" means a computer file held on a shared drive accessible to the Buyer containing a true and complete list of Accounts, identified by account number (or by an alpha-numeric identifier that uniquely and objectively identifies the applicable account number pursuant to a protocol that has been provided to Buyer) and setting forth the receivables balance for each as of (i) the applicable Addition Cut-Off Date, in the case of an Account Schedule relating to Additional Accounts, (ii) the Removal Cut-Off Date, in the case of an Account Schedule relating to Removed Accounts or (iii) the date specified therein, in the case of any Account Schedule relating to Transferred Accounts or any other Account Schedule.

"Accounting Changes" means, with respect to any Person, changes (a) in accounting principles generally accepted within the United States of America as those

principles have been promulgated by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or any successor thereto or any agency with similar functions) including any rule, regulation, pronouncement or opinion of or any interpretation thereof applicable to that Person; (b) in accounting principles concurred upon by such Person's certified public accountants; (c) resulting from purchase accounting adjustments made in accordance with applicable GAAP and any subsequent reversal thereof (in whole or in part); and (d) resulting from the application of GAAP that has the effect of establishing or reversing (in whole or in part) reserves for taxes.

"Addition Cut-Off Date" means, with respect to any Additional Account, the date specified as the "Addition Cut-Off Date" in the related Assignment.

"Addition Date" means, as to any Additional Accounts, the date as of which Receivables outstanding in such Additional Account (or a Participation Interest therein) are first sold or contributed to Buyer, as specified in the related Assignment.

"Additional Accounts" is defined in Section 2.6.

"Administration Agreement" means that certain Administration Agreement, dated as of February 29, 2012, between the Administrator and Buyer.

"Administrator" means GE Capital Retail Bank, in its capacity as Administrator under the Administration Agreement, or any successor Administrator.

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, or (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, "*control*" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Reassignment Amount" means, for any reassignment of the Transferred Interests pursuant to Section 6.1(f), the aggregate outstanding amount of Transferred Interests (including Principal Receivables and Finance Charge Receivables and, with respect to any Transferred Participation Interests, Finance Amounts and Principal Amounts) as of the end of the last preceding Monthly Period.

"Agreement" is defined in the preamble.

"Agreement Termination Date" is defined in Section 7.4.

"Assignment" is defined in Section 2.6.

"Authorized Officer" means, with respect to any corporation or statutory trust, the Chairman or Vice-Chairman of the Board, the President, any Vice President, the

Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer and each other officer of such corporation or trustee of such trust specifically authorized in resolutions of the Board of Directors of such corporation or by the governing documents or agreements of such trust to sign agreements, instruments or other documents on behalf of such corporation or statutory trust in connection with the transactions contemplated by the Related Documents.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Connecticut.

“Buyer” is defined in the preamble.

“Charged-Off Receivable” means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectible in accordance with the Credit and Collection Policies.

“Closing Date” means February 29, 2012.

“Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by an Obligor on account of such Receivable during such period, including all in-store payments and all other fees and charges and (b) Recoveries and cash proceeds of Related Security with respect to such Receivable. Collections shall include all amounts described in the preceding sentence that are received with respect to Participation Interests and shall only include Recoveries to the extent allocated to the Participation Interests in accordance with the Receivables Participation Agreement. Amounts received from the Transferor pursuant to Section 6.2(a) of this Agreement shall be deemed to be Collections. Collections with respect to any Monthly Period shall include the amount of Interchange (if any) with respect to such Monthly Period (to the extent received by Issuer and deposited on the Payment Date following such Monthly Period in accordance with this Agreement).

“Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Obligor and Originator, as such agreements may be amended, modified, or otherwise changed from time to time.

“Credit and Collection Policies” means the credit and collection policies adopted by Buyer, as such policies and procedures may be amended from time to time.

“Custody and Control Agreement” means the Custody and Control Agreement, dated as of February 29, 2012, between Buyer, Deutsche Bank Trust Company Americas, as Custodian, and the Indenture Trustee.

“Date of Processing” means, as to any transaction, the day on which the transaction is first recorded on Buyer’s computer file of credit accounts (without regard to the effective date of such recordation).

“Debtor Relief Laws” means Title 11 of the United States Code, the Federal Deposit Insurance Act and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect, affecting the rights of creditors generally.

“Discount Option Receivables” is defined in Section 2.8.

“Discount Option Receivables Collections” shall mean as of any Date of Processing, occurring after the effective date of the designation of a Discount Percentage, the product of (a) the Discount Percentage and (b) Collections of Principal Receivables (determined without giving effect to the proviso in the definition of Principal Receivables) on such Date of Processing.

“Discount Percentage” is defined in Section 2.8.

“Dual Card Program” means any arrangement in which Originator agrees to extend general purpose credit accounts to customers of a Retailer, which accounts combine a private label credit line for use at the Retailer’s retail establishments, Internet websites, catalogue sales business or other channels for sale of the Retailer’s goods and services and a general purpose credit line for use elsewhere.

“Eligible Account” means a credit account that satisfies the definition of “Eligible Account” in the applicable Sale Agreement as of the applicable date specified therein.

“Eligible Receivable” means a Receivable that satisfies the definition of “Eligible Receivable” in the applicable Sale Agreement; it being understood that references to “Buyer” and “Seller” in such definition shall be deemed to refer to Buyer and Transferor as defined in this Agreement.

“FDIC” means the Federal Deposit Insurance Corporation or any successor agency.

“FDIC Rule” means 12 C.F.R. §360.6, as such may be amended from time to time.

“FDIC Rule Interpretations” means clarifications and interpretations to the FDIC Rule as may be provided by the FDIC or by the FDIC’s staff from time to time.

“Finance Amount” means, with respect to any Finance Charge Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the outstanding amount of such Finance Charge Receivable.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account. Finance Charge Receivables shall also include the Finance Amounts with respect to Participation Interests as shall be determined pursuant

to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Servicer using its then-current practices as in effect from time to time.

“Flagged Account” is defined in Section 2.1(c).

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time.

“GE Capital” means General Electric Capital Corporation, a Delaware corporation.

“GE Capital Retail Bank” means GE Capital Retail Bank, a federal savings bank organized under the laws of the United States.

“GEMB Lending Participation Interest Sale Agreement” shall mean the Participation Interest Sale Agreement, dated as of February 29, 2012 between GEMB Lending Inc. and the Transferor.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Indenture” means the Master Indenture, dated as of February 29, 2012, between Buyer and the Indenture Trustee.

“Indenture Supplement” means a supplement to the Indenture, executed and delivered in connection with the original issuance of the notes.

“Indenture Trustee” means Deutsche Bank Trust Company Americas and its successors and assigns under the Indenture.

“Ineligible Interest” is defined in Section 6.1(d).

“Initial Account” means each credit account included in the “Accounts” as of the Closing Date, which Accounts are identified in the Account Schedule delivered in connection with the execution and delivery of this Agreement.

“Insolvency Event” means, with respect to a specified Person: (a) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of such Person under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of such Person or of

any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of ninety (90) consecutive days; or (b) the commencement by such Person of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Person's failure to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.

“Insurance Proceeds” means any amounts payable to Originator pursuant to any credit insurance policies covering any Obligor with respect to Receivables under such Obligor's Account.

“Interchange” means interchange fees payable to GE Capital Retail Bank or the Originator, in its capacity as credit card issuer, through VISA, USA, Inc., MasterCard International Incorporated, Discover Bank or American Express Co. or any similar entity or organization with respect to any type credit accounts included as Accounts.

“Involuntary Removal” is defined in Section 2.7(b).

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction).

“Litigation” means, with respect to any Person, any action, claim, lawsuit, demand, investigation or proceeding pending against such Person before any court, board, commission, agency or instrumentality of any federal, state, local or foreign government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators.

“Material Adverse Effect” means a material adverse effect on (a) the ability of Transferor to perform any of its obligations under the Related Documents in accordance with the terms thereof, (b) the validity or enforceability of any Related Document or the rights and remedies of Transferor or Buyer under any Related Document or (c) the ownership interests or Liens of Transferor or Buyer with respect to the Transferred Assets or the priority of such interests or Liens.

“Monthly Period” means, as to each Payment Date, the period beginning on the 22^d day of the second preceding calendar month and ending on the 2⁸^t day of the immediately preceding calendar month; except that the initial Monthly Period shall begin on the Closing Date and shall end on March 21, 2012.

“Obligor” means, with respect to any Receivable, any Person obligated to make payments in respect thereof.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for, or an employee of, the Person providing the opinion.

“Originator” means GE Capital Retail Bank or any other originator so designated pursuant to Section 2.10 of this Agreement.

“Outstanding Balance” means, with respect to any Principal Receivable: (a) as of the Transfer Date for that Principal Receivable, the outstanding amount of such Principal Receivable (after giving effect to any recharacterization of any portion of such Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8); and (b) thereafter, the amount referred to in clause (a) minus Collections with respect to that Principal Receivable that are allocable to a reduction of the Outstanding Balance thereof minus any subsequent discounts to or any other modifications that reduce such Outstanding Balance; provided, that the Outstanding Balance of a Charged-Off Receivable shall equal zero.

“Participation Assets” is defined in Section 2.1(b).

“Participation Interest” shall mean, with respect to any Receivable, an interest in such Receivable equal to the applicable Requisite Percentage of such Receivable.

“Participation Interest Sale Agreement” means (i) the GEMB Lending Participation Interest Sale Agreement and (ii) any other participation interest sale agreement entered into between a Seller and Transferor pursuant to which such Seller sells Participation Interests to the Transferor.

“Payment Date” means, except as otherwise specified in any supplement to the Indenture, the 15^h day of each calendar month, or if the 15^h day is not a Business Day, the next Business Day.

“Permitted Encumbrances” means the following encumbrances: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, Buyer.

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a business or statutory trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

“Principal Amount” means, with respect to any Principal Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the Outstanding Balance of such Principal Receivable.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable; provided, that after the effective date of designation of a Discount Percentage, Principal Receivables on any Date of Processing thereafter shall mean Principal Receivables as otherwise determined pursuant to this definition minus Discount Option Receivables. Unless the context otherwise requires, Principal Receivables shall also include the Principal Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Issuer using its then-current practices as in effect from time to time.

“Private Label Program” means a business arrangement in which Originator agrees to extend credit accounts to customers of a Retailer and such Retailer agrees to allow purchases to be made at its retail establishments, through an Internet website, in its catalogue sales business or through other channels for sale of the Retailer’s goods and services, under such accounts.

“Program” means a Private Label Program, Dual Card Program or other program pursuant to which an Originator offers credit accounts to Obligor.

“Program Agreement” means (i) one or more agreements between Originator and a Retailer pursuant to which Originator provides a Private Label Program, a Dual Card Program or both to the Retailer and its customers or (ii) with respect to any other Program, one or more agreements entered into by Originator pursuant to which Originator establishes a Program to offer credit accounts to Obligor.

“Purchase Date” means the Closing Date and thereafter each Business Day.

“Purchase Price” is defined in Section 2.4(a).

“Reassignment” is defined in Section 2.7(a).

“Receivable” means any amount owing by an Obligor under an Account from time to time. Unless the context otherwise requires (whether or not there is a specific reference to the Underlying Receivable), any reference in this Agreement to a Receivable (including any Principal Receivable, Finance Charge Receivable or Charged-Off Receivable) and any Collections thereon shall refer only to the fractional undivided interest in the amounts paid or payable by Obligor on the related Accounts that is transferred to Transferor pursuant to the applicable Sale Agreement, which undivided interest may be less than a 100% undivided interest therein.

“Receivables Assets” is defined in Section 2.1(a).

“Receivables Participation Agreement” means shall mean the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012 between GE Capital Retail Bank and GEMB Lending Inc.

“Receivables Sale Agreement” means any receivables sale agreement entered into between a Seller and Transferor pursuant to which such Seller sells Receivables to the Transferor.

“Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict the transfer or pledge thereof), prepared and maintained by any Originator, the Servicer, or any Sub-Servicer with respect to the Transferred Receivables and the Obligors thereunder.

“Recoveries” means (i) Collections of such Transferred Interest received after such Transferred Interest was charged off as uncollectible but before any sale or other disposition of such Transferred Interest; and (ii) any proceeds from such a sale or other disposition by Transferor of such a charged off Transferred Interest, in each of clauses (i) and (ii) net of expenses of recovery.

“Related Documents” means this Agreement, the Receivables Participation Agreement, the Sale Agreements, the Trust Agreement, the Custody and Control Agreement, the Indenture, any Indenture Supplement, the Servicing Agreement, the Servicer Guaranty, the Administration Agreement and all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Person, or any employee of any Person, and delivered in connection with any of the foregoing or the transactions contemplated thereby.

“Related Security” means with respect to any Receivable: (a) all of Transferor’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise; and (c) all Records relating to such Receivable.

“Removal Cut-Off Date” means the date specified as the “Removal Cut-Off Date” in the related Reassignment or, in the case of any zero balance account designated pursuant to Section 2.7(d), the date as of which the related Account Schedule has been prepared.

“Removal Date” is defined in Section 2.7(a).

“Removed Accounts” is defined in Section 2.7(a).

“Requirements of Law” means, as to any Person, the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether federal, state or local.

“Requisite Percentage” means, (i) with respect to each Initial Account in which a Participation Interest arises, 95% and (ii) with respect to each Additional Account in which a Participation Interest arises, the percentage specified in the related Assignment. If Transferor acquires Participation Interests relating to an Account pursuant to more than one Participation Interest Sale Agreement and transfers such Participation Interests to Buyer under this Agreement, the Requisite Percentage shall equal the sum of the Requisite Percentages (as defined in the related Participation Interest Sale Agreements) relating to all such Transferred Interests. The Requisite Percentage of any Account may be increased if the Transferor acquires additional Participation Interests in such Account pursuant to a Participation Interest Sale Agreement after the date on which such Account was first designated as an Account under this Agreement.

“Reset Date” means the “Reset Date” as defined in any Indenture Supplement.

“Retailer” means any Person that operates or has an arrangement with, retail establishments at which, or a catalog sales business, Internet website or other channel through which, goods or services may be purchased under an Account.

“Sale Agreements” means (a) the Receivables Sale Agreements, and (b) the Participation Interest Sale Agreements.

“Seller” means any Person designated as a “Seller” pursuant to a Sale Agreement.

“Servicer” means GE Capital Retail Bank, in its capacity as Servicer under the Servicing Agreement, or any other Person designated as a successor servicer pursuant to the Servicing Agreement.

“Servicer Guaranty” means that certain Servicer Performance Guaranty, dated as of February 29, 2012, by GE Capital, as servicer performance guarantor.

“Servicing Agreement” means the Servicing Agreement, dated as of February 29, 2012, among Servicer and Buyer.

“Sub-Servicer” means any Person with whom Servicer enters into a Sub-Servicing Agreement.

“Sub-Servicing Agreement” means any written contract entered into between Servicer and any Sub-Servicer relating to the servicing, administration or collection of the Transferred Receivables.

“Subsidiary” means, with respect to any Person, any corporation or other entity (a) of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such Person or (b) that is directly or indirectly controlled by such Person within the meaning of control under Section 15 of the Securities Act.

“Transfer Date” means a date on which Buyer acquires Transferred Interests from Transferor pursuant to Section 2.1 or any Assignment.

“Transferor” is defined in the preamble.

“Transferred Account” is defined within the definition of Account.

“Transferred Assets” is defined in Section 2.1(b).

“Transferred Interests” means the Transferred Receivables and the Transferred Participation Interests.

“Transferred Participation Interests” means any Participation Interest purchased by Buyer from Transferor pursuant to this Agreement or any Assignment. However, Participation Interests that are repurchased by Transferor pursuant to this Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Transferred Participation Interests” from the date of such purchase.

“Transferred Receivable” means any Receivable purchased by Buyer from Transferor pursuant to this Agreement or any Assignment, including Finance Charge Receivables that exist at the time of purchase of any Principal Receivables in the same Account or that arise in an Account after the date of purchase of Principal Receivables in the Account. However, Receivables that are repurchased by Transferor pursuant to this Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Transferred Receivables” from the date of such purchase.

“Trust Agreement” means the Amended and Restated Trust Agreement, dated as of February 29, 2012, between Transferor and the Trustee.

“Trustee” means BNY Mellon Trust of Delaware, not in its individual capacity but solely in its capacity as trustee under the Trust Agreement.

“UCC” means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

“Underlying Receivable” means any Receivable in which a Participation Interest is purchased by Buyer from Transferor pursuant to this Agreement or any Assignment. However, Receivables relating to Participation Interests that are repurchased by Transferor pursuant to this Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Underlying Receivables” from the date of such purchase.

“United States” means the United States of America, together with its territories and possessions.

SECTION 1.2 Other Interpretive Matters. All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any certificate or other document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement and all related certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined in this Agreement, and accounting terms partly defined in this Agreement to the extent not defined, shall have the respective meanings given to them under GAAP; and unless otherwise provided, references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the GE Capital fiscal calendar; (b) terms defined in Article 9 of the UCC as in effect in the applicable jurisdiction and not otherwise defined in this Agreement are used as defined in that Article; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of this Agreement (or such certificate or document); (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (i) references to any Person include that Person’s successors and permitted assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and (k) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

SALES AND CONTRIBUTIONS

SECTION 2.1 Sales and Contributions

(a) By execution of this Agreement, Transferor does hereby transfer, assign, set over and otherwise convey to Buyer, without recourse except as provided herein, all its right, title and interest in, to and under (i)(A) the Receivables acquired by Transferor pursuant to the Receivables Sale Agreements from time to time until the Agreement Termination Date, together with the Related Security and Collections with respect thereto, in each case together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto, (B) without limiting the generality of the foregoing or the following, all of Transferor’s rights

pursuant to the Receivables Sale Agreements to receive payments from any Retailer on account of in-store payments and any other amounts received by such Retailer in payment of Receivables, (C) all of Transferor's other rights under the Receivables Sale Agreements, and (D) any Interchange included in Collections pursuant to the supplemental agreement entered into pursuant Section 2.1(e) and (ii) all proceeds of all of the foregoing (collectively, the "Receivables Assets"). The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of any Originator, any Seller, Transferor or any other Person in connection with the Accounts or the Transferred Receivables or under any agreement or instrument relating thereto, including any obligation to Obligors, merchant banks, Retailers, clearance systems or insurers.

(b) By execution of this Agreement, Transferor does hereby transfer, assign, set over and otherwise convey to Buyer, without recourse except as provided herein, all its right, title and interest in, to and under (i)(A) the Participation Interests acquired by Transferor pursuant to the Participation Interest Sale Agreements existing at the opening of business on the Closing Date, and thereafter created from time to time until the Agreement Termination Date, together with the Requisite Percentage of the Related Security and Collections with respect thereto, in each case together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto, (B) without limiting the generality of the foregoing or the following, all of Transferor's rights pursuant to the related Participation Interest Sale Agreements to receive payments from any Retailer on account of in-store payments and any other amounts received by such Retailer in payment of Receivables, (C) all of Transferor's other rights under each Participation Interest Sale Agreement, and (D) any Interchange included in Collections pursuant to the supplemental agreement entered into pursuant to Section 2.1(e) and (ii) all proceeds of all of the foregoing (collectively, the "Participation Assets"; and together with the Receivables Assets, the "Transferred Assets"). The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of any Originator, Transferor or any other Person in connection with the Accounts, the Transferred Interests or the Underlying Receivables or under any agreement or instrument relating thereto, including any obligation to Obligors, merchant banks, Retailers, clearance systems or insurers.

(c) On or prior to the Closing Date, Transferor agrees to record and file, at its own expense, financing statements (and continuation statements when applicable) with respect to the Transferred Interests conveyed by Transferor existing on the Closing Date and thereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect, and maintain the perfection of, the transfer and assignment of its interest in such Transferred Interests to Buyer, and to deliver a file stamped copy of each such financing statement or other evidence of such filing (which may, for purposes of this Section 2.1 consist of telephone confirmation of such filing promptly followed by delivery to Buyer of a file-stamped copy) as soon as practicable after the Closing Date, and (if any additional filing is so necessary) as soon as practicable after the applicable Addition Date, in the case of Transferred Interests arising in Additional Accounts. Buyer shall be under no obligation whatsoever to file such financing or continuation statements or to make any other filing under the UCC in connection with such transfer and assignment.

(d) Transferor agrees, at its own expense, (i) on or prior to (x) the Closing Date, in the case of the Initial Accounts, (y) the applicable Addition Date, in the case of Additional Accounts, and (z) the applicable Removal Date, in the case of Removed Accounts, to indicate, or cause to be indicated, in the appropriate computer files that Receivables created (or reassigned, in the case of Removed Accounts) in connection with the Accounts have been conveyed to Buyer pursuant to this Agreement (or conveyed to Transferor or its designee in accordance with Section 2.7, in the case of Removed Accounts) by including, or causing to be included, in such computer files a code so identifying each such Account (or, in the case of Removed Accounts, deleting, or causing to be deleted, such code thereafter) and (ii) on or prior to the date referred to in clause (i)(x), (y) or (z), as applicable, to deliver to Buyer an Account Schedule. The initial such Account Schedule, as supplemented from time to time to reflect Additional Accounts and Removed Accounts, shall be marked as Schedule 1 to this Agreement and is hereby incorporated into and made a part of this Agreement. Once the code referenced in clause (i) of this paragraph has been included with respect to any Account, Transferor further agrees not to permit such code to be altered during the remaining term of this Agreement unless and until (x) such Account becomes a Removed Account, or (y) Transferor shall have delivered to Buyer at least 30 days' prior written notice of its intention to do so and has taken such action as is necessary or advisable to cause the interest of Buyer in the Transferred Interests to continue to be perfected with the priority required by this Agreement. At any time that the code referenced in clause (i) is included with respect to any account, such account shall be a "Flagged Account".

(e) Transferor may in the future convey a portion of the Interchange relating to any Account to Buyer pursuant to an agreement supplemental hereto in form and substance satisfactory to Transferor and Buyer.

SECTION 2.2 Acceptance by Buyer

(a) Buyer hereby acknowledges its acceptance of all right, title and interest to the property, now existing and hereafter created, conveyed to Buyer pursuant to Section 2.1. Trustee shall maintain a copy of Schedule 1, as delivered to it from time to time.

(b) Buyer hereby agrees not to disclose to any Person any of the account numbers or other information contained in the Account Schedule marked as Schedule 1 and delivered to Buyer, from time to time, except (i) to Servicer, any Sub-Servicer or as required by a Requirement of Law applicable to Buyer, (ii) in connection with the performance of Buyer's duties hereunder, (iii) to Indenture Trustee in connection with Indenture Trustee's duties or (iv) to bona fide creditors or potential creditors of Servicer or Transferor for the limited purpose of enabling any such creditor to identify Transferred Interests or Accounts subject to this Agreement. Buyer agrees to take such measures as shall be reasonably requested by Transferor to protect and maintain the security and confidentiality of such information and, in connection therewith, shall allow Transferor or its duly authorized representatives to inspect Buyer's security and confidentiality

arrangements from time to time during normal business hours upon prior written notice. Buyer shall promptly notify Transferor of any request received by Buyer to disclose information of the type described in this Section 2.2(b), which notice shall in any event be provided no later than five (5) Business Days prior to disclosure of any such information unless Buyer is compelled pursuant to a Requirement of Law to disclose such information prior to the date that is five (5) Business Days after the giving of such notice.

(c) Buyer covenants and agrees that, from and after the Closing Date and until the date one year plus one day following the date on which all amounts due with respect to securities that were issued by any entity holding Transferred Interests have been paid in full in cash, Buyer shall not, directly or indirectly, institute or cause to be instituted against Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law; provided that the foregoing shall not in any way limit Buyer's right to pursue any other creditor rights or remedies that Transferor may have under any applicable law. Without prejudice to the survival of any other agreement of Buyer hereunder, the agreements and obligations of Buyer under this Section 2.2(c) shall survive the termination of this Agreement

SECTION 2.3 Grant of Security Interest. The parties hereto intend that each transfer of the Transferred Assets shall constitute a sale or capital contribution, as applicable, by Transferor to Buyer and not a loan by Buyer to Transferor secured by the Transferred Assets. Notwithstanding anything to the contrary set forth in this Section 2.3, if a court of competent jurisdiction determines that any transaction provided for herein constitutes a loan and not a sale, or capital contribution, as applicable, then the parties hereto intend that this Agreement shall constitute a security agreement under applicable law. Transferor hereby grants, to Buyer a first priority lien and security interest in and to all of Transferor's right, title and interest in, to and under the Transferred Assets and all amounts that are allocated to Buyer pursuant to Section 6.2(a) of this Agreement, subject only to Permitted Encumbrances.

SECTION 2.4 Purchase Price.

(a) The purchase price for the Transferred Interests and the other Transferred Assets related thereto shall equal the Outstanding Balances of the related Principal Receivables and/or Principal Amounts of the related Participation Interests, as applicable, included therein, adjusted consistent with any applicable Discount Percentage (such amount for any Transferred Assets, the "Purchase Price").

(b) The Purchase Price for any Transferred Assets sold by Transferor under this Agreement shall be payable in full in cash on each Purchase Date or less frequently if so agreed between Buyer and Transferor. On each such Purchase Date or other date set by the parties for payment, Buyer shall, upon satisfaction of the applicable conditions set forth in Article III, make available to Transferor the Purchase Price for the applicable Transferred Assets in same day funds. If Buyer does not have sufficient cash on any Purchase Date or other date set by the parties for payment to pay the full Purchase Price, the remaining balance may, in the discretion of the Transferor, be deemed to be contributed to Buyer.

SECTION 2.5 Adjustments. If on any day the outstanding amount of any Principal Receivable is reduced because of a rebate, refund, unauthorized charge or billing error to an accountholder, or because such Principal Receivable was created in respect of merchandise which was refused or returned by an accountholder, or if the outstanding amount of any Principal Receivable is otherwise reduced other than on account of Collections thereof or such amount being charged-off as uncollectible, then, Transferor shall compensate Buyer for such reductions as provided below. The compensation payable by Transferor for any such reduction shall equal the amount of the reduction in the Outstanding Balance of the related Principal Receivable or Principal Amount of the related Participation Interest, as applicable. Transferor shall pay such compensation to Buyer not later than the first Payment Date following the end of the Monthly Period in which the adjustment arises.

SECTION 2.6 Addition of Accounts. Transferor may, with the consent of Buyer, designate additional Eligible Accounts ("Additional Accounts") as Accounts for purposes of this Agreement. On or before the Addition Date, (i) Transferor shall have delivered to Buyer, a written assignment in substantially the form of Exhibit A (the "Assignment") (which may be executed by the Administrator on behalf of Buyer), (ii) the representations and warranties of Transferor set out in Exhibit A shall be true with respect to the Additional Accounts and (iii) Transferor shall indicate in its computer files that the Transferred Interests created in connection with the Additional Accounts have been transferred to Buyer.

SECTION 2.7 Removal of Accounts

(a) From time to time, Transferor may, with the consent of Buyer, cause the reassignment to it or its designee of all Buyer's right, title and interest in, to and under the Transferred Interests then existing and thereafter created in a specified set of Accounts (the "Removed Accounts"), together with the Related Security and Collections with respect thereto, in each case together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto, upon satisfaction of the following conditions:

(i) on or before the fifth day immediately preceding the Removal Date, Transferor shall have given Buyer written notice of such removal and specifying the date for removal of the Removed Accounts (the "Removal Date"); and

(ii) on or prior to the Removal Date, Transferor shall have delivered to Buyer an Account Schedule listing the Removed Accounts.

Upon satisfaction of the above conditions, Buyer shall execute and deliver to Transferor or its designee a written reassignment in substantially the form of Exhibit B (the "Reassignment") (which may be executed by the Administrator on behalf of Buyer)

and shall, without further action, be deemed to transfer, assign, set over and otherwise convey to Transferor or its designee, effective as of the Removal Date, without recourse, representation or warranty, all the right, title and interest of Buyer in and to the Transferred Interests and related Transferred Assets arising in the Removed Accounts. In addition, Buyer shall execute such other documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Transferor to effect the conveyance of Transferred Interests pursuant to this Section. Any reassignment of the Transferred Assets arising in Removed Accounts pursuant to this [Section 2.7\(a\)](#) shall be reassigned to the Transferor for a purchase price equal to the fair market value of such Transferred Assets as agreed upon by the Buyer and the Transferor prior to such reassignment, and such purchase price shall be treated as Collections of such Transferred Assets. Notwithstanding the foregoing, no repurchase of Participation Interests pursuant to this [Section 2.7\(a\)](#) shall occur if the fair market value of such Transferred Assets is less than the aggregate of the Principal Amounts of the related Transferred Interests plus the aggregate of the outstanding Finance Amounts related thereto.

(b) Transferor shall from time to time designate as Removed Accounts any Accounts designated for purchase by a Retailer pursuant to the terms of the related Program Agreement (each, an “[Involuntary Removal](#)”). All Transferred Assets in Removed Accounts designated pursuant to this [Section 2.7\(b\)](#) shall be repurchased on the date of the Involuntary Removal for a cash purchase price equal to the fair market value of such Transferred Assets as agreed upon by Buyer and Transferor prior to such repurchase calculated as of the same date that the balance of receivables in the Removed Accounts is determined for purposes of calculating the purchase price to be paid by or on behalf of the related Retailer for such Removed Accounts in accordance with the related Program Agreement. Such purchase price shall be treated as Collections of such Participation Interests. Notwithstanding the foregoing, no repurchase of Transferred Interests pursuant to this [Section 2.7\(b\)](#) shall occur if the fair market value of such Transferred Interests is less than the aggregate of the Principal Amounts of such Transferred Interests plus the aggregate of the outstanding Finance Amounts related thereto.

(c) On the last day of the Monthly Period in which a Receivable becomes a Charged-Off Receivable, Buyer shall automatically and without further action or consideration be deemed to sell, transfer, and otherwise convey to Transferor, without recourse, representation or warranty (except for the warranty that since the date of the transfer of such Charged-Off Receivable by Transferor to Buyer under this Agreement, Buyer has not sold, transferred or encumbered any such Receivable or interest therein), all the right, title and interest of Buyer in and to such Receivable, all monies due or to become due with respect thereto and all proceeds thereof. The purchase price for the Charged-Off Receivables purchased pursuant to this [Section 2.7\(c\)](#) shall equal the aggregate amount of Recoveries for that Monthly Period. Such purchase price shall be payable in full in cash by Transferor on the Business Day preceding the related Payment Date.

(d) Transferor may from time to time, at its option, by notice to Buyer, designate as a Removed Account any Account that has a zero balance as of the related Removal Cut-Off Date, as shown in the Account Schedule delivered to Buyer with such notice.

SECTION 2.8 Discount Option. Transferor shall have the option (subject to the limitations described below) to designate at any time a fixed or floating percentage (the "Discount Percentage") of the amount of all Principal Receivables existing in all or any specified portion of the Accounts ("Discount Option Receivables") to be treated as Finance Charge Receivables with the consent of Buyer. On the Closing Date, the Transferor designates a Discount Percentage equal to 5%. Transferor may from time to time with the consent of Buyer increase, reduce or eliminate (subject to the limitations described below) the Discount Percentage. Transferor shall provide written notice to Buyer, with a copy to the Servicer, of any designation, increase, reduction or elimination, and such designation, increase, reduction or elimination occurring after the Closing Date shall become effective as of the first day of the Monthly Period preceding the Monthly Period in which the Transferor delivers such notice if such notice is delivered on or before the tenth (10th) Business Day prior to the Payment Date related to such Monthly Period or, if such notice is delivered after such date, the Discount Percentage shall become effective as of the first day of the Monthly Period in which such notice is provided.

SECTION 2.9 Additional Sellers. Transferor may permit Originator to designate additional or substitute Persons to be included as "Sellers" under (and as defined in) any Sale Agreement if Buyer consents to such designation.

SECTION 2.10 Additional Originators. Transferor may permit GE Capital Retail Bank to designate additional or substitute Persons to be included as "Originators" under (and as defined in) any Sale Agreement and this Agreement if Buyer consents to such designation.

ARTICLE III

CONDITIONS PRECEDENT

SECTION 3.1 Conditions to all Transfers. Each sale or contribution hereunder (including the initial sale or contribution) shall be subject to satisfaction of the following further conditions precedent (any one or more of which, may be waived by Buyer) as of the Transfer Date therefor:

(a) This Agreement or counterparts hereof shall have been duly executed by, and delivered to, Transferor and Buyer, and, with respect to the initial sale or contribution, Buyer shall have received such documents, instruments, agreements and legal opinions as Buyer shall reasonably request in connection with the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to Buyer.

(b) The representations and warranties of Transferor contained herein or in any other Related Document required to be made on such Transfer Date shall be true and correct in all material respects as of such Transfer Date, both before and after giving effect to such sale or contribution; and

(c) Transferor shall be in compliance in all material respects with each of its covenants and other agreements set forth herein.

The consummation by Transferor of the sale or contribution, as applicable, of Transferred Assets on any Transfer Date shall be deemed to constitute, as of any such Transfer Date, a representation and warranty by Transferor that the conditions in clauses (b) and (c) of this Section 3.1 have been satisfied.

ARTICLE IV

OTHER MATTERS RELATING TO TRANSFEROR

SECTION 4.1 Merger or Consolidation of, or Assumption of the Obligations of, Transferor, etc

(a) Transferor shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(i) the Person formed by such consolidation or into which Transferor is merged or the Person which acquires by conveyance or transfer the properties and assets of Transferor substantially as an entirety shall be, if Transferor is not the surviving entity, an entity organized and existing under the laws of the United States or any state or the District of Columbia, and, if Transferor is not the surviving entity, such entity shall expressly assume, by an agreement supplemental hereto, executed and delivered to Buyer, in form reasonably satisfactory to Buyer, the performance of every covenant and obligation of Transferor hereunder;

(ii) Transferor has delivered to Buyer (A) an Officer's Certificate stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with, and (B) an Opinion of Counsel to the effect that such supplemental agreement is a valid and binding obligation of such surviving entity enforceable against such surviving entity in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(iii) the business entity into which Transferor shall merge or consolidate, or to which such conveyance or transfer is made, shall be (x) a business entity that may not become a debtor in any case, action or other proceeding under Title 11 of the United States Code or (y) a special-purpose corporation, the powers and activities of which shall be limited in a manner consistent with the limitations set forth in the limited liability company agreement of the Transferor; and

(iv) if Transferor is not the surviving entity, the surviving entity shall file new UCC1 financing statements with respect to the interest of Buyer in the Transferred Assets, if any, and shall deliver a revised Schedule 4.1(a) to Buyer, which shall automatically amend and restate Schedule 4.1(a) hereto.

(b) This Section 4.1 shall not be construed to prohibit or in any way limit Transferor's ability to effectuate any consolidation or merger pursuant to which Transferor would be the surviving entity.

(c) The obligations of Transferor hereunder shall not be assignable nor shall any Person succeed to the obligations of Transferor hereunder except in each case in accordance with (i) the provisions of the foregoing paragraphs, (ii) Section 3.4(b) of the Trust Agreement or (iii) conveyances, mergers, consolidations, assumptions, sales or transfers to other entities (1) for which Transferor delivers an Officer's Certificate to Buyer indicating that Transferor reasonably believes that such action will not result in a Material Adverse Effect, (2) which meet the requirements of clause (ii) of paragraph (a) and (3) for which such purchaser, transferee, pledgee or entity shall expressly assume, in an agreement supplemental hereto, executed and delivered to Buyer in writing in form satisfactory to Buyer, the performance of every covenant and obligation of Transferor thereby conveyed.

ARTICLE V

INSOLVENCY EVENTS

SECTION 5.1 Rights upon the Occurrence of a Insolvency Event If a Insolvency Event occurs with respect to Transferor, Transferor shall on the day any such event occurs, immediately cease to transfer Principal Receivables to Buyer and shall promptly give notice of such event to Indenture Trustee and Buyer. Notwithstanding any cessation of the transfer to Buyer of additional Principal Receivables, Principal Receivables transferred to Buyer prior to the occurrence of such Insolvency Event and Collections in respect of such Principal Receivables, and Finance Charge Receivables whenever created accrued in respect of such Principal Receivables, shall continue to be property of Buyer.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 6.1 Representations and Warranties of Transferor.

(a) To induce Buyer to accept the Transferred Assets, Transferor makes the representations and warranties in subsections (i) through (viii) to Buyer, as of the Closing Date and each subsequent Transfer Date, each and all of which shall survive the execution and delivery of this Agreement.

(i) Valid Existence; Power and Authority. Transferor (A) is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (B) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification and where the failure to be so qualified or in good standing would have a Material Adverse Effect and (C) has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(ii) UCC Information. The true legal name of Transferor as registered in the jurisdiction of its organization, and the current location of Transferor's jurisdiction of organization and the address of its chief executive office are set forth in Schedule 4.1(a), as amended from time to time in accordance with Section 4.1, 6.3(c), or 7.6. In addition, Schedule 4.1(a) lists Transferor's (A) federal employer identification number and (B) organizational identification number as designated by the jurisdiction of its organization.

(iii) Authorization of Transaction; No Violation. The execution, delivery and performance by Transferor of this Agreement and the other Related Documents to which Transferor is a party and the creation and perfection of all Liens and ownership interests provided for herein: (A) have been duly authorized by all necessary action on the part of Transferor, and (B) do not violate any provision of any law or regulation of any Governmental Authority, or contractual restrictions binding on Transferor, except where such violations, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(iv) Enforceability. On or prior to the Closing Date, each of the Related Documents to which Transferor is a party shall have been duly executed and delivered by Transferor and each such Related Document shall then constitute a legal, valid and binding obligation of Transferor enforceable against it in accordance with its terms, as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect, and by general principles of equity (whether considered in a suit at law or in equity).

(v) Use of Proceeds. No proceeds received by Transferor under this Agreement will be used by it for any purpose that violates Regulation U of the Federal Reserve Board.

(vi) Judgment or Tax Lien. Transferor is not aware of any judgment or tax lien filing against Transferor.

(vii) Accuracy of Certain Information. All written factual information heretofore furnished by Transferor to Buyer with respect to the Transferred Receivables for the purposes of, or in connection with, this Agreement was true and correct in all material respects on the date as of which such information was stated or certified, or as of the date most recently updated; it being understood that no breach of this representation shall occur unless the Buyer shall be materially and adversely affected by the failure of any such information to be true and correct;

(viii) Transferred Interests. With respect to Transferred Interests and Additional Accounts, Transferor represents and warrants that:

(A) each Transferred Receivable or Underlying Receivable satisfies the criteria for an Eligible Receivable as of the applicable Transfer Date;

(B) in order to perfect the transfer hereunder, this Agreement creates a valid and continuing security interest in the Transferred Interests in favor of Buyer, which (x) with respect to Transferred Interests existing as of the Closing Date and thereafter created in the Initial Accounts and the Related Security and Collections with respect thereto, together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto and the proceeds thereof, will be enforceable against Transferor upon execution of this Agreement, and with respect to Transferred Interests as of any Addition Date and thereafter created in Additional Accounts and the Related Security and Collections with respect thereto, together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto and the proceeds thereof, will be enforceable against Transferor as of the applicable Addition Date, in each case as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect, and by general principles of equity (whether considered in a suit at law or in equity) and (y) upon filing of the financing statements described in Section 2.1 and, in the case of Transferred Interests thereafter created, upon the creation thereof, will be prior to all other Liens (other than Permitted Encumbrances);

(C) the Transferred Interests constitute “accounts”, “general intangibles” or “chattel paper” within the meaning of UCC Section 9-102;

(D) immediately prior to the conveyance of the Transferred Interests pursuant to this Agreement, Transferor owns and has good and marketable title to, or has a valid security interest in, the Transferred Interests free and clear of any Lien, claim or encumbrance of any Person (other than Permitted Encumbrances);

(E) all authorizations, consents, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by Transferor in connection with the conveyance by Transferor of the Transferred Interests to Buyer have been duly obtained, effected or given and are in full force and effect;

(F) Transferor has caused or will have caused, on or prior to the Closing Date or the applicable Addition Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the transfer and security interest granted to Buyer under this Agreement in the Transferred Interests arising in the Initial Accounts and Additional Accounts, respectively; and

(G) subject to Permitted Encumbrances, other than the transfer and assignment and the security interest granted to Buyer pursuant to this Agreement, Transferor has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Transferred Interests and Transferor has not authorized the filing of and is not aware of any financing statements against Transferor that included a description of collateral covering the Transferred Interests.

The representations and warranties described in this Section 6.1(a) shall survive the sale or contribution of the Transferred Assets to Buyer, any subsequent assignment, contribution or sale of the Transferred Assets by Buyer, and the termination of this Agreement and the other Related Documents and shall continue until the payment in full of all Transferred Assets.

(b) As of the Closing Date, Transferor represents that it is the sole beneficial owner of Buyer.

(c) Upon discovery by Transferor or Buyer of a breach of any of the representations and warranties by Transferor set forth in this Section 6.1, the party discovering such breach shall give prompt written notice to the other. Transferor agrees to cooperate with Buyer in attempting to cure any such breach.

(d) If any representation or warranty of Transferor contained in Section 6.1(a)(viii), is not true and correct in any material respect as of the date specified therein with respect to any Transferred Interest or any Account and as a result of such breach any Transferred Interests in the related Account become Charged-Off Receivables or Buyer's rights in, to or under such Transferred Interests or the proceeds of such Transferred

Interests are impaired or such proceeds are not available for any reason to Buyer free and clear of any Lien other than Permitted Encumbrances, unless cured within 90 days (or such longer period, not in excess of 150 days, as may be agreed to by Buyer) after the earlier to occur of the discovery thereof by Transferor or receipt by Transferor or a designee of Transferor of notice thereof given by Buyer, then such Transferred Interest shall be designated an “Ineligible Interest” provided that such Transferred Interests will not be deemed to be Ineligible Interests if, on any day prior to the end of such 90-day or longer period, the relevant representation and warranty shall be true and correct in all material respects as if made on such day.

(e) On the Business Day preceding the first Payment Date following the end of the Monthly Period in which any Transferred Interest is designated as an Ineligible Interest, Transferor shall repurchase such Ineligible Interest from Buyer by paying Buyer a cash purchase price equal to the Outstanding Balance of the Principal Receivables and/or Principal Amounts of the Participation Interests in such Account, plus the accrued Finance Charge Receivables and/or Finance Amounts in such Account as of the end of the Monthly Period prior to the repurchase date.

(f) If any representation or warranty of Transferor contained in Section 6.1(a)(i), 6.1(a)(ii), 6.1(a)(iii) or 6.1(a)(iv) of this Agreement is not true and correct in any material respect and such breach has a material adverse effect on the Transferred Interests transferred to Buyer by Transferor or the availability of the proceeds thereof to Buyer, then Transferor shall be obligated to accept a reassignment of the Transferred Interests if such breach and any material adverse effect caused by such breach is not cured within 90 days of receipt of notice of such breach from Buyer (or within such longer period, not in excess of 150 days, as specified in such notice); provided that such Transferred Interests will not be reassigned to Transferor if, on any day prior to the end of such 90-day or longer period (i) the relevant representation and warranty shall be true and correct in all material respects as if made on such day and (ii) Transferor shall have delivered an Officer’s Certificate describing the nature of such breach and the manner in which the relevant representation and warranty became true and correct.

Transferor shall pay to Buyer in immediately available funds not later than 12:00 noon, New York City time, on the first Payment Date following the Monthly Period in which such reassignment obligation arises, in payment for such reassignment, an amount equal to the Aggregate Reassignment Amount. The payment of such deposit amount in immediately available funds shall otherwise be considered payment in full of all of the Transferred Interests.

(g) Upon the payment, if any, required to be made to Buyer as provided in Section 6.1(e) or 6.1(f), Buyer shall automatically and without further action be deemed to transfer, assign, set over and otherwise convey to Transferor or its designee, without recourse, representation or warranty, all the right, title and interest of Buyer in and to the applicable Transferred Interests and related Transferred Assets, all moneys due or to become due and all amounts received with respect thereto and all proceeds thereof. Buyer shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Transferor to effect the

conveyance of such Transferred Interests and related Transferred Assets pursuant to this Section. The obligation of the Transferor to make the deposits, if any, required to be made pursuant to Sections 6.1(f) and 6.1(g) shall be the sole remedy respecting any event giving rise to such obligation available to the Issuer or any assignee of its rights under this Agreement.

SECTION 6.2 Affirmative Covenants of Transferor. Transferor covenants and agrees that, unless otherwise consented to by Buyer, from and after the Closing Date and until the date after the Agreement Termination Date when the Outstanding Balances of all Transferred Receivables and the Principal Amounts of all Transferred Participation Interests have been reduced to zero:

(a) Account Allocations. If Transferor is unable for any reason to transfer Transferred Interests to Buyer in accordance with the provisions of this Agreement (including by reason of the application of the provisions of Section 5.1 or an order by any Governmental Authority that Transferor not transfer any additional Principal Receivables to Buyer) then, in any such event, Transferor agrees to pay to Buyer, after the date of such inability, all Collections with respect to Principal Receivables, and all amounts which would have constituted Collections with respect to Principal Receivables but for Transferor's inability to transfer such Transferred Interests (up to an aggregate amount equal to the amount of Principal Receivables held by Buyer on such date of inability).

If Transferor is unable pursuant to any Requirement of Law to pay to Buyer Collections as described above, Transferor agrees that it shall allocate collections, charge-offs and other incidents of the receivables in the Accounts between Transferred Interests and other receivables outstanding in the Accounts on a basis reasonably intended to approximate the actual portions allocable to Transferred Interests and other receivables respectively. The parties hereto agree that Finance Charge Receivables, whenever created, accrued in respect of Principal Receivables that have been conveyed to Buyer, or that would have been conveyed to Buyer but for the above described inability to transfer such Receivables, shall continue to be held by Buyer notwithstanding any cessation of the transfer of additional Principal Receivables to Buyer.

(b) Notice of Material Event. Transferor shall promptly inform Buyer in writing of the occurrence of any of the following, in each case setting forth the details thereof and what action, if any, Transferor proposes to take with respect thereto:

(i) any Litigation commenced against Transferor or with respect to or in connection with all or any substantial portion of the Transferred Assets or developments in such Litigation, in each case, that Transferor believes has a reasonable risk of being determined adversely and having a Material Adverse Effect;

(ii) the commencement of a proceeding against Transferor seeking a decree or order in respect of Transferor (A) under the Federal Deposit Insurance Act or any other applicable federal, state or foreign bankruptcy or other similar

law, (B) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for Transferor or for any substantial part of Transferor's assets, or (C) ordering the winding-up or liquidation of the affairs of Transferor; or

(iii) any default by Transferor in performance of any of its obligations under this Agreement, any notice received by Transferor from any Seller relating to any default by such Seller in performance of its obligations under the related Sale Agreement or any actual knowledge on the part of Transferor of such Seller default.

(c) Notice of Liens. Transferor shall notify Buyer promptly after becoming aware of any Lien on any Transferred Asset other than Permitted Encumbrances.

(d) Information for Reports. Transferor shall promptly deliver any material written information, documents, records or reports with respect to the Transferred Interests that Buyer shall reasonably request.

(e) Deposit of Collections. Transferor shall transfer to Buyer or Servicer on its behalf, promptly, and in any event no later than the Business Day after receipt thereof, all Collections it may receive in respect of Transferred Assets.

(f) Program Agreement and Policies. Transferor shall enforce, or cause the applicable Seller to enforce, Originator's obligation to comply with, and perform its obligations under the Program Agreements and the Contracts relating to the Accounts and the Credit and Collection Policies except insofar as any failure to comply or perform would not materially or adversely affect the rights of Buyer. Transferor may permit Originator to change the terms and provisions of the Program Agreements, the Contracts or the Credit and Collection Policies (including the reduction of the required minimum monthly payment, the calculation of the amount, or the timing, of charge offs and periodic finance charges and other fees assessed thereon), but subject to Section 6.3(b) and only if such change is made applicable to any comparable segment of the credit accounts owned and serviced by Originator which have characteristics the same as, or substantially similar to, the Accounts that are the subject of such change, except as otherwise restricted by an endorsement, sponsorship or other agreement between Originator and an unrelated third party or by the terms of the Program Agreements.

(g) Transferor shall comply with the covenants contained in Section 9.4 of its Limited Liability Company Agreement.

SECTION 6.3 Negative Covenants of Transferor. Transferor covenants and agrees that, without the prior written consent of Buyer, from and after the Closing Date and until the date after the Agreement Termination Date when the Outstanding Balances of all Transferred Receivables and the Principal Amounts of all Transferred Participation Interests have been reduced to zero:

(a) Liens. Transferor shall not create, incur, assume or permit to exist any Lien, other than Permitted Encumbrances, on or with respect to the Transferred Assets.

(b) Periodic Finance Charges and Other Fees. Except as otherwise required by any Requirement of Law, or as is deemed by Originator to be necessary in order for it to maintain its credit business, based upon Originator's good faith assessment, in its sole discretion, of the nature of the competition in the credit business, Transferor shall not at any time permit, or consent to any Seller permitting, Originator to reduce the periodic finance charges assessed on any Transferred Receivable or other fees on any Account without the consent of Buyer, which may be deemed given as described in the following sentence. Transferor shall consult with Buyer as necessary with respect to any such proposed reductions in periodic finance charges and other fees on the Accounts to allow Buyer to assess whether Buyer is obligated to withhold its consent pursuant to the Indenture. If after such consultation, Buyer does not promptly notify Transferor that it objects to any proposed reduction, the Buyer shall be deemed to have consented to the proposed reduction.

(c) UCC Matters. Transferor shall not change its state of organization or incorporation or its name such that any financing statement filed to perfect Buyer's interests under this Agreement would become seriously misleading, unless Transferor shall have given Buyer not less than 15 days' prior written notice of such change and shall have delivered to Buyer a revised Schedule 4.1(a), which shall automatically amend and restate Schedule 4.1(a) hereto.

(d) No Proceedings. From and after the Closing Date and until the date one year plus one day following the date on which all amounts due with respect to securities that were issued by any entity holding Transferred Assets have been paid in full in cash, Transferor shall not, directly or indirectly, institute or cause to be instituted against Buyer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceeding under any federal or state bankruptcy or similar law; provided that the foregoing shall not in any way limit Transferor's right to pursue any other creditor rights or remedies that Transferor may have under any applicable law. Without prejudice to the survival of any other agreement of Transferor hereunder, the agreements and obligations of Transferor under this Section 6.3(d) shall survive the termination to this Agreement.

(e) Amendment to Receivables Sale Agreement. Transferor shall not amend any Sale Agreement or the Trust Agreement without the consent of Buyer.

SECTION 6.4 Compliance with the FDIC Rule.

(a) Each of the Buyer and Seller acknowledges and agrees that the purpose of this Section 6.4 is to comply with the provisions of the FDIC Rule and FDIC Rule Interpretations.

(b) Schedule 6.4 is expressly incorporated in this Agreement. Each of Buyer and Seller agree to perform their respective obligations set forth in Schedule 6.4.

(c) In the event that GE Capital Retail Bank becomes the subject of an insolvency proceeding and the FDIC as receiver or conservator provides a written notice of repudiation as contemplated by paragraph (d)(4)(ii) of the FDIC Rule to Buyer or Seller, the party receiving such notice shall promptly deliver such notice to the other party, with a copy to the Indenture Trustee.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by facsimile, email or other similar electronic transmission (with such transmission promptly confirmed by delivery of a copy by personal delivery or United States mail as otherwise provided in this Section 7.1), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number set forth below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Buyer) designated in any written communication provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall be effective only if actually received by such party prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall be effective only on the immediately succeeding Business Day.

If to Transferor:

GE SALES FINANCE HOLDING, L.L.C.
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

with a copy to:

GENERAL ELECTRIC CAPITAL CORPORATION
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 585-6254

If to Buyer:

GE SALES FINANCE MASTER TRUST
c/o BNY Mellon Trust of Delaware
101 Barclay Street, Floor 4 West (ABS Unit)
New York, New York 10286
Attention: Antonio Vayas
Telephone: (212) 815-8322
Facsimile: (212) 815-2494 or 3883

with a copy to:

GENERAL ELECTRIC CAPITAL CORPORATION
777 Long Ridge Road
Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Finance Manager – Securitization
Telephone: (203) 585-2351
Facsimile: (866) 739-9022

SECTION 7.2 No Waiver; Remedies.

(a) Either party's failure, at any time or times, to require strict performance by the other party hereto of any provision of this Agreement shall not waive, affect or diminish any right of such party thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, warranties, covenants and representations of either party contained in this Agreement, and no breach or default by either party hereunder or thereunder, shall be deemed to have been suspended or waived by the other party unless such waiver or suspension is by an instrument in writing signed by an officer of or other duly authorized signatory of such party and directed to the defaulting party specifying such suspension or waiver.

(b) Each party's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that such party may have under any other agreement, including the other Related Documents, by operation of law or otherwise.

SECTION 7.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of Transferor and Buyer and their respective successors and permitted assigns, except as otherwise provided herein. Except as provided below and in Section 2.9 or 4.1 of this Agreement, neither Buyer nor Transferor may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder, without obtaining the prior express written consent of the other party. Any such purported assignment, transfer, hypothecation or other conveyance by Transferor without the prior express written consent of Buyer shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of Transferor and Buyer with respect to the transactions contemplated hereby and no Person shall be a third-party beneficiary of any of the terms and provisions of this Agreement.

SECTION 7.4 Termination. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the earlier of (a) the termination of Buyer as provided in the Trust Agreement and (b) the date selected by Transferor upon prior notice thereof to Buyer (such date the "Agreement Termination Date").

SECTION 7.5 Survival. Except as otherwise expressly provided herein or in any other Related Document, no termination or cancellation (regardless of cause or procedure) of any commitment made by Transferor under this Agreement shall in any way affect or impair the obligations, duties and liabilities of Transferor or the rights of Transferor relating to any unpaid portion of any and all obligations of Transferor to Buyer, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Agreement Termination Date. Except as otherwise expressly provided herein or in any other Related Document, all undertakings, agreements, covenants, warranties and representations of or binding upon Transferor, and all rights of Transferor hereunder shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the date after the Agreement Termination Date when the Outstanding Balances of all Transferred Receivables transferred hereunder prior to such Agreement Termination Date have been reduced to zero; provided, that the rights and remedies pursuant to the provisions of Sections 2.5, 6.3(c), 7.3, 7.11 and 7.13 shall be continuing and shall survive any termination of this Agreement.

SECTION 7.6 Complete Agreement; Modification of Agreement. This Agreement constitutes the complete agreement between the parties with respect to the subject matter hereof, supersedes all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except by written agreement of the parties hereto. Notwithstanding any other provision of this Section 7.6, Schedule 4.1(a) shall be automatically amended upon delivery by Transferor to Buyer of an updated Schedule 4.1(a).

SECTION 7.7 GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE BUYER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE RECEIVABLES OR ANY SECURITY FOR THE OBLIGATIONS OF TRANSFEROR ARISING HEREUNDER OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF BUYER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH SECTION 7.1 AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 7.8 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

SECTION 7.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 7.10 Section Titles. The section titles and table of contents contained in this Agreement are provided for ease of reference only and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

SECTION 7.11 No Setoff. Transferor's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right Transferor might have against Buyer, all of which rights are hereby expressly waived by Transferor.

SECTION 7.12 Confidentiality. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, THE OBLIGATIONS OF CONFIDENTIALITY CONTAINED HEREIN, SHALL NOT APPLY TO THE FEDERAL TAX STRUCTURE OR FEDERAL TAX TREATMENT OF THIS TRANSACTION, AND EACH PARTY (AND ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF ANY PARTY) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE FEDERAL TAX STRUCTURE AND FEDERAL TAX TREATMENT OF THIS TRANSACTION. THE PRECEDING SENTENCE IS INTENDED TO CAUSE THIS TRANSACTION TO BE TREATED AS NOT HAVING BEEN OFFERED UNDER CONDITIONS OF

CONFIDENTIALITY FOR PURPOSES OF SECTION 1.6011-4(B)(3) (OR ANY SUCCESSOR PROVISION) OF THE TREASURY REGULATIONS PROMULGATED UNDER SECTION 6011 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND SHALL BE CONSTRUED IN A MANNER CONSISTENT WITH SUCH PURPOSE. IN ADDITION, EACH PARTY ACKNOWLEDGES THAT IT HAS NO PROPRIETARY OR EXCLUSIVE RIGHTS TO THE FEDERAL TAX STRUCTURE OF THIS TRANSACTION OR ANY FEDERAL TAX MATTER OR FEDERAL TAX IDEA RELATED TO THIS TRANSACTION.

SECTION 7.13 Further Assurances.

(a) Transferor shall, at its sole cost and expense, upon request of Buyer, promptly and duly authorize, execute and/or deliver, as applicable, any and all further instruments and documents and take such further actions that may be necessary or desirable or that Buyer may request to carry out more effectively the provisions and purposes of this Agreement or to obtain the full benefits of this Agreement and of the rights and powers herein granted, including authorizing and filing any financing or continuation statements under the UCC with respect to the ownership interests or Liens granted hereunder. Transferor hereby authorizes Buyer to file any such financing or continuation statements without the signature of Transferor to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Assets or any part thereof shall be sufficient as a notice or financing statement where permitted by law. If any amount payable under or in connection with any of the Transferred Assets is or shall become evidenced by any instrument, such instrument, other than checks and notes received in the ordinary course of business, shall be duly endorsed in a manner satisfactory to Buyer immediately upon Transferor's receipt thereof and promptly delivered to or at the direction of Buyer.

(b) If Transferor fails to perform any agreement or obligation under this Section 7.13, Buyer may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Buyer incurred in connection therewith shall be payable by Transferor upon demand of Buyer.

SECTION 7.14 Relationship of Parties. Transferor and Buyer agree that in performing their obligations pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between Transferor and Buyer.

SECTION 7.15 Accounting Changes. If any Accounting Changes occur and such changes result in a change in the standards or terms used herein, then the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the financial condition of such Persons and their Subsidiaries shall be the same after such Accounting Changes as if such Accounting Changes had not been made. If the parties hereto agree upon the required amendments to this Agreement, then after

appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained herein shall, only to the extent of such Accounting Change, refer to GAAP consistently applied after giving effect to the implementation of such Accounting Change. If such parties cannot agree upon the required amendments within 30 days following the date of implementation of any Accounting Change, then all financial statements delivered and all standards and terms used herein shall be prepared, delivered and used without regard to the underlying Accounting Change.

SECTION 7.16 No Indirect or Consequential Damages NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

SECTION 7.17 Limitation of Liability of the Trustee. It is expressly understood and agreed by the parties hereto that (a) this document is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally, but solely as Trustee of the Buyer, (b) each of the representations, undertakings and agreements herein made on the part of the Buyer is made and intended not as a personal representation, undertaking and agreement by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Buyer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Buyer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Buyer under this document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Transferor and Buyer have caused this Transfer Agreement to be duly executed by their respective officers as of the day and year first above written.

GE SALES FINANCE HOLDING, L.L.C., as Transferor

By: /s/ Vishal Gulati
Name: Vishal Gulati
Title: Vice President

GE SALES FINANCE MASTER TRUST, as Buyer

By: BNY MELLON TRUST OF DELAWARE, not in its individual capacity but solely as Trustee on behalf of Buyer

By: /s/ Kristine Gullo
Name: Kristine K. Gullo
Title: Vice President

SCHEDULE 1
LIST OF ACCOUNTS
[Delivered Separately]

Transfer Agreement

SCHEDULE 4.1(a)

TRANSFEROR'S UCC INFORMATION

Legal Name

GE Sales Finance Holding, L.L.C.

Jurisdiction of Organization

Delaware

Address of Chief Executive Officer

777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927

Federal Employer Identification Number

45-4495059

Organizational Identification Number

5103129

REQUIREMENTS OF FDIC RULE

As required by the FDIC Rule:

(a) As used in this Schedule, references to (i) “sponsor” shall mean GE Capital Retail Bank, (ii) “issuing entity” shall mean, collectively, the Transferor, the Issuer and each other transferee of the Transferred Assets that is an “issuing entity” as defined in the FDIC Rule, (iii) “servicer” shall mean the Servicer and each other “servicer” of the financial assets within the meaning of the FDIC Rule, (iv) “obligations” or “securitization obligations” shall mean the notes issued by the Issuer pursuant to the Indenture, and (v) “financial assets” and “securitized financial assets” shall mean the Transferred Assets.

(b) The issuing entity shall make available to investors, information describing the financial assets, obligations, capital structure, compensation of relevant parties, and relevant historical performance data set forth below:

(i) On or prior to issuance of obligations and at the time of delivery of any periodic distribution report and, in any event, at least once per calendar quarter, while obligations are outstanding, information about the obligations and the securitized financial assets shall be disclosed to all potential investors at the financial asset or pool level, as appropriate for the financial assets, and security-level to enable evaluation and analysis of the credit risk and performance of the obligations and financial assets. Such information and its disclosure, at a minimum, shall comply with the requirements of Regulation AB or any successor disclosure requirements for public issuances, even if the obligations are issued in a private placement or are not otherwise required to be registered; provided that information that is unknown or not available to the sponsor or the issuing entity after reasonable investigation may be omitted if the issuing entity includes a statement in the offering documents disclosing that the specific information is otherwise unavailable;

(ii) On or prior to issuance of obligations, the structure of the securitization and the credit and payment performance of the obligations shall be disclosed, including the capital or tranche structure, the priority of payments and specific subordination features; representations and warranties made with respect to the financial assets, the remedies for and the time permitted for cure of any breach of representations and warranties, including the repurchase of financial assets, if applicable; liquidity facilities and any credit enhancements permitted by the FDIC Rule, any waterfall triggers or priority of payment reversal features; and policies governing delinquencies, servicer advances, loss mitigation, and write-offs of financial assets;

(iii) While obligations are outstanding, the issuing entity shall provide to investors information with respect to the credit performance of the obligations and the financial assets, including periodic and cumulative financial asset performance data, delinquency and modification data for the financial assets, substitutions and removal of financial assets, servicer advances, as well as losses that were allocated to such tranche and remaining balance of financial assets supporting such tranche, if applicable, and the percentage of each tranche in relation to the securitization as a whole; and

(iv) The nature and amount of compensation paid to the originator, sponsor, rating agency or third-party advisor, any mortgage or other broker, and the servicer(s), and the extent to which any risk of loss on the underlying assets is retained by any of them for such securitization shall be disclosed. The issuer shall provide to investors while any obligations are outstanding any changes to such information and the amount and nature of payments of any deferred compensation or similar arrangements to any of the parties.

EXHIBIT A

FORM OF ASSIGNMENT OF TRANSFERRED INTERESTS
IN ADDITIONAL ACCOUNTS

(As required by Section 2.6 of the Transfer Agreement)

ASSIGNMENT No. OF TRANSFERRED INTERESTS IN ADDITIONAL ACCOUNTS (this "Assignment") dated as of [], 20[], by and among GE Sales Finance Holding, L.L.C., a limited liability company organized under the laws of the State of Delaware, as Transferor ("Transferor") and GE Sales Finance Master Trust, a Delaware statutory Trust ("Buyer"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS, Transferor and Buyer are parties to the Transfer Agreement, dated as of February 29, 2012, between Transferor and Buyer (as it may be amended and supplemented from time to time the "Agreement"); and

WHEREAS, pursuant to the Agreement, Transferor wishes to designate Additional Accounts to be included as Accounts and to convey [the Transferred Receivables [Participation Interests in the Underlying Receivables] arising in such Additional Accounts acquired by Transferor pursuant to [describe applicable Sale Agreement]] that have been designated "Additional Accounts" pursuant to the Agreement, whether now existing or hereafter created, to Buyer (as each such term is defined in the Agreement); and

WHEREAS, Buyer is willing to accept such designation and conveyance subject to the terms and conditions hereof;

NOW, THEREFORE, Transferor and Buyer hereby agree as follows:

1. Defined Terms. All terms defined in the Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

"Addition Date" means, with respect to the Additional Accounts designated hereby, [], 20[].

"Addition Cut-Off Date" means, with respect to Additional Accounts designated hereby, [], 20[].

"Requisite Percentage" means, with respect to Additional Accounts designated hereby, []%.¹

¹ Insert in connection with any designation of Participation Interests.

2. Designation of Additional Accounts. The Accounts described on Schedule 1 to this Assignment have been designated "Additional Accounts" pursuant to the Agreement. Schedule 1 to this Assignment, as of the Addition Date, shall supplement Schedule 1 to the Agreement as required by Section 2.1(d) of the Agreement.

3. Conveyance of Transferred Interests. (a) Transferor does hereby transfer, assign, set over and otherwise convey, without recourse except as set forth in this Agreement, to Buyer, all its right, title and interest in, to and under the [Receivables] [Participation Interests] arising in such Additional Accounts existing at the close of business on the Addition Date and thereafter created from time to time until the Agreement Termination Date, the Related Security and Collections with respect thereto and related Recoveries, together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto and all proceeds of the foregoing. The foregoing does not constitute and is not intended to result in the creation or assumption by Buyer of any obligation of any Originator, Seller, Transferor or any other Person in connection with the Accounts or the Transferred Receivables or under any agreement or instrument relating thereto, including any obligation to Obligor, merchant banks, Retailers, clearance systems or insurers.

(b) Transferor agrees to record and file, at its own expense, financing statements (and continuation statements when applicable) with respect to the Transferred Interests in Additional Accounts existing on the Addition Date and thereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect, and maintain perfection of, the sale and assignment of its interest in such Receivables to Buyer, and to deliver a file-stamped copy of each such financing statement or other evidence of such filing to Buyer within ten (10) days of the Addition Date. Buyer shall be under no obligation whatsoever to file such financing or continuation statements or to make any other filing under the UCC in connection with such sale and assignment.

(c) In connection with such assignment, Transferor further agrees, at its own expense, on or prior to the date of this Assignment, to indicate in the appropriate computer files that [Receivables] [Participation Interests] created in connection with the Additional Accounts and designated hereby have been conveyed to Buyer pursuant to the Agreement and this Assignment.

(d) In order to perfect the transfer hereunder, Transferor does hereby grant to Buyer a security interest in all of its right, title and interest, whether now owned or hereafter acquired, in and to the [Receivables] [Participation Interests] in the Additional Accounts existing on the Addition Date and thereafter created, the Related Security and Collections with respect thereto and Recoveries allocated to Buyer as provided in the Agreement, together with all monies due or to become due and all amounts received or receivable with respect thereto and all Insurance Proceeds relating thereto and all proceeds of the foregoing. This Assignment constitutes a security agreement under the UCC.

Exhibit A-2

4. Acceptance by Buyer. Buyer hereby acknowledges its acceptance of all right, title and interest to the property, existing on the Addition Date and thereafter created, conveyed to Buyer pursuant to Section 3(a) of this Assignment. Buyer further acknowledges that, prior to or simultaneously with the execution and delivery of this Assignment, Transferor delivered to it the Account Schedule described in Section 2 of this Assignment.

5. Representations and Warranties of Transferor. Transferor hereby represents and warrants to Buyer as of the Addition Date:

(a) this Assignment constitutes a legal, valid and binding obligation of Transferor enforceable against Transferor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(b) each of the [Transferred Receivables] [Underlying Receivables] satisfies the criteria for an Eligible Receivable as of the Addition Cut-Off Date;

(c) each Additional Account is, as of the Addition Cut-Off Date, an Eligible Account;

(d) no selection procedures believed by Transferor to be materially adverse to the interests of Buyer or any of its creditors were utilized in selecting the Additional Accounts from the available Eligible Accounts;

(e) as of the Addition Date, Transferor is solvent;

(f) the Account Schedule delivered pursuant to this Assignment, is an accurate and complete listing in all material respects of all the Accounts as of the related Addition Cut-Off Date, and the information contained therein with respect to the identity of such Accounts and the Transferred Receivables existing in such Accounts, is true and correct in all material respects as of the Addition Cut-Off Date;

(g) the Agreement and this Assignment create a valid and continuing security interest in the Transferred Interests in the Additional Accounts and the Related Security and in Collections and Recoveries with respect thereto, together with all monies due or to become due and all amounts received or receivable with respect thereto and Insurance Proceeds relating thereto and the proceeds thereof in favor of Buyer, which security interest (x) is enforceable against Transferor, as such enforceability may be limited by applicable Debtor Relief Laws, now or hereafter in effect, and by general principles of equity (whether considered in a suit at law or in equity) and (y) upon filing of the financing statements described herein and, in the case of Transferred Receivables thereafter created, upon the creation thereof, will be prior to all other Liens (other than Permitted Encumbrances);

(h) the Transferred Interests constitute “accounts”, “general intangibles” or “chattel paper” within the meaning of UCC Section 9-102;

(i) immediately prior to the conveyance of the Receivables pursuant to this Agreement, Transferor owns and has good and marketable title to, or has a valid security interest in, the Transferred Interests free and clear of any Lien, claim or encumbrance of any Person (other than Permitted Encumbrances); and

(j) subject to Permitted Encumbrances, other than the transfer and assignment and the security interest granted to Buyer pursuant to this Agreement, Transferor had not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Transferred Interests. Transferor has not authorized the filing of and is not aware of any financing statements against Transferor that included a description of collateral covering the Transferred Interests.

6. Amendment of the Agreement. The Agreement is hereby amended to provide that all references therein to “this Agreement” and “herein” shall be deemed from and after the Addition Date to be a dual reference to this Agreement as supplemented by this Assignment. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions of the Agreement shall remain unamended and shall continue to be, and shall remain, in full force and effect in accordance with its terms.

7. Counterparts. This Assignment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

8. GOVERNING LAW. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

9. Limitation of Liability of the Administrator. Notwithstanding anything contained herein to the contrary, this instrument has been countersigned by General Electric Capital Corporation, not in its individual capacity but solely in its capacity as Administrator of Buyer, and in no event shall General Electric Capital Corporation, in its individual capacity, or any beneficial owner of Buyer have any liability for the representations, warranties, covenants, agreements or other obligations of Buyer hereunder, as to all of which recourse shall be had solely to the assets of Buyer.

Exhibit A-4

IN WITNESS WHEREOF, the undersigned have caused this Assignment of Transferred Receivables in Additional Accounts to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GE SALES FINANCE HOLDING, L.L.C., Transferor

By: _____
Name:
Title:

GE SALES FINANCE MASTER TRUST, Buyer

By: [GE CAPITAL RETAIL BANK, not in its individual capacity
but solely as Administrator on behalf of Buyer]

[GENERAL ELECTRIC CAPITAL CORPORATION, not in its
individual capacity but solely as Sub-administrator on behalf of
Buyer]

By: _____
Name:
Title:

Exhibit A-5

Schedule I
to Assignment of Transferred Interests
in Additional Accounts

ADDITIONAL ACCOUNTS

This Account Schedule relating to Additional Accounts consists of one computer file listing the "Additional Accounts" designated pursuant to the Agreement and such computer file has been made available to Buyer on the Addition Date and is incorporated herein. The aggregate [amount of Principal Receivables] [aggregate of the Principal Amounts of the Participation Interests] in the Additional Accounts described therein as of the related Addition Cut-Off Dates is approximately \$[].

Exhibit A-6

EXHIBIT B

FORM OF REASSIGNMENT OF TRANSFERRED
INTERESTS IN REMOVED ACCOUNTS

(As required by Section 2.7 of the Transfer Agreement)

REASSIGNMENT No. OF TRANSFERRED INTERESTS IN REMOVED ACCOUNTS dated as of , 20[], by and among GE SALES FINANCE HOLDING, L.L.C., a limited liability company organized under the laws of the State of Delaware, as Transferor (the "Transferor"), and GE SALES FINANCE MASTER TRUST, a Delaware statutory Trust (the "Buyer"), pursuant to the Agreement referred to below.

WITNESSETH:

WHEREAS Transferor and Buyer are parties to the Transfer Agreement, dated as of February 29, 2012 (as it may be amended and supplemented from time to time the "Agreement");

WHEREAS pursuant to the Agreement, Transferor wishes to remove from Buyer all Transferred Interests owned by Buyer in certain designated Accounts and to cause Buyer to reconvey the Transferred Interests of such Removed Accounts, whether now existing or hereafter created, from Buyer to Transferor; and

WHEREAS Buyer is willing to accept such designation and to reconvey the Transferred Receivables in the Removed Accounts subject to the terms and conditions hereof;

NOW, THEREFORE, Transferor and Buyer hereby agree as follows:

1. Defined Terms. All terms defined in the Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

"Removal Date" means, with respect to the Removed Accounts designated hereby, , .

"Removal Cut-Off Date" means, with respect to the Removed Accounts , .

2. Designation of Removed Accounts. Schedule 1 to this Reassignment, as of the Removal Date, shall supplement Schedule 1 to the Agreement as required by Section 2.1(d) of the Agreement.

3. Conveyance of Transferred Interests. (a) Buyer does hereby transfer, assign, set over and otherwise convey to Transferor, without representation, warranty or recourse, on and after the Removal Cut-Off Date, all right, title and interest of Buyer in, to and under the Transferred Interests existing at the close of business on the Removal

Cut-Off Date and thereafter created from time to time in the Removed Accounts designated hereby, the Related Security and Collections with respect thereto, together with all monies due or to become due and all amounts received or receivable with respect thereto and all Insurance Proceeds related thereto and all proceeds of the foregoing.

(b) In connection with such transfer, Buyer agrees to execute and deliver to Transferor on or prior to the date this Reassignment is delivered, applicable termination statements prepared by Transferor with respect to the Transferred Interests existing at the close of business on the Removal Cut-Off Date and thereafter created from time to time in the Removed Accounts reassigned hereby and the proceeds thereof evidencing the release by Buyer of its interest in the Transferred Interests in the Removed Accounts, and meeting the requirements of applicable state law, in such manner and such jurisdictions as are necessary to terminate such interest.

4. Representations and Warranties of Transferor. Transferor hereby represents and warrants to Buyer as of the Removal Date:

(a) Legal Valid and Binding Obligation. This Reassignment Agreement constitutes a legal, valid and binding obligation of Transferor enforceable against Transferor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity); and

(b) List of Removed Accounts. The list of Removed Accounts attached hereto, is an accurate and complete listing in all material respects of all the Accounts as of the Removal Cut-Off Date.

5. Amendment of the Agreement. The Agreement is hereby amended to provide that all references therein to "this Agreement" and "herein" shall be deemed from and after the Removal Date to be a dual reference to the Agreement as supplemented by this Reassignment. Except as expressly amended hereby, all of the representations, warranties, terms and covenants and conditions of the Agreement shall remain unamended and shall continue to be and shall remain in full force and effect in accordance with its terms.

6. Counterparts. This Reassignment may be executed in two or more counterparts, and by different parties on separate counterparts), each of which shall be an original, but all of which shall constitute one and the same instrument.

7. GOVERNING LAW. THIS REASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

8. Limitation of Liability of the Administrator. Notwithstanding anything contained herein to the contrary, this instrument has been countersigned by General Electric Capital Corporation, not in its individual capacity but solely in its capacity as Administrator of Buyer, and in no event shall General Electric Capital Corporation, in its individual capacity, or any beneficial owner of Buyer have any liability for the representations, warranties, covenants, agreements or other obligations of Buyer hereunder, as to all of which recourse shall be had solely to the assets of Buyer.

Exhibit B-3

Transfer Agreement

IN WITNESS WHEREOF, the undersigned have caused this Reassignment Agreement to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GE SALES FINANCE HOLDING, L.L.C., Transferor

By: _____
Name:
Title:

GE SALES FINANCE MASTER TRUST, Buyer

By: [GE CAPITAL RETAIL BANK, not in its individual capacity
but solely as Administrator on behalf of Buyer]

[GENERAL ELECTRIC CAPITAL CORPORATION, not in its
individual capacity but solely as Sub-administrator on behalf of
Buyer]

By: _____
Name:
Title:

Exhibit B-4

Transfer Agreement

Schedule 1
to Reassignment Agreement

REMOVED ACCOUNTS

Exhibit B-5

Transfer Agreement

FIRST AMENDMENT TO TRANSFER AGREEMENT

This FIRST AMENDMENT TO TRANSFER AGREEMENT, dated as of September 19, 2012 (the "Amendment"), is entered into between GE SALES FINANCE HOLDING, L.L.C., a limited liability company organized under the laws of the State of Delaware, as Transferor (the "Transferor"), and GE SALES FINANCE MASTER TRUST (the "Buyer"), pursuant to the Transfer Agreement referred to below.

BACKGROUND

1. Transferor and Buyer are parties to the Transfer Agreement, dated as of February 29, 2012, (the "Transfer Agreement");
2. Buyer and Transferor desire to amend the Transfer Agreement as set forth herein.

AMENDMENTS

The Parties hereto agree as follows:

SECTION 1. DEFINITIONS. All terms defined in the Transfer Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

SECTION 2. AMENDMENTS TO TRANSFER AGREEMENT.

(a) The phrase "and shall only include Recoveries to the extent allocated to the Participation Interests in accordance with the Receivables Participation Agreement" shall be removed where it appears in the second sentence of the definition of "Collections" in Section 1.1 of the Transfer Agreement.

(b) Section 1.1 of the Transfer Agreement shall be further amended by deleting the definition of "Recoveries" in its entirety and replacing it with the following:

"Recoveries" means (a) so long as the arrangement described in Section 2.1(e) of the GEMB Lending Participation Interest Sale Agreement remains in effect, amounts allocated to the related Transferred Participation Interests pursuant to such section, (b) with respect to any other Participation Interest Sale Agreement, to the extent that an arrangement similar to the arrangement described in the foregoing clause (a) remains in effect, amounts allocated to the related Transferred Participation Interests pursuant to the corresponding section of such Participation Interest Sale agreement and (c) if at any time either arrangement described in clause (a) or (b) no longer remains in effect, with respect to any Transferred Interest, (i) Collections of such Transferred Interest received after such Transferred Interest was charged-off as uncollectible but before any sale or other disposition of such Transferred Interest and (ii) any proceeds from such a sale or other disposition by Transferor of such charged-off Transferred Interest, in each of clauses (i) and (ii) net of expenses of recovery.

(c) Section 2.7(c) of the Transfer Agreement shall be amended by adding the following new sentence immediately after the final sentence in such Section: The Buyer and Transferor agree that such purchase price is equal to the fair market value of such Charged-Off Receivables deemed sold, transferred or otherwise conveyed.

SECTION 3. EFFECTIVENESS. This Amendment shall become effective as of the opening of business on the date hereof; provided that Buyer and Transferor shall have executed a counterpart of this Amendment.

SECTION 4. BINDING EFFECT; RATIFICATION. (a) On and after the execution and delivery hereof, (i) this Amendment shall be a part of the Transfer Agreement and (ii) each reference in the Transfer Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import, and each reference in any other Related Document to the Transfer Agreement, shall mean and be a reference to such Agreement as amended hereby.

(b) Except as expressly amended hereby, the Transfer Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. NO RECOURSE. It is expressly understood and agreed by the parties hereto that (a) this Amendment is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally but solely as trustee of the Buyer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Buyer is made and intended not as personal representations, undertakings and agreements by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Buyer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Buyer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Buyer under this Amendment or any other related documents.

SECTION 6. MISCELLANEOUS. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

*First Amendment to
Transfer Agreement*

(c) This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

*First Amendment to
Transfer Agreement*

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GE SALES FINANCE HOLDING, L.L.C., Transferor

By: /s/ Andrew Lee
Name: Andrew Lee
Title: VP

*First Amendment to
Transfer Agreement*

GE SALES FINANCE MASTER TRUST, Buyer

By: BNY MELLON TRUST OF DELAWARE,
not in its individual capacity but solely as Trustee on behalf
of the Buyer

By: /s/ Kristine Gullo

Name: Kristine K. Gullo
Title: Vice President

*First Amendment to
Transfer Agreement*

SECOND AMENDMENT TO TRANSFER AGREEMENT

This SECOND AMENDMENT TO TRANSFER AGREEMENT, dated as of March 21, 2014 (the "Amendment"), is entered into between GE SALES FINANCE HOLDING, L.L.C., a limited liability company organized under the laws of the State of Delaware, as Transferor (the "Transferor"), and GE SALES FINANCE MASTER TRUST (the "Buyer"), pursuant to the Transfer Agreement referred to below.

BACKGROUND

1. Transferor and Buyer are parties to the Transfer Agreement, dated as of February 29, 2012, as amended by the First Amendment to Transfer Agreement, dated as of September 19, 2012 (the "Transfer Agreement");
2. Buyer and Transferor desire to amend the Transfer Agreement as set forth herein.

AMENDMENTS

The Parties hereto agree as follows:

SECTION 1. DEFINITIONS. All terms defined in the Transfer Agreement and used herein shall have such defined meanings when used herein, unless otherwise defined herein.

SECTION 2. AMENDMENTS TO TRANSFER AGREEMENT. Section 2.8 of the Transfer Agreement shall be amended by deleting the final sentence in such Section and replacing it with the following:

"Transferor shall provide written notice to Buyer, with a copy to the Servicer, of any designation, increase, reduction or elimination, and such designation, increase, reduction or elimination occurring after the Closing Date shall become effective as of the date specified in such notice, which shall be a date on or after the date on which such notice is provided."

SECTION 3. EFFECTIVENESS. This Amendment shall become effective as of the opening of business on the date hereof; provided that Buyer and Transferor shall have executed a counterpart of this Amendment.

SECTION 4. BINDING EFFECT; RATIFICATION. (a) On and after the execution and delivery hereof, (i) this Amendment shall be a part of the Transfer Agreement and (ii) each reference in the Transfer Agreement to "this Agreement", "hereof", "hereunder" or words of like import, and each reference in any other Related Document to the Transfer Agreement, shall mean and be a reference to such Agreement as amended hereby.

(b) Except as expressly amended hereby, the Transfer Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto.

SECTION 5. NO RECOURSE. It is expressly understood and agreed by the parties hereto that (a) this Amendment is executed and delivered by BNY Mellon Trust of Delaware, not

individually or personally but solely as trustee of the Buyer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made on the part of the Buyer is made and intended not as personal representations, undertakings and agreements by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Buyer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Buyer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Buyer under this Amendment or any other related documents.

SECTION 6. MISCELLANEOUS. (a) THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment.

(c) This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. Executed counterparts may be delivered electronically.

*Second Amendment to
Transfer Agreement*

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered by their respective duly authorized officers on the day and year first above written.

GE SALES FINANCE HOLDING, L.L.C.,
as Transferor

By: /s/ Andrew Lee
Name: Andrew Lee
Title: VP

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*Second Amendment to
Transfer Agreement*

GE SALES FINANCE MASTER TRUST, Buyer

By: BNY MELLON TRUST OF DELAWARE,
not in its individual capacity but solely as Trustee on behalf
of the Buyer

By: /s/ Kristine Gullo
Name: Kristine K. Gullo
Title: Vice President

S-2

*Second Amendment to
Transfer Agreement*

SERVICING AGREEMENT

Dated as of February 29, 2012

by and between

GE SALES FINANCE MASTER TRUST

and

GE CAPITAL RETAIL BANK

Servicing Agreement

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This **SERVICING AGREEMENT**, dated as of February 29, 2012 (this "Agreement" or the "Servicing Agreement"), is entered into by and between **GE CAPITAL RETAIL BANK**, a federal savings bank organized under the laws of the United States ("GE Capital Retail Bank"), in its capacity as Retained Interest Owner (as defined below) and in its capacity as the initial Servicer (as defined below), and **GE SALES FINANCE MASTER TRUST**, a Delaware statutory trust ("Issuer").

In consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions.

"Account" means each credit account under which any Transferred Interest arises.

"Adverse Claim" means any claim of ownership or Lien, other than any Permitted Encumbrance.

"Affiliate" means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by, or is under common control with such Person or (c) each of such Person's officers, directors, joint venturers and partners. For the purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" is defined in the preamble.

"Authorized Officer" means, with respect to any bank, corporation, limited liability company or statutory trust, the Chairman or Vice-Chairman of the Board, the President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, any Assistant Treasurer and each other officer of such corporation or trustee of such trust specifically authorized in resolutions of the Board of Directors of such corporation or trustee of such trust to sign agreements, instruments or other documents on behalf of such corporation or statutory trust in connection with the transactions contemplated by this Agreement and the other Related Documents.

"Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York or the State of Connecticut.

"Charged-off Receivable" means a Receivable (or any portion thereof) arising in an Account which has been written off as uncollectable in accordance with the Credit and Collection Policies.

Servicing Agreement

“Closing Date” means February 29, 2012.

“Collection Account” means the deposit account from time to time designated as the “Collection Account” pursuant to the Indenture.

“Collections” means, for any Receivable for any period, (a) the sum of all amounts, whether in the form of cash, checks, drafts, or other instruments, received in payment of, or applied to, any amount owed by an Obligor on account of such Receivable during such period, including all in-store payments and all other fees and charges, and (b) Recoveries and cash proceeds of Related Security with respect to such Receivable whether or not treated as recoveries. Collections shall include all amounts described in the preceding sentence that are received with respect to Participation Interests. Collections shall also include any payments received from the Transferor on account of non-cash, non-charge-off reductions to Receivables pursuant to Section 2.5, Section 2.7 and Section 6.1(e) of the Transfer Agreement. Amounts received from the Transferor pursuant to Section 6.2(a) of the Transfer Agreement shall be deemed to be Collections. Collections with respect to any Monthly Period shall include the amount of Interchange (if any) allocable to any Series of Notes, pursuant to the applicable Indenture Supplement, with respect to such Monthly Period (to the extent received by the Issuer and deposited on the Payment Date (as defined in the Transfer Agreement) following such Monthly Period in accordance with the Transfer Agreement), to be applied as if such Interchange were Collections of Finance Charge Receivables for all purposes.

“Commission” means the Securities and Exchange Commission.

“Contract” means the agreement and Federal Truth in Lending Statement for credit accounts between any Obligor and Originator, as such agreements may be amended, modified, or otherwise changed from time to time.

“Credit and Collection Policies” means the credit and collection policies adopted by the Issuer pursuant to the Trust Agreement, as such credit and collection policies may be amended or modified from time to time.

“Custodian” means Deutsche Bank Trust Company Americas acting as custodian pursuant to the Custody and Control Agreement.

“Custody and Control Agreement” means the Custody and Control Agreement, dated as of February 29, 2012, by and among the Custodian, the Indenture Trustee and the Issuer.

“Date of Processing” means, as to any transaction, the day on which the transaction is first recorded on the Issuer’s computer file of credit accounts (without regard to the effective date of such recordation).

“Discount Option Receivables” means “Discount Option Receivables” as defined in Section 2.8 of the Transfer Agreement.

“Discount Percentage” means “Discount Percentage” as defined in Section 2.8 of the Transfer Agreement.

“Dual Card Program” means any arrangement in which Originator agrees to extend general purpose credit accounts to customers of a Retailer, which accounts combine a private label credit line for use at the Retailer’s retail establishments, Internet websites, catalogue sales business or other channels for sale of the Retailer’s goods and services and a general purpose credit line for use elsewhere.

“FDIC Rule” means 12 C.F.R. §360.6, as such may be amended from time to time.

“Finance Amount” means, with respect to any Finance Charge Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the outstanding amount of such Finance Charge Receivable.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account. Finance Charge Receivables shall also include the Finance Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Servicer using its then-current practices as in effect from time to time.

“GE Capital” means General Electric Capital Corporation, a Delaware corporation.

“GE Capital Retail Bank” is defined in the preamble.

“GEMB Lending Participation Interest Sale Agreement” shall mean the Participation Interest Sale Agreement, dated as of February 29, 2012 between GEMB Lending, Inc. and the Transferor.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Indemnified Amounts” means, with respect to any Person, any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys’ fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal).

“Indenture” means that certain Master Indenture, dated as of February 29, 2012, by and between Issuer and the Indenture Trustee.

“Indenture Supplement” means, with respect to any Series, a supplement to the Indenture, executed and delivered in connection with the original issuance of the Notes of such Series.

“Indenture Trustee” means, at any time, the Person acting as indenture trustee under the Indenture.

“Insolvency Event” means, with respect to a specified Person: (a) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of such Person in

an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or (ii) a decree or order adjudging such Person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of such Person under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of such Person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of ninety (90) consecutive days; or (b) the commencement by such Person of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or similar official of such Person or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or such Person's failure to pay its debts generally as they become due, or the taking of corporate action by such Person in furtherance of any such action.

“Interchange” shall mean interchange fees payable to GE Capital Retail Bank or any other Originator, in its capacity as credit card issuer, through VISA, USA, Inc., MasterCard International Incorporated, Discover Bank or American Express Co. or any similar entity or organization with respect to any type of credit accounts included as Accounts.

“Issuer” is defined in the preamble.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction).

“Litigation” means, with respect to any Person, any action, claim, lawsuit, demand, investigation or proceeding pending against such Person before any court, board, commission, agency or instrumentality of any federal, state, local or foreign government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators.

“Material Adverse Effect” means a material adverse effect on (a) the ability of Servicer to perform any of its obligations under this Agreement in accordance with the terms hereof, (b) the validity or enforceability of any Related Document or the rights and remedies of Issuer under any Related Document or (c) the ownership interests or Liens of Issuer with respect to the Transferred Interests or the priority of such interests or Liens.

“Monthly Period” means each period beginning on the 22nd day of one calendar month and ending on the 21st day of the next calendar month provided that the initial Monthly Period shall mean the period from and including the Closing Date to and including March 21, 2012.

“Monthly Servicing Fee” is defined in Section 2.5(a).

“Moody’s” means Moody’s Investors Service, Inc.

“New Issuance” is defined in Section 2.13.

“Notes” means all notes issued by Issuer pursuant to the Indenture and the applicable Indenture Supplements.

“Noteholder” means any Person deemed to be a “Noteholder” in any related Indenture Supplement.

“Obligor” means, with respect to any Receivable, any Person obligated to make payments in respect thereof.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by an Authorized Officer of such Person.

“Originator” means GE Capital Retail Bank or any other Person designated as an “Originator” pursuant to Section 2.2(b).

“Outstanding” shall have the meaning ascribed thereto in the Indenture.

“Outstanding Balance” with respect to any Principal Receivable: (a) as of the Transfer Date for that Principal Receivable, the outstanding amount of such Principal Receivable as reflected on the Issuer’s books and records after giving effect to any recharacterization of any portion of such Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8 of the Transfer Agreement; and (b) thereafter, the amount referred to in clause (a) minus Collections with respect to that Principal Receivable that are allocable to a reduction of the Outstanding Balance thereof minus any subsequent discounts to or any other modifications that reduce such Outstanding Balance; provided, that the Outstanding Balance of a Charged-Off Receivable shall equal zero.

“Outstanding Principal Balance” means the aggregate principal amount of all Notes Outstanding at the date of determination.

“Participation Interest” shall mean, with respect to any Receivable, an interest in such Receivable equal to the applicable Requisite Percentage of (i) such Receivable, (ii) the Related Security for such Receivable, (iii) all Collections with respect to such Receivable and (iv) all proceeds of the foregoing.

“Participation Interest Sale Agreement” means (i) the GEMB Lending Participation Interest Sale Agreement and (ii) any other participation interest sale agreement entered into between a Seller and a Transferor pursuant to which such Seller sells Participation Interests to a Transferor.

“Payment Date” means, except as otherwise specified for any Series in the related Indenture Supplement, the 15th day of each calendar month, or if the 15th day is not a Business Day, the next Business Day.

“Permitted Encumbrances” means the following encumbrances: (a) Liens for taxes or assessments or other governmental charges not yet due and payable; (b) inchoate and unperfected workers’, mechanics’, suppliers’ or similar Liens arising in the ordinary course of business; and (c) presently existing or hereinafter created Liens in favor of, or created by, Issuer.

“Person” means any individual, sole proprietorship, partnership, joint venture, unincorporated organization, trust, association, corporation (including a business trust), limited liability company, institution, public benefit corporation, joint stock company, Governmental Authority or any other entity of whatever nature.

“Principal Amount” means, with respect to any Principal Receivable relating to a Transferred Participation Interest, the Requisite Percentage of the Outstanding Balance of such Principal Receivable.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable; provided, that after the effective date of designation of a Discount Percentage, except for purposes of determining the amount of Principal Receivables in the Discount Reference Pool, Principal Receivables on any Date of Processing thereafter shall mean Principal Receivables as otherwise determined pursuant to this definition minus Discount Option Receivables. Unless the context otherwise requires, Principal Receivables shall also include Principal Amounts with respect to Participation Interests as shall be determined pursuant to, and only if so provided in, the applicable Participation Interest Sale Agreement. The determination as to whether Receivables constitute Finance Charge Receivables or Principal Receivables shall be made by the Servicer using its then-current practices as in effect from time to time.

“Private Label Program” means a business arrangement in which Originator agrees to extend credit accounts to customers of a Retailer and such Retailer agrees to allow purchases to be made at its retail establishment, through an Internet website, in its catalogue sales business or through other channels for sale of the Retailer’s goods and services, under such accounts.

“Program” means a Private Label Program, Dual Card Program or other program pursuant to which an Originator offers credit accounts to Obligor.

“Program Agreement” means (i) one or more agreements between Originator and a Retailer pursuant to which Originator provides a Private Label Program, a Dual Card Program or both to the Retailer and its customers or (ii) with respect to any other Program, one or more agreements entered into by Originator pursuant to which Originator establishes a Program to offer credit account to Obligor.

“Receivable” means any amount owing by an Obligor under an Account from time to time. Unless the context otherwise requires (whether or not there is a specific reference to the

Underlying Receivable), any reference in this Agreement to a Receivable (including any Principal Receivable, Finance Charge Receivable or Charged-Off Receivable) and any Collections thereon shall refer only to the fractional undivided interest in the amounts paid or payable by Obligor on the related Accounts that is transferred to Transferor pursuant to the applicable Participation Interest Sale Agreement, which undivided interest may be less than a 100% undivided interest therein.

“Receivables Participation Agreement” means the Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GEMB Lending, Inc.

“Records” means all Contracts and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict the transfer or pledge thereof), prepared and maintained by any Originator, Servicer, or any Sub-Servicer with respect to the Underlying Receivables and the Obligors thereunder.

“Recoveries” means, with respect to any Underlying Receivables, (i) Collections of such Underlying Receivable received after such Underlying Receivable was charged off as uncollectible but before any sale or other disposition of such Underlying Receivables after charge off; and (ii) any proceeds from such a sale or other disposition by Transferor or Servicer of such a charged off Underlying Receivable, in each of clauses (i) and (ii) net of expenses of recovery; provided that for purposes of determining Collections attributable to Transferred Interests, Collections shall only include Recoveries to the extent specified in the Transfer Agreement.

“Regulation AB” means subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time and subject to such clarification and interpretation as have been provided by the Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,531 (January 7, 2005)) or by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

“Related Documents” means this Agreement, the Indenture, the Indenture Supplements and all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of Servicer, or any employee of Servicer, and delivered in connection with any of the foregoing or the transactions contemplated thereby.

“Related Security” means with respect to any Receivable: (a) all of the Originator’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise; and (c) all Records relating to such Receivable.

“Requirements of Law” means, as to any Person, the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether federal, state or local.

“Requisite Percentage” means “Requisite Percentage” as defined in the Transfer Agreement.

“Retailer” means any Person that operates or has an arrangement with, retail establishments at which, or a catalog sales business, Internet website or any other channel through which, goods or services may be purchased under an Account.

“Retained Interest” means any portion of an Underlying Receivable that is not a Transferred Interest.

“Retained Interest Account” means the deposit account from time to time designated as the “Retained Interest Account” by the Retained Interest Owner.

“Retained Interest Owner” means the owner of any portion of a Retained Interest.

“Retained Interest Servicing Fee” is defined in Section 2.5(b).

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“Seller” means any Person designated as a “Seller” pursuant to the GEMB Receivables Sale Agreement or a Participation Interest Sale Agreement.

“Series” means any series of Notes, which may include within any such Series a class or classes of Notes subordinate to another such class or classes of Notes.

“Series Account” means any account designated as such, established and owned by the Issuer and maintained as specified in any Indenture Supplement.

“Series Closing Date” means, with respect to any Series, the date of issuance of such Series.

“Servicer” means GE Capital Retail Bank or any other Person designated as a Successor Servicer.

“Servicer Default” is defined in Section 5.1.

“Servicer Indemnified Person” is defined in Section 7.1.

“Servicer Termination Notice” means any notice by the Issuer to Servicer that (a) a Servicer Default has occurred and (b) Servicer’s appointment under this Agreement has been terminated.

“Servicing Agreement” is defined in the preamble.

“Servicing Records” means all Contracts, documents, books, and other information (including computer programs, tapes, data tapes, disks, data processing software and related property and rights) prepared and maintained by Servicer with respect to the Underlying Receivables and the Obligors thereunder.

“Sub-Servicer” means any Person with whom Servicer enters into a Sub-Servicing Agreement.

“Sub-Servicing Agreement” means any written contract entered into between Servicer and any Sub-Servicer pursuant to and in accordance with Section 2.1 relating to the servicing, administration or collection of the Underlying Receivables.

“Successor Servicer” is defined in Section 6.2.

“Transfer Agreement” means that certain Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and Issuer.

“Transfer Date” means a date on which Issuer acquires Transferred Interests from Transferor pursuant to the Transfer Agreement or any Assignment (as defined in the Transfer Agreement).

“Transferor” means GE Sales Finance Holding, L.L.C. or any additional transferor designated as a “Transferor” pursuant to the Transfer Agreement.

“Transferred Interests” means the Transferred Receivables and the Transferred Participation Interests.

“Transferred Participation Interests” means any Participation Interest purchased by Issuer from Transferor pursuant to the Transfer Agreement or any Assignment (as defined in the Transfer Agreement), including Finance Amounts that exist at the time of purchase of any Principal Amount of any Participation Interest in the same Account or that arise after the date of purchase of Principal Amounts in the Account. However, Participation Interests that are repurchased by Transferor pursuant to the Transfer Agreement or purchased by Servicer pursuant to this Agreement shall cease to be considered “Transferred Participation Interests” from the date of such purchase.

“Transferred Receivable” means each Receivable purchased or otherwise acquired by Issuer pursuant to the Transfer Agreement or any Assignment (as defined in the Transfer Agreement), including Finance Charge Receivables that exist at the time of purchase of any Principal Receivables in the same Account or that arise in an Account after the date of purchase of Principal Receivables in the Account. However, Receivables that have been repurchased by Transferor pursuant to the Transfer Agreement or purchased by Servicer pursuant to this Agreement shall cease to be considered “Transferred Receivables” from the date of such purchase.

“Trust Agreement” means the Amended and Restated Trust Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and Trustee.

“Trust Principal Balance” means, as of any date of determination, (i) the aggregate Outstanding Balances of Principal Receivables as of such date, plus (ii) without duplication of the amount in clause (i), the Principal Amounts of any Participation Interests.

“Trustee” means BNY Mellon Trust of Delaware, not in its individual capacity but solely as trustee pursuant to the Trust Agreement.

“UCC” means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in such jurisdiction.

“Underlying Receivable” means, collectively, the Transferred Receivables and any Receivable in which a Participation Interest is purchased by Issuer from Transferor pursuant to the Transfer Agreement or any Assignment (as defined in the Transfer Agreement). However, Receivables relating to Participation Interests that are repurchased by Transferor pursuant to the Transfer Agreement or purchased by Servicer pursuant to the Servicing Agreement shall cease to be considered “Underlying Receivables” from the date of such purchase.

“Unrelated Amounts” is defined in Section 2.3.

SECTION 1.2 Other Interpretive Matters. All terms defined directly or by incorporation in the Servicing Agreement shall have the defined meanings when used in any certificate or other document delivered pursuant thereto unless otherwise defined therein. For purposes of the Servicing Agreement and all such certificates and other documents, unless the context otherwise requires: (a) accounting terms not otherwise defined in such Agreement, and accounting terms partly defined in such Agreement to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; and references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the GE Capital fiscal calendar; (b) terms defined in Article 9 of the UCC and not otherwise defined in such Agreement are used as defined in that Article; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to such Agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of such Agreement (or such certificate or document); (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to such Agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time to time amended or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (i) references to any Person include that Person’s successors and assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and (k) words in the singular include the plural and words in the plural include the singular.

ARTICLE II

APPOINTMENT OF SERVICER; CERTAIN DUTIES
AND RESPONSIBILITIES OF SERVICER

SECTION 2.1 Appointment of Servicer.

(a) Issuer hereby appoints Servicer as its agent to service the Underlying Receivables with respect to the Transferred Interests and enforce its rights and interests in and under the Underlying Receivables and to serve in such capacity until the termination of its responsibilities pursuant to Sections 5.1 or 6.1. In connection therewith, Servicer hereby accepts such appointment and agrees to perform the duties and obligations set forth herein. Servicer may delegate any duties; provided that Servicer shall remain liable for the performance of such duties and obligations pursuant to the terms hereof.

(b) The Retained Interest Owner hereby appoints Servicer as its agent to service the Underlying Receivables with respect to the Retained Interests and enforce its rights and interests in and under the Underlying Receivables and to serve in such capacity until the termination of its responsibilities pursuant to Sections 5.1 or 6.1. In connection therewith, Servicer hereby accepts such appointment and agrees to perform the duties and obligations set forth herein. Servicer may delegate any duties; provided that Servicer shall remain liable for the performance of such duties and obligations pursuant to the terms hereof.

SECTION 2.2 Duties and Responsibilities of Servicer.

(a) Subject to the provisions of this Agreement, Servicer shall conduct the servicing, administration and collection of the Underlying Receivables in accordance with the Credit and Collection Policies.

(b) Issuer shall promptly notify Servicer of (i) any designation of additional or removed Accounts (other than any Accounts removed pursuant to Sections 2.7(c) and (d) of the Transfer Agreement), (ii) any designation of any additional Originator contemplated pursuant to the Transfer Agreement and (iii) any designation of a discount percentage to be applied to any or all of the Principal Receivables; provided that if the Servicer is not GE Capital Retail Bank or an Affiliate thereof, the Issuer shall provide notification of any such designation no later than five days prior to the effectiveness of such designation. Any such designation or removal shall be effective for purposes of this Agreement on the date the designation or removal is given effect under the Transfer Agreement, as specified by Issuer to Servicer. In the case of any designation of additional Accounts, Issuer shall provide Servicer a copy of the related Program Agreements for all such additional Accounts (if not already in Servicer's possession) prior to the date such designation is to become effective.

(c) Following receipt of notice of any designation of additional or removed Accounts, any designation of an additional Originator or any discounting of any or all Principal Receivables pursuant to Section 2.2(b), Servicer shall assist Issuer in producing any information required by Issuer in connection with such designation.

(d) Servicer shall not be obligated to use separate servicing procedures, offices, employees or accounts for servicing the Underlying Receivable from the procedures, offices, employees and accounts used by Servicer in connection with servicing other receivables arising in credit accounts.

(e) Servicer shall deliver "Instructions", as that term is defined in the Custody and Control Agreement on behalf of Issuer, and shall direct the Custodian, on behalf of Issuer, as to the investment of funds credited to the Collection Account and Series Accounts; provided that Servicer will direct the Custodian to invest only in Permitted Investments (as such term is defined in the Custody and Control Agreement) maturing no later than the required distribution date for such funds or, if earlier, the date specified in the Related Documents.

SECTION 2.3 Unrelated Amounts. If Servicer determines that amounts which are not property of Issuer or the Retained Interest Owner ("Unrelated Amounts") have been deposited in the Collection Account with respect to the Issuer, or the Retained Interest Account, with respect to the Retained Interest Owner, Servicer shall withdraw the Unrelated Amounts from the Collection Account or Retained Interest Account, as applicable, and the same shall not be treated as Collections on Transferred Interests or Retained Interests, as applicable, and shall not be subject to the provisions of Section 2.11.

SECTION 2.4 Authorization of Servicer. Servicer is hereby authorized to take any and all reasonable steps necessary or desirable and consistent with the ownership of the Transferred Interests by Issuer and the Retained Interests by the Retained Interest Owner and the pledge of all or partial direct or indirect interest in the Transferred Interests to the holders of the Notes or their representatives in the determination of Servicer, to (a) collect all amounts due under the Underlying Receivables, including endorsing its name on checks and other instruments representing Collections on the Underlying Receivables, and executing and delivering any and all instruments of satisfaction or cancellation or of partial or full release or discharge and all other comparable instruments with respect to the Underlying Receivables and (b) after the Underlying Receivables become delinquent and to the extent permitted under and in compliance with applicable law and regulations, (i) commence proceedings with respect to the enforcement of payment of the Underlying Receivables, (ii) adjust, settle or compromise any payments due thereunder, and (iii) initiate proceedings against any collateral securing the obligations due under the Underlying Receivables, in each case, consistent with the Credit and Collection Policies, (c) to make withdrawals from the Collection Account, the Retained Interest Account and any Series Account, as set forth in this Agreement, the Indenture or any Indenture Supplement, (d) to take any action required or permitted under any enhancement for any Series or class of Notes, as set forth in this Agreement, the Indenture or any Indenture Supplement and (e) to deliver "Instructions" and other directions as to the investment of funds credited to the Collection Account and the Series Accounts on behalf of Issuer in accordance with Section 2.2(e). Each of the Issuer and the Retained Interest Owner shall furnish (or cause to be furnished) to Servicer any powers of attorney and other documents necessary or appropriate to enable Servicer to carry out its servicing and administrative duties hereunder, and each of Issuer and the Retained Interest Owner shall assist Servicer to the fullest extent to enable Servicer to collect the Underlying Receivables and otherwise discharge its duties hereunder.

SECTION 2.5 Servicing Fees.

(a) As compensation for its servicing activities with respect to the Transferred Interests and as reimbursement for its reasonable expenses in connection therewith, Servicer shall be entitled to receive a monthly servicing fee in respect of any Monthly Period (or portion thereof) prior to the termination of Servicer's obligations under this Agreement (the "Monthly Servicing Fee"). The Monthly Servicing Fee for each Monthly Period shall equal one-twelfth of the product of (a) the Trust Principal Balance (calculated without giving effect to any recharacterization of any portion of a Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8 of the Transfer Agreement) as of the end of the prior Monthly Period and (b) 2%. The share of the Monthly Servicing Fee allocable to each Series shall be payable on the dates and in the amounts specified in the related Indenture Supplement. Issuer shall be obligated to pay the excess of the Monthly Servicing Fee over the portions allocated as specified above.

(b) As compensation for its servicing activities with respect to the Retained Interests and as reimbursement for its reasonable expenses in connection therewith, Servicer shall be entitled to receive from the Retained Interest Owner a monthly servicing fee in respect of any Monthly Period (or portion thereof) prior to the termination of the Servicer's obligations under this Agreement (the "Retained Interest Servicing Fee"). The Retained Interest Fee for each Monthly Period shall equal one-twelfth of the product of (a) the Outstanding Balances (calculated without giving effect to any recharacterization of any portion of a Principal Receivable as a Finance Charge Receivable pursuant to Section 2.8 of the Transfer Agreement) of the Receivable in which a Participation Interest is purchased by Issuer from Transferor pursuant to the Transfer Agreement or any Assignment (as defined in the Transfer Agreement), minus the Principal Amounts of the Transferred Participation Interests as of the end of the prior Monthly Period and (b) 2%.

(c) Servicer shall be required to pay for all expenses incurred by it in connection with its activities hereunder (including any payments to accountants, counsel or any other Person) and shall not be entitled to any payment or reimbursement of those expenses other than the Monthly Servicing Fees and the Retained Interest Servicing Fees.

SECTION 2.6 Covenants of Servicer. Servicer covenants and agrees that from and after the Closing Date and until the date on which the outstanding balances of all Underlying Receivables have been reduced to zero:

(a) Ownership of Transferred Interests. Servicer shall identify the Transferred Interests clearly and unambiguously in its computer files to reflect that the Transferred Interests are owned by Issuer.

(b) Compliance with Requirements of Law. Servicer shall (i) duly satisfy all obligations on its part to be fulfilled under or in connection with the Underlying Receivables and the related Accounts, (ii) maintain in effect all qualifications required under Requirements of Law in order to properly service the Underlying Receivables and the related Accounts and (iii)

comply in all material respects with all other Requirements of Law in connection with servicing the Underlying Receivables and the related Accounts, if in the case of any of the foregoing clauses (i), (ii) and (iii), the failure to so satisfy, comply or maintain would have a Material Adverse Effect.

(c) No Rescission or Cancellation. Servicer shall not permit any rescission or cancellation of a Underlying Receivable except as ordered by a court of competent jurisdiction or other Governmental Authority or in accordance with the Credit and Collection Policies. Servicer shall reflect any such rescission or cancellation in its computer file of credit accounts. In addition, Servicer may waive the accrual and/or payment of certain Finance Charge Receivables in respect of certain past due Accounts, the Obligor of which have enrolled with a consumer credit counseling service.

If Servicer breaches any of the covenants contained in paragraph (c) with respect to any Underlying Receivable or the related Account, and as a result of such breach Issuer's rights in, to or under any Transferred Interest(s) in the related Account or the proceeds of such Transferred Interest are materially impaired or such proceeds are not available for any reason to Issuer free and clear of any Lien, then, unless otherwise instructed by the Issuer, no later than the expiration of 90 days (or such longer period, not in excess of 150 days, as may be agreed to by Issuer) from the earlier to occur of the discovery of such event by Servicer, or receipt by Servicer of notice of such event given by Issuer, all Transferred Interests in the Account or Accounts to which such event relates shall be assigned to Servicer as set forth below; provided that such Transferred Interests will not be assigned to Servicer if, on any day prior to the end of such 90-day period, the relevant breach shall have been cured and the covenant shall have been complied with in all material respects.

Servicer shall effect such assignment by paying Issuer in immediately available funds in an amount equal to the Outstanding Balance of the Principal Receivables and/or Principal Amounts of Participation Interests in the affected Accounts, plus the accrued Finance Charge Receivables and/or Finance Amounts in such Accounts on the first Payment Date following the Monthly Period in which such purchase obligation arises, which deposit shall be considered a Collection with respect to the related Transferred Interests.

Upon each such assignment to Servicer, Issuer shall automatically and without further action be deemed to transfer, assign, set over and otherwise convey to Servicer, without recourse, representation or warranty all right, title and interest of Issuer in and to such Transferred Interests, all moneys due or to become due and all amounts received with respect thereto and all proceeds thereof. Issuer shall execute such documents and instruments of transfer or assignment and take such other actions as shall be reasonably requested by Servicer to effect the conveyance of any such Transferred Interests pursuant to this Section.

SECTION 2.7 Reporting Requirements. Servicer hereby agrees that, from and after the Closing Date and until the date on which the outstanding balances of all Transferred Interests have been reduced to zero, it shall deliver or cause to be delivered financial statements, notices, and other information at the times, to the Persons and in a manner set forth in Schedule 2.7.

SECTION 2.8 Annual Officer's Certificate and Assessment of Compliance.

(a) Servicer shall deliver to the Issuer on or before the 90th day following the end of each fiscal year of the Issuer (beginning with the first fiscal year after fiscal year 2012), an Officer's Certificate of the Servicer providing such information as is required under Item 1123 of Regulation AB under the Securities Act of 1933, as amended (the "Securities Act") and Securities Exchange Act of 1934, as amended (the "Exchange Act").

(b) The Servicer shall deliver to the Issuer on or before the 90th day following the end of each fiscal year of the Issuer (beginning with the first fiscal year after fiscal year 2012), a report regarding the Servicer's assessment of compliance with the applicable servicing criteria specified in Item 1122(d) of Regulation AB during the immediately preceding fiscal year.

SECTION 2.9 Annual Independent Public Accountants' Servicing Report

(a) On or before the 90th day following the end of each fiscal year of the Issuer (beginning with fiscal year 2012), Servicer shall cause a firm of nationally recognized independent public accountants (who may also render other services to Servicer) to furnish a report to the Issuer that attests to, and reports on, the Servicer's assessment delivered pursuant to Section 2.8(b), which attestation report shall be made in accordance with the requirements of Item 1122 of Regulation AB.

SECTION 2.10 Reports to the Commission. Servicer shall, on behalf of Issuer, cause to be filed with the Commission any periodic reports required to be filed under the provisions of the Securities Exchange Act of 1934, and the rules and regulations of the Commission thereunder relating to the Notes.

SECTION 2.11 Collections. Servicer shall, on behalf of the Issuer, apply all Collections with respect to the Transferred Interests for each Monthly Period as described in the Indenture and each Indenture Supplement.

SECTION 2.12 Allocations and Disbursements. With respect to each Series, Servicer shall make the allocations and disbursements for such Series on behalf of Issuer as is required to be made by Issuer under the terms of the Indenture and the Indenture Supplement for such Series.

SECTION 2.13 New Series. Pursuant to one or more Indenture Supplements, Issuer may issue one or more new Series of Notes (a "New Issuance"), as more fully described in the Indenture. To enable Servicer to perform its obligations pursuant to Sections 2.12, Issuer shall give reasonable prior notice to Servicer of each New Issuance and shall provide Servicer an opportunity to review and comment upon the form of each monthly report required to be delivered by the Servicer pursuant to Schedule 2.7 and the related Indenture Supplement.

SECTION 2.14 Compliance with the FDIC Rule. The Servicer agrees to perform and satisfy all covenants and other agreements set forth in Schedule 2.14.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1 Representations and Warranties of Servicer. Servicer represents and warrants to Issuer and the Retained Interest Owner as of the date hereof and as of each Series Closing Date:

(a) It is an entity, duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and is duly qualified to do business, and is in good standing, in each jurisdiction in which the servicing of the Underlying Receivables hereunder requires it to be so qualified, except where the failure to comply would not reasonably be expected to have a Material Adverse Effect.

(b) It has the power and authority to execute and deliver this Agreement and to perform the transactions contemplated hereby.

(c) This Agreement has been duly authorized, executed and delivered by Servicer and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the enforceability of creditors' rights generally and general equitable principles, whether applied in a proceeding at law or in equity.

(d) No consent of, notice to, filing with or permits, qualifications or other action by any Governmental Authority or any other party is required for the due execution, delivery and performance of this Agreement, other than consents, notices, filings and other actions which have been obtained or made or where the failure to get such consent or take such action, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(e) There is no pending Litigation of a material nature against or affecting it in any court or tribunal, before any arbitrator of any kind or before or by any Governmental Authority (i) asserting the invalidity of this Agreement, or (ii) seeking any determination or ruling that might materially and adversely affect the validity or enforceability of this Agreement.

(f) No Servicer Default has occurred and is continuing.

(g) It has complied in all material respects with the Credit and Collection Policies with respect to the servicing of the Underlying Receivables.

(h) The monthly reports provided by the Servicer pursuant to Schedule 2.7 hereof are true and correct in all material respects as of the date of such monthly reports, or as of the date such reports were most recently updated.

ARTICLE IV

ADDITIONAL MATTERS RELATING TO SERVICER

SECTION 4.1 Covenants of Servicer Regarding the Underlying Receivables

(a) Maintenance of Records and Books of Account. Servicer shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Underlying Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, computer records and other information, reasonably necessary or advisable for the collection of all the Underlying Receivables. Such documents, books and computer records shall reflect all facts giving rise to the Underlying Receivables, all payments and credits with respect thereto, and such documents, books and computer records shall indicate the respective interests of Issuer and the Retained Interest Owner in the Underlying Receivables.

(b) Notice of Adverse Claim. Servicer shall advise Issuer and the Retained Interest Owner promptly, in reasonable detail, (i) of any Adverse Claim known to it made or asserted against any Underlying Receivable, and (ii) of the occurrence of any event known to it which would have a material adverse effect on the aggregate value of the Underlying Receivables.

(c) Further Assurances. Servicer shall furnish to Issuer from time to time such statements and schedules further identifying and describing the Transferred Interests and such other reports in connection with the Transferred Interests as Issuer may reasonably request, all in reasonable detail. Servicer shall furnish to the Retained Interest Owner from time to time such statements and schedules further identifying and describing the Retained Interests and such other reports in connection with the Retained Interests as the Retained Interest Owner may reasonably request, all in reasonable detail. Servicer shall duly perform all material obligations required to be performed by the Servicer under this Agreement and shall not materially impair the right, title and interest of the Issuer in and to the Transferred Interests; provided that in no instance shall the Servicer's servicing of the Transferred Interests in accordance with the Credit and Collection Policies and this Agreement be deemed to materially impair the Issuer's right, title or interest in the Transferred Interests or cause a breach of the foregoing covenant.

(d) Maintenance of Existence. Except as permitted by Section 4.2 or 6.1, Servicer (i) shall continue its existence as a duly organized, validly existing entity in good standing under the laws of its jurisdiction of organization and (ii) shall maintain its qualification to do business in each jurisdiction in which the servicing of the Underlying Receivables hereunder requires it to be so qualified, except where the failure to qualify would not reasonably be expected to have a Material Adverse Effect.

SECTION 4.2 Merger or Consolidation of, or Assumption of the Obligations of, Servicer

(a) Servicer shall not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(i) the Person formed by such consolidation or into which Servicer is merged or the Person which acquires by conveyance or transfer the properties and assets of Servicer substantially as an entirety shall be organized and existing under the laws of the United States of America or any state or the District of Columbia and, if Servicer is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to Issuer and the Retained Interest Owner in form satisfactory to Issuer and the Retained Interest Owner, the performance of every covenant and obligation of Servicer hereunder; and

(ii) Servicer has delivered to Issuer and the Retained Interest Owner (A) an Officer's Certificate stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with, and (B) an Opinion of Counsel to the effect that such supplemental agreement is a valid and binding obligation of such surviving entity enforceable against such surviving entity in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(b) This Section 4.2 shall not be construed to prohibit or in any way limit Servicer's ability to effectuate any consolidation or merger pursuant to which Servicer would be the surviving entity.

SECTION 4.3 Access to Certain Documentation and Information Regarding the Receivables. Servicer shall provide to Issuer and the Retained Interest Owner or its designees access to the documentation regarding the Accounts and the Underlying Receivables in such cases where Issuer or the Retained Interest Owner or such Person's respective designee is required in connection with the enforcement of the rights of Issuer or the Retained Interest Owner or any of its creditors, or by applicable statutes or regulations to review such documentation, such access being afforded without charge but only (i) upon reasonable request, (ii) during normal business hours, (iii) subject to Servicer's normal security and confidentiality procedures and (iv) at offices designated by Servicer. Nothing in this Section 4.3 shall derogate from the obligation of any Person to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of Servicer to provide access as provided in this Section 4.3 as a result of such obligation shall not constitute a breach of this Section 4.3.

ARTICLE V

SERVICER DEFAULTS

SECTION 5.1 Servicer Defaults. A "Servicer Default" shall be deemed to have occurred if any of the following events shall occur with respect to Servicer, and the Issuer shall have provided written notice to Servicer declaring the existence of such Servicer Default and requiring the same to be remedied:

(a) any failure by Servicer to make any payment, transfer or deposit on or before the date occurring ten Business Days after the date such payment, transfer or deposit is required to be made or given by Servicer, as the case may be; provided, that, if such delay or failure was caused by an act of God or other similar occurrence, then a Servicer Default shall not be deemed to have occurred under this Section 5.1(a) until 35 Business Days after the date of such failure;

(b) failure on the part of Servicer duly to observe or perform in any material respect any other covenants or agreements of Servicer set forth in this Agreement (other than Section 2.14) which has a material adverse effect on Issuer, which continues unremedied for a period of 90 days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Servicer by Issuer; provided, that, if such failure was caused by an act of God or other similar occurrence, then a Servicer Default shall not be deemed to have occurred under this Section 5.1(b) unless such failure continues unremedied for a period of 150 days after such notice;

(c) any representation or warranty made by Servicer in this Agreement shall prove to have been incorrect when made, which has a material adverse effect on Issuer and which continues to be incorrect in any material respect for a period of 90 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Servicer by Issuer; provided, that, if the inaccuracy was caused by an act of God or other similar occurrence, then a Servicer Default shall not be deemed to have occurred under this Section 5.1(c) unless such representation or warranty continues to be incorrect in any material respect for a period of 150 days after such notice;

(d) any Insolvency Event with respect to Servicer;

then, in any such event, Issuer may, by delivery of a Servicer Termination Notice to Servicer, terminate the servicing responsibilities of Servicer hereunder, without demand, protest or further notice of any kind, all of which are hereby waived by Servicer. Upon the delivery of any such notice, all authority and power of Servicer under this Agreement shall pass to and be vested in the Successor Servicer acting pursuant to Section 6.2, provided, that notwithstanding anything to the contrary herein, Servicer agrees to act as Servicer and to continue to follow the procedures set forth in this Agreement with respect to Collections on the Underlying Receivables under this Agreement until a Successor Servicer has assumed the responsibilities and obligations of Servicer in accordance with Section 6.2.

ARTICLE VI

SUCCESSOR SERVICER

SECTION 6.1 Resignation of Servicer. Servicer may resign in the circumstances set forth in clause (a) or (b) of this Section 6.1.

(a) Servicer may resign from its obligations and duties hereunder upon the written consent of Issuer if it finds a replacement servicer satisfying the eligibility criteria set forth in Section 6.2. No such resignation shall become effective until the replacement servicer shall have obtained Issuer's approval and appointment pursuant to Section 6.2.

(b) Servicer may resign from the obligations and duties hereby imposed on it upon determination that (i) in the determination of Servicer, the performance of its duties hereunder has become impermissible under applicable law, and (ii) there is no commercially reasonable action which Servicer could take to make the performance of its duties hereunder permissible under applicable law. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of Servicer in accordance with Section 6.2.

SECTION 6.2 Appointment of the Successor Servicer. In connection with the termination of Servicer's responsibilities under this Agreement pursuant to Section 5.1 or 6.1, Issuer shall appoint a successor servicer that shall have a long term debt rating of at least Baa3 by Moody's or BBB- by S&P or Fitch. The successor servicer shall succeed to all rights and assume all of the responsibilities, duties and liabilities of Servicer under this Agreement (such successor servicer being referred to as the "Successor Servicer"); provided, that the Successor Servicer shall have no responsibility for any actions of Servicer prior to the date of its appointment as Successor Servicer. The Successor Servicer shall accept its appointment by executing, acknowledging and delivering to Issuer an instrument in form and substance acceptable to Issuer and by providing prior written notice of such appointment to the Indenture Trustee.

SECTION 6.3 Duties of Servicer. At any time following the appointment of a Successor Servicer:

(a) Servicer agrees that it shall terminate its activities as Servicer so as to facilitate the transfer of servicing to the Successor Servicer, including timely delivery (i) to Issuer of any funds that were required to be deposited in the Collection Account, and (ii) to the Successor Servicer, at a place selected by the Successor Servicer, of all Servicing Records and other information with respect to the Underlying Receivables. Servicer shall account for all funds and shall execute and deliver such instruments and do such other things as may reasonably be required to more fully and definitely vest and confirm in the Successor Servicer all rights, powers, duties, responsibilities, obligations and liabilities of Servicer; and

(b) Servicer shall terminate each Sub-Servicing Agreement that may have been entered into by it and the Successor Servicer shall not be deemed to have assumed any of Servicer's interest therein or to have replaced Servicer as a party to any such Sub-Servicing Agreement.

SECTION 6.4 Effect of Termination or Resignation. Any termination or resignation of Servicer under this Agreement shall not affect any claims that Issuer may have against Servicer for events or actions taken or not taken by Servicer arising prior to any such termination or resignation.

ARTICLE VII

INDEMNIFICATION

SECTION 7.1 Indemnities by Servicer. Without limiting any other rights that Issuer or its Affiliates or any director, officer, employee, trustee or agent or incorporator thereof (each a “Servicer Indemnified Person”) may have hereunder or under applicable law, Servicer hereby agrees to indemnify each Servicer Indemnified Person from and against any and all Indemnified Amounts which may be imposed on, incurred by or asserted against a Servicer Indemnified Person to the extent arising out of or relating to any material breach of Servicer’s obligations under this Agreement; excluding, however, Indemnified Amounts to the extent resulting from (i) bad faith, negligence or willful misconduct on the part of a Servicer Indemnified Person or (ii) recourse for uncollectible Receivables. Any Indemnified Amounts subject to the indemnification provisions of this Section 7.1 shall be paid to Servicer Indemnified Person within ten Business Days following demand therefor.

SECTION 7.2 Limitation of Damages: Indemnified Persons. NO PARTY TO THIS AGREEMENT SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO THIS AGREEMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF ANY TRANSACTION CONTEMPLATED HEREUNDER.

SECTION 7.3 Limitation on Liability of Servicer and Others. Except as provided in Section 7.1, neither Servicer nor any of the directors, officers, employees or agents of Servicer in its capacity as Servicer shall be under any liability to Issuer or the Retained Interest Owner or any other Person for any action taken or for refraining from the taking of any action in good faith in its capacity as Servicer pursuant to this Agreement; provided that this provision shall not protect Servicer or any such Person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. Servicer and any director, officer, employee or agent of Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person (other than Servicer) respecting any matters arising hereunder. Servicer shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties as Servicer in accordance with this Agreement and which in its reasonable judgment may involve it in any expense or liability.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other

communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by facsimile, email or other electronic transmission (with such transmission promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 8.1), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person designated in any written notice provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall only be effective if actually received by such party prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall only be effective on the immediately succeeding Business Day.

If to Servicer or the Retained Interest Owner:

GE Capital Retail Bank
170 Election Road, Suite 125
Draper, Utah 84020
Attention: President
Telephone: (801) 816-4765
Facsimile: (801) 816-4770

With a copy to:

General Electric Capital Corporation
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

If to Issuer:

GE Sales Finance Master Trust
c/o BNY Mellon Trust of Delaware
101 Barclay Street, Floor 4 West (ABS Unit)
New York, New York 10286
Attention: Antonio Vayas
Telephone: (212) 815-8322
Facsimile: (212) 815-2494 or 3883

with copies to:

General Electric Capital Corporation
777 Long Ridge Road, Building B, 3rd Floor
Stamford, Connecticut 06927
Attention: Capital Markets-Legal
Telephone: (203) 585-6254
Facsimile: (718) 247-5839

GE Capital Retail Bank, as Administrator
170 Election Road, Suite 125
Draper, Utah 84020
Attention: President
Telephone: (801) 816-4765
Facsimile: (801) 816-4770

SECTION 8.2 Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of Issuer, the Retained Interest Owner and Servicer and their respective successors and permitted assigns. Except as set forth in Section 2.1, or Article VI, Servicer may not assign, transfer, hypothecate or otherwise convey any of its rights or obligations hereunder or interests herein without the express prior written consent of Issuer and the Retained Interest Owner. Any such purported assignment, transfer, hypothecation or other conveyance by Servicer without the prior express written consent of Issuer and the Retained Interest Owner shall be void. Each of Issuer and the Retained Interest Owner may, at any time, assign any of its rights and obligations under this Agreement to any Person and any such assignee may further assign at any time its rights and obligations under this Agreement, in each case, without the consent of Servicer. Each of Issuer, the Retained Interest Owner and Servicer acknowledges and agrees that, upon any such assignment, the assignee thereof may enforce directly, all of the obligations of Issuer, the Retained Interest Owner or Servicer hereunder, as applicable.

SECTION 8.3 Termination; Survival of Obligations. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the date on which the Outstanding Balances of all Underlying Receivables have been reduced to zero; provided, that the rights and remedies provided for herein with respect to any breach of any representation or warranty made by Servicer pursuant to Article III, the indemnification and payment provisions of Article VII and Sections 8.4, 8.5 and 8.13 shall be continuing and shall survive such reduction.

SECTION 8.4 Confidentiality. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, THE OBLIGATIONS OF CONFIDENTIALITY CONTAINED HEREIN, SHALL NOT APPLY TO THE FEDERAL TAX STRUCTURE OR FEDERAL TAX TREATMENT OF THIS TRANSACTION, AND EACH PARTY (AND ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF ANY PARTY) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE FEDERAL TAX STRUCTURE AND FEDERAL TAX TREATMENT OF THIS TRANSACTION. THE PRECEDING SENTENCE IS INTENDED TO CAUSE THIS TRANSACTION TO BE

TREATED AS NOT HAVING BEEN OFFERED UNDER CONDITIONS OF CONFIDENTIALITY FOR PURPOSES OF SECTION 1.6011-4(B)(3) (OR ANY SUCCESSOR PROVISION) OF THE TREASURY REGULATIONS PROMULGATED UNDER SECTION 6011 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND SHALL BE CONSTRUED IN A MANNER CONSISTENT WITH SUCH PURPOSE. IN ADDITION, EACH PARTY ACKNOWLEDGES THAT IT HAS NO PROPRIETARY OR EXCLUSIVE RIGHTS TO THE FEDERAL TAX STRUCTURE OF THIS TRANSACTION OR ANY FEDERAL TAX MATTER OR FEDERAL TAX IDEA RELATED TO THIS TRANSACTION.

SECTION 8.5 No Proceedings. Servicer hereby agrees that, from and after the Closing Date and until the date one year plus one day following the date on which the Outstanding Balances of all Underlying Receivables have been reduced to zero, it will not, directly or indirectly, institute or cause to be instituted against Issuer any proceeding of the type referred to in Section 5.1(d); provided that the foregoing shall not in any way limit Servicer's right to pursue any other creditor rights or remedies that Servicer may have for claims against Issuer.

SECTION 8.6 Complete Agreement; Modification of Agreement. This Agreement constitutes the complete agreement among the parties hereto with respect to the subject matter hereof, supersedes all prior agreements and understandings relating to the subject matter hereof, and may not be modified, altered or amended except as set forth in Section 8.7.

SECTION 8.7 Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement, or any consent to any departure by any party hereto therefrom, shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto.

SECTION 8.8 No Waiver; Remedies. The failure by Issuer or the Retained Interest Owner, at any time or times, to require strict performance by Servicer of any provision of this Agreement shall not waive, affect or diminish any right of Issuer or the Retained Interest Owner thereafter to demand strict compliance and performance herewith. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Servicer contained in this Agreement and no breach or default by Servicer hereunder, shall be deemed to have been suspended or waived by Issuer or the Retained Interest Owner unless such waiver or suspension is by an instrument in writing signed by an officer of or other duly authorized signatory of Issuer or the Retained Interest Owner, as applicable, and directed to Servicer specifying such suspension or waiver. The rights and remedies of Issuer under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that Issuer or the Retained Interest Owner may have under any other agreement, including the other Related Documents, by operation of law or otherwise.

(a) THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401(1) OF THE GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH SECTION 8.1 AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY

ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.10 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement. Executed counterparts may be delivered electronically.

SECTION 8.11 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 8.12 Section Titles. The section titles and table of contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

SECTION 8.13 Limited Recourse.

(a) The obligations of Issuer under this Agreement are solely the obligations of Issuer. No recourse shall be had for any obligation or claim arising out of or based upon this Agreement against any incorporator, shareholder, officer, manager, member or director, past, present or future, of Issuer or of any successor or of its constituent members or its other Affiliates, either directly or through Issuer or any successor, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by acceptance hereof and as part of the consideration for the acceptance hereof, expressly waived and released. Any accrued obligations owing by Issuer under this Agreement shall be payable by Issuer solely to the extent that funds are available therefor from time to time in accordance with the provisions of Section 2.12 and the priority of payments in the applicable Indenture Supplement (provided that such accrued obligations shall not be extinguished until paid in full).

(b) The obligations of the Retained Interest Owner and Servicer under this Agreement are solely the obligations of the Retained Interest Owner and Servicer, respectively. No recourse shall be had for the payment of any amount owing hereunder or any other obligation or claim arising out of or based upon this Agreement, against any shareholder, employee, officer, manager, member or director, agent or organizer, past, present or future, of the Retained Interest Owner or Servicer or of any of their respective successors thereto, either directly or through Servicer or any successor thereto, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by acceptance hereof and as part of the consideration for the acceptance hereof, expressly waived and released.

SECTION 8.14 Further Assurances. Servicer shall, at its sole cost and expense, promptly and duly execute and deliver any and all further instruments and documents, and take such further action, that may be necessary or desirable or that Issuer may request to enable Issuer and the Retained Interest Owner to exercise and enforce its rights under this Agreement or otherwise carry out more effectively the provisions and purposes of this Agreement.

SECTION 8.15 Pledge of Assets. Servicer hereby acknowledges that the Issuer has granted a security interest in the Transferred Interests to the Indenture Trustee under the Indenture, and hereby waives any defenses it may have against the Indenture Trustee for the enforcement of this Agreement in the event of foreclosure by the Indenture Trustee. Accordingly, the parties hereto agree that, in the event of foreclosure by the Indenture Trustee, the Indenture Trustee shall have the right to enforce this Agreement and the full performance by the parties hereto of their obligations and undertakings set forth herein. Servicer hereby agrees to deliver to the Indenture Trustee a copy of all notices to be delivered by Servicer to the Issuer hereunder.

SECTION 8.16 Waiver of Setoff. Servicer hereby waives any right of setoff that it may have for amounts owing to it under or in connection with this Agreement.

SECTION 8.17 Limitation of Liability of the Trustee. It is expressly understood and agreed by the parties hereto that (a) this document is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally, but solely as Trustee of the Issuer, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as a personal representation, undertaking and agreement by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this document.

[Signatures Follow]

IN WITNESS WHEREOF, the parties have caused this Servicing Agreement to be executed by their respective representatives thereunto duly authorized, as of the date first above written.

GE SALES FINANCE MASTER TRUST, as Issuer

By: BNY MELLON TRUST OF DELAWARE,
not in its individual capacity, but solely as Trustee on behalf
of Issuer

By: /s/ Kristine K. Gullo

Name: Kristine K. Gullo
Title: Vice President

GE CAPITAL RETAIL BANK, as Servicer and as Retained Interest
Owner

By: /s/ Michael Lagnese

Name: Michael Lagnese
Title: Senior Vice President Finance

SCHEDULE 2.7

Reporting Requirements

Servicer shall:

1. Prepare a monthly report on behalf of Issuer for each Series that is outstanding in the manner described in the Indenture Supplement for such Series. Servicer shall also provide the Indenture Trustee and the Issuer with an electronic or written form of such report for each such Series for delivery as set forth in the Indenture Supplement for such Series.
2. Prepare and deliver to the Issuer any attestation report, agreed upon procedures letter or similar report regarding the Servicer's compliance with its obligations under the Servicing Agreement and the servicing functions performed by the Servicer with respect to the Related Documents in such form as is required to be delivered to any party by the Issuer in accordance with any Indenture Supplement.

Schedule 2.7

Servicing Agreement

SCHEDULE 2.14

REQUIREMENTS OF FDIC RULE

As required by the FDIC Rule:

(a) As used in this Schedule, references to (i) the “sponsor” shall mean GE Capital Retail Bank, (ii) the “issuing entity” shall mean, collectively, the Transferor, the Issuer and each other transferee of the Transferred Assets that is an “issuing entity” as defined in the FDIC Rule, (iii) the “servicer” shall mean the Servicer and each other “servicer” of the financial assets within the meaning of the FDIC Rule, (iv) “obligations” or “securitization obligations” shall mean the Notes, and (v) “financial assets” and “securitized financial assets” shall mean the Transferred Assets.

(b) To the extent serving as servicer, custodian or paying agent for the securitization, the sponsor shall not comingle amounts received with respect to the financial assets with its own assets except for the time, not to exceed two business days, necessary to clear any payments received.

(c) The monthly reports described in Schedule 2.7 shall include such information as shall be required for the issuing entity to fulfill its obligations under clause (c) of Schedule II to the Indenture with respect to information required to be disclosed at the time of delivery of each periodic distribution report or any other information required to be provided to investors after issuance of the obligations.

Schedule 2.15

ADMINISTRATION AGREEMENT

Between

GE SALES FINANCE MASTER TRUST,
as Trust

and

GE CAPITAL RETAIL BANK,
as Administrator

Dated as of February 29, 2012

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ADMINISTRATION AGREEMENT, dated as of February 29, 2012, between GE SALES FINANCE MASTER TRUST, a Delaware statutory trust (the "Trust") and GE CAPITAL RETAIL BANK, a federal savings bank organized under the laws of the United States, as administrator (the "Administrator").

RECITALS

WHEREAS, the Trust has entered into a Master Indenture, dated as of the date hereof (as amended and supplemented by any Indenture Supplement, or otherwise, from time to time in accordance with the provision thereof, the "Indenture"), between the Trust and Deutsche Bank Trust Company Americas, as indenture trustee ("Indenture Trustee"), to provide for the issuance of its asset backed notes (the "Notes") from time to time pursuant to one or more indenture supplements. Capitalized terms used herein and not otherwise defined herein are defined in the Indenture;

WHEREAS, the Trust has entered into certain agreements in connection with the issuance of the Notes and the issuance of the Transferor Interest (as defined in the Trust Agreement) and transactions related thereto, including (i) the Transfer Agreement, (ii) the Servicing Agreement, (iii) the Trust Agreement and (iv) the Indenture (collectively, the "Related Documents");

WHEREAS, pursuant to the Related Documents, the Trust is required to perform certain duties in connection with: (a) the Notes and the collateral therefor pledged pursuant to the Indenture (the "Collateral") and (b) the Transferor Interest ;

WHEREAS, the Trust desires to have the Administrator perform certain of the duties of the Trust referred to in the preceding clause, and to provide such additional services consistent with this Agreement and the Related Documents as the Trust may from time to time request;

WHEREAS, the Administrator has the capacity to provide the services required hereby and is willing to perform such services for the Trust on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual terms and covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

SECTION 1. Duties of the Administrator.

(a) Duties with Respect to the Transfer Agreement. The Administrator, on behalf of the Trust, shall perform the administrative duties of the Trust under the Transfer Agreement. The Administrator, on behalf of the Trust, shall monitor the performance of the Trust and shall advise the Trust when action is necessary to comply with the Trust's duties under the Transfer Agreement. The Administrator, on behalf of the Trust, shall prepare for execution by the Trust or shall cause the preparation by other appropriate persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust to prepare, file or deliver pursuant to the Transfer Agreement. In furtherance of the foregoing, the Administrator, on behalf of the Trust shall take all appropriate action that is the duty of the Trust to take pursuant to such documents, including, without limitation, such of the foregoing as are required with respect to the following matters (references in this Section are to sections of the Transfer Agreement):

- (i) the duty to maintain possession of the Account Schedules delivered pursuant to the Transfer Agreement Section 2.2);

Administration Agreement

(ii) the duty to cause the payment of the Purchase Price for each Purchase Date (Section 2.4);

(iii) (A) the preparation and the execution of any Reassignment or any other documents and instruments of transfer (Section 2.7) and (B) the duty to take such actions as requested by the Transferor to effect the conveyance of the Transferred Interests and other Transferred Assets (Section 2.6);

(iv) (A) the notification to the Transferor of any breach in representation or warranty of the Transferor under the Transfer Agreement or (B) the acceptance of a reassignment of the Transferred Interests if such breach is not cured as provided in Section 6.1 of the Transfer Agreement (Section 6.1);

(v) the duty to comply with the FDIC Rule and FDIC Rule Interpretations (each as defined in the Transfer Agreement) and the obligations of the Trust in Schedule 6.4 to the Transfer Agreement (Section 6.4); and

(vi) (A) the duty to consult with the Transferor to determine whether the Trust's consent to any reduction of periodic finance charges or other fees would violate the Trust's covenants contained in the Indenture or any Supplement thereto and (B) the duty to prepare, execute and deliver any notices of objection to a proposed reduction upon determination that a violation would occur (Section 6.3(b)).

(b) Duties with Respect to the Servicing Agreement. The Administrator, on behalf of the Trust, shall perform the administrative duties of the Trust under the Servicing Agreement. The Administrator, on behalf of the Trust, shall monitor the performance of the Trust and shall advise the Trust when action is necessary to comply with the Trust's duties under the Servicing Agreement. The Administrator shall prepare and execute on behalf of the Trust or shall cause the preparation by other appropriate persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust to prepare, file or deliver pursuant to the Servicing Agreement. In furtherance of the foregoing, the Administrator, on behalf of the Trust shall take all appropriate action that is the duty of the Trust to take pursuant to such documents, including, without limitation, such of the foregoing as are required with respect to the following matters (references in this Section are to sections of the Servicing Agreement):

(i) (A) the notification to the Servicer prior to any designation of (I) additional or removed Accounts, (II) any additional Originator and (III) any discount percentage and (B) the duty to provide the Servicer a copy of the related Program Agreements with respect to Additional Accounts (Section 2.2);

(ii) (A) the duty to furnish the Servicer with powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing duties and (B) the duty to assist the Servicer in collecting the Serviced Receivables (Section 2.4);

(iii) (A) the notification to the Servicer of a breach of the applicable covenants under Section 2.6 of the Servicing Agreement and (B) the execution and the delivery of any documents or instruments of transfer or assignment requested by the Servicer to effect the conveyance of the Transferred Interests to the Servicer (Section 2.6);

(iv) the delivery of a Servicer Termination Notice to the Servicer (Section 5.1); and

(v) the appointment of a successor servicer (Section 6.2).

(c) Duties with Respect to the Indenture. The Administrator, on behalf of the Trust, shall perform the administrative duties of the Trust under the Indenture and any Indenture Supplement. The Administrator, on behalf of the Trust, shall monitor the performance of the Trust and shall advise the Trust when action is necessary to comply with the Trust's duties under the Indenture and any Indenture Supplement. The Administrator shall prepare and execute on behalf of the Trust or shall cause the preparation by other appropriate persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust to prepare, file or deliver pursuant to the Indenture and any Indenture Supplement. In furtherance of the foregoing, the Administrator, on behalf of the Trust shall take all appropriate action that is the duty of the Trust to take pursuant to such documents, including, without limitation, such of the foregoing as are required with respect to the following matters (references in this Section are to sections of the Indenture):

(i) (A) the preparation of or the obtaining of the documents and instruments required for authentication of the Notes and (B) the delivery of the same to the Indenture Trustee (Sections 2.2, 2.3 and 2.5);

(ii) (A) the duty to cause the Note Registrar to be kept, (B) the appointment of a successor Note Registrar, (C) the notification to the Indenture Trustee of any appointment of a new Note Registrar or the Note Registrar's change in location, (D) the preparation of a new Note upon the surrender of a Note for transfer and (E) the appoint of a co-transfer agent if any Series of Notes is listed on the Luxembourg Stock Exchange (Section 2.4);

(iii) the notification to the Indenture Trustee of the date on which the Trust expects that the final installment of principal of and interest on the Notes will be paid (Section 2.7);

(iv) (A) the notification to the Indenture Trustee of a New Issuance and (B) the delivery of any Indenture Supplement, Series Enhancement Agreement and Tax Opinion to the Indenture Trustee (Section 2.8);

-
- (v) the delivery of any Notes to the Indenture Trustee for cancellation (Section 2.9);
- (vi) the communication with any Clearing Agency (Sections 2.10 and 2.11);
- (vii) (A) the appointment of a successor Clearing Agency and (B) the notification to the Indenture Trustee that the Clearing Agency is no longer willing or able to discharge its responsibilities under the Note Depository Agreement and that the Trust is unable to locate a successor Clearing Agency (Section 2.12);
- (viii) the notification to the Indenture Trustee 30 days prior to of any change in the location of the Trust's offices or its jurisdiction of organization Section 3.2);
- (ix) the duty to cause the Trust to (A) keep in full effect its existence, rights and franchises as a Delaware statutory trust and (B) observe and comply in all material respects with (I) all laws applicable to the Trust (II) all requisite and appropriate organizational and other formalities in the management of the Trust's business and affairs and (III) conduct the transactions contemplated thereby (Section 3.3);
- (x) the duty to cause the preparation and delivery of all supplements and amendments to the Indenture in accordance with Section 3.4 of the Indenture (Section 3.4);
- (xi) the delivery of an Opinion of Counsel to the Indenture Trustee under Section 3.5 of the Indenture (Section 3.5);
- (xii) the duty to cause the Trust (A) to enforce the obligations of the Servicer under the Servicing Agreement, the obligations of the Transferor under the Transfer Agreement and the obligations of the Paying Agent set forth in Section 6.15 of the Indenture, (B) to deliver a notice to the Servicer of any Servicer Default as required under Section 3.6(c) of the Indenture, (C) to exercise its rights to terminate the Servicer, (D) to obtain the consent of the Noteholders upon a voluntary dismissal of the Servicer, (E) to appoint a Successor Servicer, (F) to notify the Indenture Trustee upon any termination of the Servicer's rights and powers under the Servicing Agreement and each appointment of a Successor Servicer and (G) to provide, or to cause the Servicer to provide, the Indenture Trustee access to any documents regarding the Accounts and the Transferred Interests (Section 3.6);
- (xiii) to contest or to pay all taxes on behalf of the Trust when due and payable and to deliver such information to the Noteholders to enable the Noteholders to prepare their income taxes (Section 3.7);
- (xiv) the delivery of an Opinion of Counsel and/or Officer's Certificate to the Indenture Trustee under Sections 3.8, 4.1, 9.1 and 10.1 of the Indenture (Sections 3.8, 4.1, 9.1 and 10.1) or as may otherwise be required pursuant to the Indenture;

(xv) the notification to the Indenture Trustee of each Early Amortization Event, Event of Default and Servicer Default required under Section 3.10 of the Indenture (Section 3.10);

(xvi) (A) the preparation of and the delivery of any further instruments and (B) to perform any further acts as may be reasonably necessary to carry out the provisions of the Indenture (Section 3.11);

(xvii) (A) the removal of the Indenture Trustee and (B) the appointment of a successor Indenture Trustee in accordance with Section 6.7 of the Indenture (Section 6.7);

(xviii) the notification to the Indenture Trustee in writing if any of the Notes become listed on any stock exchange or market trading system Section 6.13);

(xix) (A) the duty to cause the Paying Agent (other than the Indenture Trustee) to pay the Indenture Trustee any sums held in trust by such Paying Agent with respect to the Notes and (B) the appointment of each Paying Agent (Section 6.15);

(xx) the duty to furnish to the Indenture Trustee a list of Noteholders as required pursuant to Section 7.1 of the Indenture (Section 7.1);

(xxi) (A) the filing with the Indenture Trustee and the Commission copies of reports or documents required pursuant to the Securities Exchange Act and the Commission (B) the delivery of the summaries of any information required to be filed with the Commission to the Indenture Trustee and (C) the notification to the Indenture Trustee of any change in the Trust's fiscal year (Section 7.3);

(xxii) the duty to determine the aggregate Principal Shortfalls for any Series and to instruct the Indenture Trustee regarding withdrawals from the Excess Funding Account and the allocation of such withdrawn amounts (Section 8.2);

(xxiii) the preparation and the delivery any Supplemental Indentures (Sections 9.1 and 9.2);

(xxiv) (A) the preparation and the delivery of any agreement entered into with a Noteholder pursuant to Section 10.6 of the Indenture and (B) the delivery of a copy of such agreement to the Indenture Trustee (Section 10.6);

(xxv) the filing of all appropriate financing statements; and

(xxvi) the duty to make available to investors, information described in clause (c) of Schedule II of the Indenture and to take any actions required of the Trust pursuant to Section 11.3 of the Indenture (Sections 11.2 and 11.3).

(d) Duties with respect to sale of Notes The Administrator, on behalf of the Trust, shall perform the administrative duties of the Trust under any note purchase agreement, loan agreement or underwriting agreement. The Administrator, on behalf of the Trust, shall monitor the performance of the Trust and shall advise the Trust when action is necessary to comply with the Trust's duties under any note purchase agreement, loan agreement or underwriting agreement. The Administrator shall prepare and execute on behalf of the Trust or shall cause the preparation by other appropriate persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust to prepare, file or deliver pursuant any note purchase agreement, loan agreement or underwriting agreement. In furtherance of the foregoing, the Administrator, on behalf of the Trust shall take all appropriate action that is the duty of the Trust to take pursuant to such documents.

(e) Duties with Respect to the Trust (i) The Administrator shall perform such calculations, and shall prepare for execution by the Trust or shall cause the preparation by other appropriate persons, of all such documents, reports, filings, instruments, certificates and opinions, as it shall be the duty of the Trust, to perform, prepare, file or deliver pursuant to the Related Documents. At the request of the Trust, the Administrator shall take all appropriate action that it is the duty of the Trust, to take pursuant to the Related Documents. Subject to Section 5 of this Agreement, and in accordance with the directions of the Trust, the Administrator, on behalf of the Trust, shall administer, perform or supervise the performance of such other activities permitted by the Related Documents as are not covered by any of the foregoing and as are expressly requested by the Trust, and are reasonably within the capability of the Administrator.

(i) The Administrator, on behalf of the Trust, shall perform the duties specified in Section 9.2 of the Trust Agreement required to be performed in connection with the resignation or removal of the Trustee (as defined in the Trust Agreement), and any other duties expressly required to be performed by the Administrator under the Trust Agreement.

(ii) In carrying out the foregoing duties or any of its other obligations under this Agreement, the Administrator may enter into transactions with or otherwise deal with any of its affiliates; provided, however, that the terms of any such transactions or dealings shall be in accordance with any directions received from the Trust and shall be, in the Administrator's opinion, no less favorable to the Trust than would be available from unaffiliated parties.

(iii) The Administrator hereby agrees to execute on behalf of the Trust all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Trust to prepare, file or deliver pursuant to the Related Documents or otherwise by law.

(f) Non-Ministerial Matters. (i) With respect to matters that in the reasonable judgment of the Administrator are non-ministerial, the Administrator shall not take any action unless within a reasonable time before the taking of such action the Administrator shall have notified the Trust of the proposed action and the Trust shall have consented or provided an alternative direction. For the purpose of the preceding sentence, "non-ministerial matters" shall include, without limitation:

(A) the initiation of any claim or lawsuit by the Trust and the compromise of any action, claim or lawsuit brought by or against the Trust (other than in connection with the collection of the Transferred Interests);

(B) the amendment, change, supplement or modification of the Related Documents other than an Indenture Supplement; and

(C) the appointment of successor Note Registrars, successor Paying Agents and successor Indenture Trustees pursuant to the Indenture or the appointment of successor Administrators or successor Servicers, or the consent to the assignment by the Note Registrar, Paying Agent or Indenture Trustee of its obligations under the Indenture.

(ii) Notwithstanding anything to the contrary in this Agreement, the Administrator shall not be obligated to, and shall not take any other action that the Trust directs the Administrator not to take on its behalf.

SECTION 2. Records. The Administrator shall maintain appropriate records relating to services performed hereunder, which records shall be accessible for inspection by the Trust or its designees, at any time during normal business hours upon 10 Business Days' prior notice.

SECTION 3. Compensation. As compensation for the performance of the Administrator's obligations under this Agreement and as reimbursement for its expenses related thereto, the Administrator shall be entitled to \$350 per month payable in arrears on each Payment Date, which payment shall be solely an obligation of the Trust.

SECTION 4. Additional Information to be Furnished to the Trust. The Administrator shall furnish to the Trust from time to time such additional information regarding the Collateral as the Trust shall reasonably request.

SECTION 5. Independence of the Administrator. For all purposes of this Agreement, the Administrator shall be an independent contractor and shall not be subject to the supervision of the Trust with respect to the manner in which it accomplishes the performance of its obligations hereunder. Unless expressly authorized by the Trust, the Administrator shall have no authority to act for or represent the Trust in any way (other than as permitted hereunder) and shall not otherwise be deemed an agent of the Trust.

SECTION 6. No Joint Venture. Nothing contained in this Agreement: (i) shall constitute the Administrator and the Trust as members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (ii) shall be construed to impose any liability as such on any of them or (iii) shall be deemed to confer on any of them any express, implied or apparent authority to incur any obligation or liability on behalf of the others.

SECTION 7. Other Activities of the Administrator. Nothing herein shall prevent the Administrator or its Affiliates from engaging in other businesses or, in their sole discretion, from acting in a similar capacity as an administrator for any other Person even though such Person may engage in business activities similar to those of the Trust.

SECTION 8. Term of Agreement; Resignation and Removal of the Administrator. (a) This Agreement shall continue in force until the dissolution of the Trust, upon which event this Agreement shall automatically terminate.

(b) The Administrator may resign its duties hereunder by providing the Trust and the Servicer with at least 45 days' prior written notice.

(c) Subject to Section 8(d), at the sole option of the Trust, the Administrator may be removed immediately upon written notice of termination from the Trust to the Administrator and the Transferor if any of the following events shall occur:

(i) failure on the part of Administrator duly to observe or perform in any material respect any covenants or agreements of Administrator set forth in this Agreement which has a material adverse effect on the interests of Trust, which continues unremedied for a period of 90 days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Administrator by the Trust (or, if such default in performance cannot be cured in such time, shall not give within ten days such assurance of cure as shall be reasonably satisfactory to the Trust); provided that if such failure was caused by an act of God or other similar occurrence, then Administrator shall have until 150 days after the date of such failure to cure before a default in performance shall be deemed to have occurred under this Section.

(ii) a court having jurisdiction in the premises shall enter a decree or order for relief, and such decree or order shall not have been vacated within 60 days, in respect of the Administrator in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Administrator or any substantial part of its property or order the winding-up or liquidation of its affairs; or

(iii) the Administrator shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Administrator or any substantial part of its property, shall consent to the taking of possession by any such official of any substantial part of its property, shall make any general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due.

The Administrator agrees that if any of the events specified in clauses (ii) or (iii) of this subsection shall occur, it shall give written notice thereof to the Trust, the Servicer and the Indenture Trustee within seven days after the happening of such event.

(d) Upon the Administrator's receipt of notice of termination, pursuant to Section 8(c), or the Administrator's resignation in accordance with this Agreement, the predecessor Administrator shall continue to perform its functions as Administrator under this Agreement, in the case of termination, only until the date specified in such termination notice or, if no such date is specified in a notice of termination, until receipt of such notice and, in the case of resignation, until the date 45 days from the delivery to the Trust and the Servicer of written notice of such resignation (or written confirmation of such notice) in accordance with this Agreement. In the event of the Administrator's termination hereunder, the Trust shall appoint a successor Administrator, and the successor Administrator shall accept its appointment by a written assumption. No resignation or removal of the Administrator pursuant to this Section shall be effective until: (i) a successor Administrator shall have been appointed by the Trust and (ii) such successor Administrator shall have agreed in writing to be bound by the terms of this Agreement in the same manner as the Administrator is bound hereunder.

(e) Upon appointment, the successor Administrator shall be the successor in all respects to the predecessor Administrator and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Administrator and shall be entitled to the compensation specified in Section 3 and all the rights granted to the predecessor Administrator by the terms and provisions of this Agreement.

(f) The Administrator or the Trust, as the case may be, shall provide to the Indenture Trustee a copy of all notices required to be delivered under this Section 8.

SECTION 9. Action upon Termination, Resignation or Removal. Promptly upon the effective date of termination of this Agreement pursuant to Section 8(a), or the resignation or removal of the Administrator pursuant to Section 8(b), respectively, the Administrator shall be entitled to be paid all fees and reimbursable expenses accruing to it to the date of such termination, resignation or removal. The Administrator shall forthwith upon such termination pursuant to Section 8(a) deliver to the Trust all property and documents of or relating to the Collateral then in the custody of the Administrator. In the event of the resignation or removal of the Administrator pursuant to Section 8(b), respectively, the Administrator shall cooperate with the Trust and the Indenture Trustee and take all reasonable steps requested to assist the Trust and the Indenture Trustee in making an orderly transfer of the duties of the Administrator.

SECTION 10. Notices. Any notice, report or other communication given hereunder shall be in writing and addressed as follows:

(a) if to the Trust, to:

GE Sales Finance Master Trust
c/o BNY Mellon Trust of Delaware, as Trustee
101 Barclay Street, Floor 4 West (ABS Unit)
New York, New York 10286
Attn: Antonio Vayas
Telephone: (212) 815-8322
Telecopy: (212) 815-2493

with copies to:

c/o BNY Mellon Trust of Delaware
101 Barclay Street, Floor 4 West (ABS Unit)
New York, New York, 10286
Attention: Antonio Vayas
Telecopy: (212) 815-2493

GE Capital Retail Bank, as Administrator
170 Election Road, Suite 125
Draper, Utah 84020
Attention: President
Telephone: (801) 816-4765
Facsimile: (801) 816-4770

(b) if to the Administrator, to:

GE Capital Retail Bank, as Administrator
170 Election Road, Suite 125
Draper, Utah 84020
Attention: President
Telephone: (801) 816-4765
Facsimile: (801) 816-4770

(c) if to the Indenture Trustee, to:

Deutsche Bank Trust Company Americas
60 Wall Street
27th floor, Mail Stop NYC60-2720
New York, N.Y. 10005
Attn: Louis Bodi
Telephone: (212) 250-4855
Telecopy: (212) 553-2458

or to such other address as any party shall have provided to the other parties in writing. Any notice required to be in writing hereunder shall be deemed given if such notice is mailed by certified mail, postage prepaid, or hand-delivered to the address of such party as provided above.

SECTION 11. Amendments. This Agreement may be amended from time to time by a written amendment duly executed and delivered by the Trust and the Administrator. Promptly after the execution of any such amendment, the Administrator shall furnish written notification of the substance of such amendment or consent to the holder of the Transferor Interest .

SECTION 12. Successors and Assigns. This Agreement may not be assigned by the Administrator to any Person other than an Affiliate of the Administrator unless such assignment is previously consented to in writing by the Trust. An assignment with such consent and satisfaction, if accepted by the assignee, shall bind the assignee hereunder in the same manner as

the Administrator is bound hereunder. Notwithstanding the foregoing, this Agreement may be assigned by the Administrator without the consent of the Trust to a corporation or other organization that is a successor (by merger, consolidation or purchase of assets) to the Administrator, provided that such successor organization executes and delivers to the Trust, an agreement in which such corporation or other organization agrees to be bound hereunder by the terms of said assignment in the same manner as the Administrator is bound hereunder. Subject to the foregoing, this Agreement shall bind any successors or assigns of the parties hereto.

SECTION 13. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL (a) THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401(1) OF THE GENERAL OBLIGATIONS LAW, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED, FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE BORROWER COLLATERAL OR ANY OTHER SECURITY FOR THE BORROWER SECURED OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE LENDER. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS DETERMINED IN ACCORDANCE WITH SECTION 10 AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 14. Other Interpretive Matters. All terms defined directly or by incorporation in this Agreement shall have the defined meanings when used in any document delivered pursuant thereto unless otherwise defined therein. For purposes of this Agreement, unless the context otherwise requires: (a) accounting terms not otherwise defined herein and accounting terms partly defined herein to the extent not defined, shall have the respective meanings given to them under generally accepted accounting principles; and unless otherwise provided, references to any month, quarter or year refer to a fiscal month, quarter or year as determined in accordance with the GE Capital fiscal calendar; (b) unless defined in this Agreement or the context otherwise requires, capitalized terms used in this Agreement which are defined in the UCC shall have the meaning given such term in the UCC; (c) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (d) the words “hereof,” “herein” and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement; (e) references to any Section, Schedule or Exhibit are references to Sections, Schedules and Exhibits in or to this Agreement, and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (f) the term “including” means “including without limitation”; (g) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (h) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (i) references to any Person include that Person’s successors and assigns; (j) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; and (k) words in the singular include the plural and words in the plural include the singular.

SECTION 15. Counterparts. This Agreement may be executed in counterparts, all of which when so executed shall together constitute but one and the same agreement.

SECTION 16. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such

prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 17. Not Applicable to General Electric Capital Corporation in Other Capacities Nothing in this Agreement shall affect any obligation General Electric Capital Corporation may have in any other capacity.

SECTION 18. Limitation of Liability of the Trustee. It is expressly understood and agreed by the parties hereto that (a) this document is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally, but solely as Trustee of the Trust, (b) each of the representations, undertakings and agreements herein made on the part of the Trust is made and intended not as a personal representation, undertaking and agreement by BNY Mellon Trust of Delaware but is made and intended for the purpose of binding only the Trust, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall BNY Mellon Trust of Delaware be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Trust under this document.

SECTION 19. Indemnification. The Administrator shall indemnify the Trust (and its officers, directors, employees, trustees, and agents) (the "Indemnified Parties") for, and hold them harmless against, any losses, liability or expense, including attorneys' fees reasonably incurred by them (all of the foregoing being collectively referred to as "Indemnified Amounts"), incurred without negligence or willful misconduct on their part, arising out of or in connection with: (i) actions taken by either of them pursuant to instructions given by the Administrator pursuant to this Agreement or (ii) the failure of the Administrator to perform its obligations hereunder. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Administrator or the Trust.

In the event any proceeding (including any governmental investigation) shall be instituted involving any Indemnified Party pursuant to the preceding paragraph, such person shall promptly notify the Administrator in writing, and the Administrator shall have the option to assume the defense thereof. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Administrator has failed to assume the defense thereof, (ii) the Administrator and the Indemnified Party shall have mutually agreed to the retention of such counsel or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Administrator and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Administrator shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties. The Administrator shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Administrator agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

SECTION 20. No Proceedings. From and after the Closing Date and until the date one year plus one day following the date on which the Outstanding Balance of all Transferred Interests have been reduced to zero, the Administrator shall not, directly or indirectly, institute or cause to be instituted against the Trust any proceeding of the type referred to in the definition of "Insolvency Event".

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the day and year first above written.

GE SALES FINANCE MASTER TRUST

By: BNY MELLON TRUST OF DELAWARE,
not in its individual capacity but solely as Trustee on behalf of
the Trust

By: /s/ Kristine K. Gullo
Name: Kristine K. Gullo
Title: Vice President

GENERAL CAPITAL RETAIL BANK,
as Administrator

By: /s/ Michael Lagnese
Name: Michael Lagnese
Title: SVP

Consent of Independent Registered Public Accounting Firm

To the Board of Directors of
Synchrony Financial:

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Stamford, Connecticut
April 25, 2014