

BASE PROSPECTUS

WELLESLEY SECURED FINANCE PLC

(incorporated with limited liability in England and Wales)

£500,000,000

Secured Note Programme

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority for the purposes of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Base Prospectus comprises a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has been made to the Irish Stock Exchange for notes (the "**Notes**") issued under the Secured Note Programme (the "**Programme**") within twelve months after the date hereof to be admitted to the Official List (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"). Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Notes may be sold from time to time by the Issuer to any entity appointed from time to time as a dealer (the "**Dealers**").

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

12 April 2017

IMPORTANT NOTICES

Wellesley Secured Finance Plc (the "**Issuer**") and Wellesley Finance plc (the "**Loan Originator**") each accepts responsibility for the information contained in this Base Prospectus and, in relation to each Tranche of Notes, in the applicable Final Terms for such Tranche of Notes and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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In addition, in the context of any offer of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuer accepts responsibility in the United Kingdom (a "**Public Offer Jurisdiction**") for the content of this Base Prospectus in relation to any person (an "**Investor**") in a Public Offer Jurisdiction to whom an offer of any Notes is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, neither the Issuer, the Trustee nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Public Offer Jurisdiction referred to above in which a Public Offer of Notes may be made is the United Kingdom only.

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Save as provided below, neither the Issuer nor any Dealer has authorised the making of any Public Offer or consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If the Issuer has not consented to the use of this Base Prospectus by an offeror, the Investor should check with such offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of the UK Financial Services and Markets Act 2000 ("FSMA") in the context of the Public Offer, and if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either:

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- (A) in the Member State(s) specified in the relevant Final Terms by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the following conditions and any additional conditions specified in the relevant Final Terms:
- (i) it is authorised to make such offers under the Markets in Financial Instruments Directive; and
 - (ii) it publishes on its website the following statement (with the information in square XX(XXX)2B.1 brackets completed with the relevant information):

"We, [insert legal name of financial intermediary], are a financial intermediary authorised under the Markets in Financial Instruments Directive to make offers of securities such as the [insert title of the relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by Wellesley Secured Finance Plc (the "Issuer"). We refer to the offer of the Notes in the United Kingdom during the Offer Period specified in the Final Terms (the "Public Offer"). In consideration for the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the Public Offer on the Authorised Offeror Terms specified in the Base Prospectus and subject to the conditions to such consent, we hereby accept such offer. Accordingly, we are using the Base Prospectus in connection with the Public Offer in accordance with the consent of the Issuer on the Authorised Offeror Terms and subject to the conditions of such consent."

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

- (i) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:
 - a. act in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), including the Rules published by the Financial Conduct Authority ("**FCA**") (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the Issuer and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules;
 - b. comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
 - c. ensure that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;

- d. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the Financial Services and Markets Act 2000;
 - e. comply with applicable anti-money laundering, anti-bribery and "know your client" Rules, and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
 - f. retain investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer, the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer and/or the relevant Dealer;
 - g. ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
 - h. comply with any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
 - i. not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus; and
 - j. if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups, except to describe the Issuer as issuer of the relevant Notes; and
- (ii) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such

financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements; and

- (iii) agrees and accepts that:
- a. the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - b. the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts; and
 - c. each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;

or,

- (B) by the financial intermediaries specified in the relevant Final Terms, in the Member State(s) ^{xx(xxx)2A.2} specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms.

The consent referred to above relates to Public Offers occurring within 12 months from the date of ^{xx(xxx)1.2} this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, an offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Neither the Issuer nor any of the Dealers has authorised the making of any Public Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from

the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made by or on behalf of the Issuer, any Dealer or any Authorised Offeror and none of the Issuer, any Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information. XX(XXX)1.6

In relation to any Tranche of Notes which is the subject of Final Terms, this Base Prospectus must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue and offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or

trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers, the Trustee, or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed £500,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into pounds sterling at the date of the agreement to issue such Notes. The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**pounds sterling**", "**sterling**" and "**£**" are to the lawful currency of the United Kingdom, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**EUR**", "**€**" or "**euro**" are to the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Tranches of Notes issued under the Programme may be rated or unrated by any or all of Moody's Investors Service Ltd ("**Moody's**"), Fitch Ratings Limited ("**Fitch**") or Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"). Each of Moody's, Fitch and Standard & Poor's is established in the European Economic Area ("**EEA**") and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"). Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

CONTENTS

| | Page |
|---|------|
| IMPORTANT NOTICES | 2 |
| CONTENTS | 9 |
| SUMMARY | 10 |
| RISK FACTORS..... | 28 |
| OVERVIEW OF THE PROGRAMME..... | 42 |
| WORKED EXAMPLES..... | 57 |
| DESCRIPTION OF THE ISSUER..... | 60 |
| ELIGIBILITY CRITERIA FOR FINAL TERMS ISSUANCE..... | 62 |
| FINAL TERMS AND DRAWDOWN PROSPECTUSES..... | 64 |
| FORMS OF THE NOTES..... | 65 |
| TERMS AND CONDITIONS OF THE NOTES..... | 73 |
| FORM OF FINAL TERMS..... | 109 |
| USE OF PROCEEDS..... | 128 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM..... | 129 |
| BOOK-ENTRY CLEARING SYSTEMS..... | 131 |
| TAXATION | 134 |
| SUBSCRIPTION AND SALE | 141 |
| GENERAL INFORMATION | 145 |
| INDEX OF DEFINED TERMS | 148 |
| PARTIES..... | 152 |

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.

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| | Section A – Introduction and Warnings | |
| A.1 | Introduction: | This summary should be read as introduction to the Base Prospectus; any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor; where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes. |
| A.2 | | [The Issuer consents to the use of the Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis: (i) the relevant Public Offer must occur during the period from and including [•] to but excluding [•] (the " Offer Period ");and (ii) the relevant Authorised Offeror must satisfy the following conditions: [•].] [The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by [•] on the following basis: (i) the relevant Public Offer must occur during the period from and including [•] to but excluding [•] (the " Offer Period "); and (ii) the relevant Authorised Offeror must satisfy the following conditions: [•].] |
| | | Authorised Offerors will provide information to potential investors in the Notes (each an "Investor") on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the Investor. |
| | | ANY AUTHORISED OFFEROR MUST STATE ON ITS WEBSITE THAT IT IS USING THE BASE PROSPECTUS IN ACCORDANCE WITH THIS CONSENT AND THE |

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| | | CONDITONS ATTACHED HERETO. |
| | Section B – Issuer | |
| B.1 | Legal name of the Issuer: | Wellesley Secured Finance Plc |
| | Commercial name of the Issuer: | Wellesley Secured Finance Plc |
| B.2 | Domicile and legal form of the Issuer: | Wellesley Secured Finance Plc (the " Issuer ") was incorporated in England (registered number 10565816) on 16 January 2017 as a public limited company under the Companies Act 2006. The Issuer's registered office is 35 Great St. Helen's, London EC3A 6AP. |
| B.16 | Controlling Persons: | All of the issued shares are owned by Intertrust Corporate Services Limited (Company number 3920255) (the " Share Trustee "), which is a company incorporated in England and Wales. Under the terms of a declaration of trust made by the Share Trustee (the " Declaration of Trust "), the Share Trustee holds the benefit of the shares on trust for charity. Under the terms of the Declaration of Trust, the Share Trustee has, inter alia, covenanted not, without the approval of the Trustee and Noteholders to dispose of or otherwise deal with the shares whilst any of the Notes remain outstanding. The Share Trustee has no beneficial interest in, and derives no benefit other than its fees for acting as Share Trustee, from its holding of the shares. |
| B.17 | Ratings assigned to the Issuer or its Notes: | <p>The Issuer is not rated.</p> <p>A Tranche of Notes issued under the Programme may be rated or unrated. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>Issue Specific Summary:</p> <p>The Notes to be issued [are not/have been/are expected to be] rated:</p> <p>[Standard & Poor's: [•]]</p> <p>[Moody's: [•]]</p> <p>[Fitch: [•]]</p> |
| B.20 | Status of Issuer: | <p>The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities.</p> <p>There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.</p> |
| B.21 | Issuer's principal activities and overview of Programme: | <p>The principal activity of the Issuer is to issue series ("Series") of asset backed securities ("Notes") as part of a £500,000,000 note programme for the purposes of acquiring a pool of loans or interests in loans ("Borrower Loans").</p> <p>U.S. Bank Trustees Limited whose registered office is at 125 Old Broad Street, London EC2N 1AR will act as Trustee and Issuer Security Trustee.</p> <p>Wellesley Security Trustees Limited whose registered office is at 6th Floor St Albans House, 57/59 Haymarket, London, United Kingdom, SW1Y 4QX will act as Borrower Security Trustee.</p> <p>Elavon Financial Services DAC whose registered office is at Block E, Cherrywood Business Park, Loughlinstown, Dublin will act as Principal Paying Agent.</p> <p>Elavon Financial Services DAC, acting through its UK Branch offices at 125 Old Broad Street, London EC2N 1AR will act as Calculation Agent.</p> <p>Intertrust Management Limited at 35 Great St. Helen's, London, EC3A 6AP will act as Corporate Services Provider.</p> <p>Wellesley Finance plc at 6th Floor St Albans House, 57/59 Haymarket, London, United</p> |

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| | | <p>Kingdom, SW1Y 4QX will act as Placing Agent.</p> <p>Wellesley Finance plc whose registered office is at 6th Floor St Albans House, 57/59 Haymarket, London, United Kingdom, SW1Y 4QX will act as Loan Servicer and Loan Originator.</p> |
| B.22 | Non-commencement of operations and financial statements: | <p>Since the date of its incorporation, the Issuer has not commenced operations and no financial statements have been prepared as at the date of this Base Prospectus.</p> |
| B.23 | Financial information: | <p>Not applicable. No financial statements of the Issuer have been prepared as at the date of this Base Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2017. The financial year of the Issuer ends on 31 December in each year.</p> |
| B.24 | Material change: | <p>There has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.</p> |
| B.25 | Secured assets: | <p>Under the Programme, the Issuer will, from time to time, issue Notes in Series and will use the proceeds to acquire from the Loan Originator loans (each a "Borrower Loan" and, together, the "Borrower Loans") made to borrowers (each a "Borrower" and, together, the "Borrowers") meeting strict eligibility criteria, pursuant to the terms of a loan agreement (each, a "Borrower Loan Agreement" and, together, the "Borrower Loan Agreements").</p> <p>The Issuer will create separate Series of Notes from time to time for Notes to be issued with varying terms and interest rates. Following the relevant Issue Date of Notes, the Issuer will acquire Borrower Loans for an aggregate principal amount equal to the Aggregate Nominal Amount of Notes being issued pursuant to such Series.</p> <p>The Borrower Loans acquired by the Issuer with the proceeds of an issuance of a Series of Notes will meet the Borrower Loan Eligibility Criteria and will have the characteristics and capacity to produce funds to service the payments due under the Notes of that Series. The funds applied by the Issuer to acquire Borrower Loans may be sourced from funds relating to more than one Series of Notes. In circumstances where the funds applied to acquire the relevant Borrower Loan are sourced from more than one Series of Notes, the respective interests of each relevant Series of Notes in the relevant Borrower Loan and the security granted by the Issuer under the Issuer Deed of Charge will rank pari passu and pro rata according to the portion of the acquisition price funded by the relevant Series of Notes. The Issuer may create Series of Notes which provide for the payment of interest on those Notes at monthly or quarterly intervals. In such cases, the Borrower Loans acquired with the proceeds of that Series are likely to pay interest less frequently than monthly or quarterly and the Issuer will, prior to and conditional on issuing any Notes which pay interest on a monthly or quarterly basis, enter into a loan agreement with the Loan Originator (each a "Subordinated Loan Agreement") pursuant to which the Loan Originator will lend to the Issuer, on the date of issuance of such Notes, an amount which the Loan Originator determines is required by the Issuer to make the required monthly or quarterly interest payments on such Notes during the period from the Issue Date of such Notes to such time as the repayment schedule of the payments of interest on the applicable Borrower Loans allows the Issuer to make the interest payments due on the applicable Notes from such payments. The proceeds of each loan made under a Subordinated Loan Agreement for a Series will be held in the Issuer Collateral Account for such Series. Once the interest payment schedule of the Borrower Loans matches the interest payment schedule on the related Notes, the Issuer will repay the loan made under the applicable Subordinated Loan Agreement to the Loan Originator. Repayment of amounts due to the Loan Originator under the Subordinated Loan Agreement rank behind</p> |

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| | <p>the payments to the Noteholders. Where a Series of Notes is subject to a Subordinated Loan Agreement, the Issuer will provide details of such Subordinated Loan Agreement in the applicable Final Terms.</p> <p>The Borrower Loans will broadly fall into two categories: (a) loans to property developers and construction companies for the purpose of property development or major refurbishment works, and (b) bridging loans. In addition, the Issuer will acquire loans made to companies or sole traders for commercial purposes where appropriate tangible security is available which is in line with the lending criteria of the Credit Committee of the Loan Originator from time to time. This security may take the form of tangible commercial or residential property but other security types will be considered including receivables, stock and work-in-progress, chattels, insurance contracts, securities and similar assets where appropriate security is available in line with the credit policy of the Loan Originator.</p> <p>In respect of each Series of Notes issued by way of Final Terms, there will be more than 5 Borrowers and the principal amount of each Borrower Loan will not account for more than 20% of the aggregate principal amount of all Borrower Loans outstanding for that Series. In all other cases, the Issuer will issue Notes by way of Drawdown Prospectus. Each Borrower Loan Agreement will be governed by English law or by the laws of any jurisdiction of the European Union. Payments under each Borrower Loan Agreement will be collected by the Loan Servicer on behalf of the Issuer.</p> <p>Under a deed of charge to be entered into between a Borrower and Wellesley Security Trustees Limited (the "Borrower Security Trustee") (each a "Borrower Deed of Charge"), the obligations of each Borrower in respect of a Borrower Loan will be secured in favour of the Borrower Security Trustee by fixed and/or floating charges over the property, undertaking and assets of the Borrower (the "Borrower Security").</p> <p>Wellesley Security Trustees Limited is a company incorporated in England and Wales with company number 8738060. The Borrower Security Trustee will hold the benefit of each Borrower Deed of Charge on trust for the Issuer pursuant to a security trust agreement between the Issuer and the Borrower Security Trustee (the "Security Trust Agreement").</p> <p>The Security Trust Agreement provides that the Borrower Security Trustee holds the benefit of the proceeds of enforcement of any Borrower Security first to meet the liabilities of the Borrower Security Trustee and, second, to discharge the obligations due to the Issuer pursuant to the Borrower Loan to which that Borrower Security relates.</p> <p>In respect of each Series, the Borrower Security Trustee will take a transfer from the Loan Originator of the legal (but not beneficial) estate and title in each applicable Borrower Loan and related Borrower Security and agrees to hold such legal estate and title as bare trustee for the benefit of the Issuer in accordance with the provisions of the Borrower Security Trust Agreement. The Issuer will at all times hold the beneficial title of each applicable Borrower Loan and related Borrower Security.</p> <p>The Borrower Security in respect of a Borrower Loan may also secure the repayment of other Borrower Loans and all present and future sums that may be advanced by the Loan Originator to the relevant Borrower, including sums that do not constitute a Borrower Loan (the "Associated Debt") as well as securing the repayment of the relevant Borrower Loan (such Borrower Security, an "All Moneys Security"). In all such cases the Associated Debt must meet the Borrower Loan Eligibility Criteria at the time that it was made. In the event that enforcement proceedings are instituted against a relevant Borrower under the terms of such Borrower Security, any proceeds therefrom which are available to be distributed, will be distributed under the terms of the Security Trust Agreement, pro rata and pari passu to the Issuer in an amount up to, but not to exceed, all amounts due and payable under such Borrower Loans, and to the Loan Originator in an amount up to, but not to exceed, all amounts due and payable under the Associated Debt. Each Borrower Deed of Charge will contain customary representations and warranties from the Borrower to the Borrower Security Trustee, including, without limitation, representations and warranties as to the ownership by the Borrower of its assets, that such assets are free from other security, that there are no adverse claims against such assets, that the Borrower has complied with all relevant laws in respect of those assets and that the security being granted under the Borrower Deed of charge is enforceable.</p> |
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| | <p>The Borrower Security Trustee shall at all times comply with any direction given by the Issuer in relation to any Borrower Loans and/or related Borrower Security (including but not limited to taking legal action against the relevant Borrower), and the Borrower Security Trustee shall comply with all requests of the Issuer and do all necessary acts and things to transfer such Borrower Loans and the related Borrower Security to the Issuer or as it may direct. Where the Issuer requests the transfer of Borrower Security which is an All Moneys Security, the Issuer will take such transfer subject to the rights of the Loan Originator in such Borrower Security in so far as it relates to the Associated Debt. The Borrower Security Trustee will not transfer, assign, dispose of or otherwise deal with its bare legal title to the Borrower Loans and the related Borrower Security in any way unless requested by the Issuer to do so.</p> <p>Under a deed of charge dated 12 April 2017 between the Issuer and U.S. Bank Trustees Limited (the "Trustee") (the "Issuer Deed of Charge"), the obligations of the Issuer under a Series of Notes will be secured in favour of the Trustee (for the benefit of the Noteholders and certain other secured creditors of the Issuer (the "Issuer Secured Creditors")) by fixed first priority security over the proceeds of such Series deposited in an Issuer Collateral Account and all of its rights in respect of the Borrower Loans and the Borrower Security acquired with the proceeds of such Series (the "Issuer Security").</p> <p>The proceeds of any issuance of Notes by the Issuer will either be held by the Issuer in an Issuer Collateral Account (see below) or be used to acquire Borrower Loans. By granting the Issuer Security to the Trustee for the benefit of the Issuer Secured Creditors, the rights of the Noteholders and the other Issuer Secured Creditors to the Issuer Security rank first in priority to other creditors in the event of a default or an insolvency or insolvency related event of the Issuer. The rights of the Noteholders and the other Issuer Secured Creditors will not be affected by the insolvency or an insolvency related event of any other entity.</p> <p>Elavon Financial Services DAC, UK Branch will act as account bank (the "Account Bank") and Wellesley Finance plc will act as the cash manager (the "Cash Manager") pursuant to an account bank and cash management agreement (the "Account Bank and Cash Management Agreement") dated 12 April 2017.</p> <p>The Issuer will maintain one or more sterling currency accounts opened with the Account Bank (each an "Issuer Collateral Account" and, together, the "Issuer Collateral Accounts") into which the net proceeds of any issuance of Notes will be deposited pending the acquisition of a Borrower Loan. Each Issuer Collateral Account is secured by a first fixed charge in favour of the Trustee pursuant to the Trust Deed and the Issuer Deed of Charge.</p> <p>The Issuer will maintain a sterling currency account opened with the Account Bank (the "Issuer Expenses Account") from which the Issuer will pay all expenses and other payments due under the Transaction Documents. The Issuer Expenses Account will not be secured in favour of the Trustee.</p> <p>The Issuer Collateral Accounts and the Issuer Expenses Account will be managed by the Cash Manager pursuant to the Account Bank and Cash Management Agreement.</p> <p>For the duration of the Programme, the Issuer will, subject to satisfaction of certain conditions, be entitled to make drawings under an expenses facility (the "Expenses Facility") provided by Wellesley Finance plc (the "Expenses Facility Provider") pursuant to an expenses facility agreement dated 12 April 2017 (the "Expenses Facility Agreement") between the Expenses Facility Provider and the Issuer. The maximum amount of the Expenses Facility shall be £1,000,000 and shall be funded out of the Expenses Facility Provider's working capital reserves. The Issuer will be entitled to draw under the Expenses Facility Agreement funds to ensure that the Issuer Expenses Account has, at all times until the termination of the Programme, a minimum balance of £250,000 which is sufficient to cover at least 6 months of operating expenses of the Issuer. By drawing under the Expenses Facility Agreement the Issuer will also always have sufficient funds to meet its ongoing expense obligations (such as payments of fees to service providers). Repayment of amounts due to the Expenses Facility Provider under the terms of the Expenses Facility Agreement rank behind the payments due to Noteholders.</p> <p>Each Borrower Loan must satisfy the following "Borrower Loan Eligibility Criteria" so</p> |
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| | | <p>that each Borrower Loan will have the characteristics and capacity to produce funds to service the payments due under the Notes:</p> <ul style="list-style-type: none"> (a) it is an obligation that is secured by assets of the obligor or guarantor thereof located in the United Kingdom or any jurisdiction of the European Union (if and to the extent security over such assets is permissible under applicable law save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices) and such security is granted under English law or the law of the jurisdiction where that asset is located (a "Secured Loan") as of the Issue Date (as per the relevant Final Terms); (b) it is denominated in the currency of the Notes which such Borrower Loan secures; (c) it is an obligation in respect of which (i) payments will not be subject to withholding tax imposed by any jurisdiction including where this is pursuant to the operation of an applicable tax treaty subject to the completeness of any procedural formalities or (ii) the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis; (d) it is an obligation that pays or compounds interest no less frequently than annually at a rate which, when aggregated with all other Borrower Loans of a Series, produces funds to the Issuer sufficient to service any payments due and payable on the Notes of that Series, provided that, where such Borrower Loan pays interest less frequently than monthly or quarterly and such Borrower Loan is part of a Series of Notes which pays interest monthly or quarterly, the Issuer will, prior to and conditional on issuing such Series Notes which pay interest on a monthly or quarterly basis, enter into a loan agreement with the Loan Originator (each a "Subordinated Loan Agreement") pursuant to which the Loan Originator will lend to the Issuer, on the date of issuance of such Notes, an amount which the Loan Originator determines is required by the Issuer to make the required monthly or quarterly interest payments on such Notes during the period from the Issue Date of such Notes to such time as the repayment schedule of the payments of interest on the applicable Borrower Loans allows the Issuer to make the interest payments due on the applicable Notes from such payments; (e) it is not an obligation in respect of which interest payments are scheduled to decrease; (f) it is not convertible into equity; (g) it is an obligation which has a loan to value ratio in relation to the principal amount of the Borrower Loan equal to or below ninety (90) per cent. and the range of loan to value ratios of the Borrower Loans securing a particular Series of Notes will be set out in the Final Terms for such Series; (h) where a Borrower Loan is a mortgage loan with property as security, there has been no revaluation of the mortgaged properties between the date of origination of the related Borrower Loan and the sale of such Borrower Loan to the Issuer and the valuations quoted are as at the date of the original initial loan origination; (i) it will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer; (j) it must require the consent of the relevant lender to the Borrower thereunder for any change in the principal repayment profile or interest applicable on such obligation, for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation; (k) it is capable of being, and will be, the subject of a security interest in favour of the Borrower Security Trustee; (l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those (i) which may arise at its option; or (ii) which are fully secured; or (iii) which are subject to limited recourse provisions; or (iv) which may arise as a result of an undertaking to participate in a financial restructuring of a Secured Loan where such undertaking is contingent upon the redemption in full of such Secured Loan on or before the time by which the Issuer is obliged to enter into the restructured Secured Loan and where the restructured |
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| | | <p>Secured Loan satisfies the Borrower Loan Eligibility Criteria; and</p> <p>(m) it has a maturity that is not later than the latest Maturity Date of all Notes outstanding.</p> <p>Issue specific summary:</p> <p>Global statistical data in relation to the Issuer Security: [•]</p> <p>Subordinated Loan Agreement[Not applicable][Applicable]</p> <p>[Date: [•]]</p> <p>[Amount: [•]]</p> <p>[Interest rate: [•]]</p> <p>[Maturity date: [•]]</p> |
| B.26 | Actively managed pool of assets: | <p>The Loan Servicer may recommend to the Issuer that the Borrower Loans securing a Series should be sold. The Loan Servicer may recommend a sale of the Borrower Loans securing a Series where considered likely to result in greater redemption of Notes of that Series than would result from holding Borrower Loans to maturity and enforcing on defaulting Borrower Loans. The Loan Servicer may also recommend that the Issuer sells or accepts the repayment of Borrower Loans and to reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria.</p> <p>The principal responsibilities of the Loan Servicer are:</p> <ul style="list-style-type: none"> • Monthly management of payments by Borrowers under the Borrower Loans; • Liaising with Borrowers on Borrower Loans generally and negotiating and agreeing amended Borrower Loan terms to the extent that amendments agreed are consistent with the Borrower Loan Eligibility Criteria; • Applying risk management techniques to reduce the probability of default; • Managing defaults and enforcement procedures in respect of the Borrower Loans where appropriate; • Enforcing the rights of the Issuer under the terms of any financial guarantee in relation to the Borrower Loans where a Series is backed by financial guarantee; and • Identifying opportunities to sell Borrower Loans. • Making recommendations that the Issuer sells or accept the repayment of Borrower Loans and to reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet Borrower Loan Eligibility Criteria. |
| B.27 | Further securities: | <p>The Issuer may issue further tranches of Notes of each Series which will be fungible with other Notes of that Series and backed by the same assets backing the other Notes of that Series.</p> |

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| <p>B.28</p> | <p>Structure:</p> | <p>For each Series under the Programme, the Issuer will issue Notes to the Noteholders. The proceeds from each issuance will be used to acquire Borrower Loans.</p> |
| <p>B.29</p> | <p>Funds flow:</p> | <p>The proceeds from each issuance of Notes under the Programme will be used to acquire Borrower Loans originated by the Loan Originator. Payments to be made under the Borrower Loan Agreements will be collected by the Loan Servicer on behalf of the Issuer and such collections, together with any loans made under a Subordinated Loan Agreement, will be used by the Issuer for servicing the payments due under the Notes to the Noteholders.</p> |
| <p>B.30</p> | <p>Originator:</p> | <p>The Borrower Loans will be originated by Wellesley Finance plc. (the "Loan Originator") pursuant to a loan origination agreement dated 12 April 2017 between the Issuer and the Loan Originator (the "Loan Origination Agreement"). The Loan Originator was incorporated in England (registered number 08331511) on 14 December 2012 as a private limited company under the Companies Act 2006 as Wellesley Property Finance Limited. On 5 July 2013 the Loan Originator changed its name to Sterling Property Finance Limited, on 27 September 2009 the Loan Originator changed its name to Wellesley Finance Limited and on 15 July 2014, the Loan Originator re-registered as a public limited company. The authorised share capital of the Loan Originator is £50,000 ordinary shares of £1 each. All of the issued shares are full paid and are in the ownership of Wellesley Group Limited, a company incorporated in England and Wales with registered number 08478238 and registered office at 6th Floor, St Albans House, 57/59 Haymarket, London SW1Y 4QX.</p> <p>The Loan Originator also acts as loan originator for customers on the "Wellesley Peer-to-Peer Lending Platform". Such platform is owned and operated by Wellesley & Co Limited, an affiliate of the Loan Originator. The Loan Originator's obligations to the Issuer are separate to its obligations to Wellesley & Co Limited and the Loan Originator may provide loan origination services to other affiliated entities.</p> <p>As at 31 December 2016, the Loan Originator has originated over 255 loans with a notional value in excess of £317,000,000.</p> |
| | <p>Section C – The Notes</p> | |
| <p>C.1</p> | <p>Description of Type and Class of Securities:</p> | <p>Issuance in Series: Notes will be issued in series (each a "Series"). Each Series may comprise one or more tranches (each a "Tranche") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects</p> |

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| | | <p>save that a Tranche may comprise Notes of different denominations.</p> <p>The Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.</p> <p>Security Identification Number(s): In respect of each Tranche of Notes, the relevant security identification number(s) will be specified in the relevant Final Terms.</p> <p>Issue Specific Summary:</p> <p><i>[The Notes shall be consolidated and form a single series with the [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as specified in the relevant Final Terms.]</i></p> <p>Series Number: [•]</p> <p>Tranche Number: [•] Aggregate Nominal Amount: [•] [(i) Series: [•]]</p> <p>[(ii) Tranche: [•]]</p> <p>ISIN Code: [•]</p> <p>Common Code: [•]</p> <p>Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): [Not Applicable/ <i>give name(s) and number(s)</i>]</p> <p>The Notes are [£/€/\$/[•]] [[•] per cent./Floating Rate/ Zero Coupon] Notes due [•].</p> <p>[Bearer Notes:]</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]</p> <p>[Temporary Global note exchangeable for Definitive Notes on [•] days' notice.]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]</p> <p>[Registered Notes:]</p> <p>[Global Registered Note exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Registered Note.]</p> <p>[CREST Depository Interests:]</p> <p>[Holders of CREST Depository Interests ("CDIs") will hold CDIs constituted and issued by the CREST Depository representing indirect interests in the Notes. The CDIs will be issued and settled through CREST.]</p> |
| C.2 | Currency of the Securities Issue: | <p>Notes may be denominated in pounds sterling, euro, united states dollars or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.</p> <p>Issue Specific Summary:</p> <p>[The currency of the Notes is [•].]</p> |
| C.5 | Transferability: | <p>The Issuer and the Dealers have agreed restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom and the European Economic Area.</p> <p>The Notes in bearer form for US federal income tax purposes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treasury Regulations §1.163- 5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.</p> <p>Subject thereto, the Notes will be freely transferable.</p> |

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| | | <p>Issue specific summary:</p> <p>U.S. selling restrictions:: [TEFRA C/TEFRA D/TEFRA not applicable.]</p> |
| C.8 | <p>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</p> | <p>Issue Price</p> <p>Notes may be issued at any price as may be specified in the relevant Final Terms. The issue price will be determined by the Issuer prior to the offering of each Tranche after taking into account certain factors including market conditions.</p> <p>Issue specific summary:</p> <p>[[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]</p> <p>Status of the Notes:</p> <p>The Notes and Coupons constitute secured obligations of the Issuer which will at all times rank <i>pari passu</i> and without preference among themselves.</p> <p>Events of Default: The Conditions contain Events of Default including those relating to (a) non-payment, (b) breach of other obligations, (c) insolvency, (d) winding-up and (e) unlawfulness. The provisions include certain grace periods.</p> <p>Taxation (United Kingdom): All payments in respect of Notes will be made free and clear of withholding taxes of the United Kingdom unless the withholding is required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.</p> <p>Taxation (Ireland): All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Ireland unless the withholding is required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.</p> <p>Meetings: The Conditions contain certain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p> <p>Governing Law: English law.</p> <p>Enforcement of Notes in Global Form: In the case of Global Notes, individual Investors' rights against the Issuer will be governed by the Transaction Documents, copies of which will be available for inspection at the specified office of the Principal Paying Agent.</p> <p>Limited Recourse: All payments to be made by the Issuer in respect of the Notes of a particular Series will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer and which are attributable to the relevant Series. To the extent that the sums received or recovered are less than the amount which the Noteholders may have expected to receive (the difference being referred to as the shortfall), such shortfall will be borne by the Noteholders. Non-payment of any such shortfall shall not constitute an Event of Default under the Conditions of the Notes. None of the Share Trustee, the Agents, the Placing Agent, the Loan Originator and the Loan Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.</p> |
| C.9 | <p>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</p> | <p>Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate based upon EURIBOR or LIBOR. In respect of each Tranche of Notes, the date from which interest becomes payable and the due dates for interest, the maturity date, the repayment procedures and an indication of yield will be specified in the relevant Final Terms.</p> <p>Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the Final Terms.</p> <p>Issue specific summary:</p> <p>[Fixed Rate Notes are not being issued pursuant to these Final Terms]</p> |

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| | <p>[Rate[(s)] of interest: [•] per cent. per annum payable [•] in arrear on each Interest Payment Date</p> <p>Interest Payment Date(s): [•] in each year</p> <p>Fixed Coupon Amount[(s)]: [•] per Calculation Amount]</p> <p>Floating Rate Notes:</p> <p>Floating Rate Notes will bear interest as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate on swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</p> <p>(ii) by reference to LIBOR or EURIBOR as adjusted for any margin.</p> <p>Interest periods will be specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>[Floating Rate Notes are not being issued pursuant to these Final Terms]</p> <p>[Interest Period(s): [•]</p> <p>Specified Period: [•]</p> <p>Specified Interest Payment Dates: [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out below]</p> <p>First Interest Payment Date: [•]</p> <p>Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]</p> <p>Margin(s): [+/-][•] per cent. per annum</p> <p>Minimum Rate of Interest: [[•] per cent. per annum/Not Applicable]</p> <p>Maximum Rate of Interest: [[•] per cent. per annum/Not Applicable]:</p> <p>Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]</p> <p>Zero Coupon Notes:</p> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p>Issue specific summary:</p> <p>[Zero Coupon Notes are not being issued pursuant to these Final Terms.]</p> <p>[Accrual Yield: [•] per cent. per annum.]</p> <p>[Reference Price: [•].]</p> <p>Maturities: Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.</p> <p>Issue specific summary:</p> <p>[Maturity Date: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [•]/ the Interest Payment Date falling in or nearest to [•]].</p> <p>Redemption: Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>[Final Redemption Amount: Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at its Final Redemption Amount of [•].]</p> |
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| | | <p>Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [•] at the [Optional Redemption Amount (Call)]:</p> <p>(i) Optional Redemption Date(s): [•]</p> <p>(ii) Optional Redemption Amount(s): [[•] per Calculation Amount]]</p> <p>(iii) If redeemable in part:</p> <p>(a) Minimum Redemption Amount: [•] per Calculation Amount</p> <p>(b) Maximum Redemption Amount: [•] per Calculation Amount</p> <p>(iv) Notice period: [•]</p> <p>[Redemption at the Option of the Noteholders: The Issuer shall, at the option of the holder of any Note redeem such Note on [•] at [•] together with interest (if any) accrued to such date.]</p> <p>Tax Redemption: Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the United Kingdom.</p> <p>Yield: The yield of each Tranche of Notes will be calculated on an annual or semi-annual basis using the relevant Issue Price at the relevant Issue Date.</p> <p>Issue specific summary:</p> <p>[Yield: Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.]</p> <p>Trustee for the Noteholders: U.S. Bank Trustees Limited (the "Trustee", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).</p> |
| C.10 | Derivative Components: | Not Applicable. There is no derivative component in the interest payments made in respect of any Notes issued under the Programme. |
| C.11 | Listing and Trading: | Application has been made to the Irish Stock Exchange for Notes to be admitted during the period of twelve months after the date hereof to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer |
| C.12 | The minimum denomination of an issue. | <p>Denominations</p> <p>Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all legal and/or regulatory requirements.</p> <p>Issue specific summary:</p> <p>[Specified Denomination: [•]]</p> |
| | Section D – Risks | |
| D.2 | Key risks specific to the Issuer: | <p>The following key risks are specific to the Issuer:</p> <p>It is intended that the Issuer will acquire interests in Borrower Loans as described in "Overview of the Programme" below. There can be no assurance that the Issuer's investments will be successful, that its investment objective will be achieved, that the</p> |

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| | <p>Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Base Prospectus carefully and should consider, inter alia, the following factors before deciding whether to invest in the Notes.</p> <p>The Issuer is a newly formed entity and has no operating history. The Issuer will have no material assets other than the Issuer Security. The Issuer will not engage in any business activity other than entering into the Transaction Documents, the issuance of the Notes, the acquisition and disposition of and investment and reinvestment in Borrower Loans and cash or cash equivalents as described herein, certain activities conducted in connection with the payment of amounts in respect of the Notes and the management of the Issuer Security, and other activities incidental or related to the foregoing. Income derived from the Issuer Security and interest on the Issuer Collateral Accounts will be the Issuer's principal source of cash.</p> <p>The ability of the Issuer to meet its payment obligations under the Notes will be adversely affected by defaults in the underlying Borrower Loans or the failure by Borrowers to make timely payments of interest and principal under such Borrower Loans. The Loan Originator has developed comprehensive risk and background vetting procedures that are used to screen every applicant for a Borrower Loan as well as a proprietary risk matrix which assesses the expected ability to repay the Borrower Loan.</p> <p>The Issuer is inherently exposed to risks arising from changes in credit quality and the recoverability of Borrower Loans and amounts due from Borrowers. Adverse changes in the credit quality of the Borrowers could result from a general deterioration in UK economic conditions or increases in the interest rates and borrowing costs within the UK economy. Increased numbers of defaults by the Borrowers may reduce the recoverability and value of the Issuer's assets.</p> <p>No proprietary or other direct interest in the Issuer's rights under or in respect of any Borrower Loans or any related partial financial guarantee in respect of the Borrower Loans backing that Series exists for the benefit of the Noteholders. Subject to the terms of the Trust Deed, no Noteholder will have any entitlement to enforce any of the provisions of the corresponding Borrower Loans or have direct recourse to the corresponding Borrower (or any other Borrower) except through action by the Trustee under the Trust Deed and the Issuer Deed of Charge.</p> <p>Under the agreement with the Loan Originator legal title to the Borrower Loans and related Borrower Security will be transferred to the Borrower Security Trustee. The Borrower Security Trustee will hold the Borrower Loans and related Borrower Security on trust for the Issuer subject to and in accordance with the terms of the Security Trust Agreement. The Issuer (and, therefore, in turn, the Trustee) will be reliant on the Borrower Security Trustee to protect their interests in the Borrower Loans and related Borrower Security. If the Borrower Security Trustee fails to protect the interests of the Issuer or the Trustee, the rights of the Issuer (and, therefore, in turn, the Trustee) may be, or may become, subject to equities as well as to the interests of third parties that may rank in priority to the Issuer's interests in accordance with the normal rules governing the priority of equitable and other interests and the Issuer (and, therefore, in turn, the Trustee) will have to join the Borrower Security Trustee to any legal proceedings to enforce repayment by the Borrower of the Borrower Loans and the Borrower will be entitled to rely upon defences and rights of set off available against the Borrower Security Trustee when the Issuer (and, therefore, in turn the Trustee) seeks loan repayment from the Borrower. These defences and rights of set off may reduce the amount that the Borrower is required to pay by way of discharge of the Borrower Loan.</p> <p>The Borrower Security in respect of a Borrower Loan may also secure the repayment of other Borrower Loans and all present and future sums that may be advanced by the Loan Originator to the relevant Borrower, including sums that do not constitute a Borrower Loan (the "Associated Debt") as well as securing the repayment of the relevant Borrower Loan (such Borrower Security, an "All Moneys Security"). In all such cases the Associated Debt must meet the Borrower Loan Eligibility Criteria at the time that it was made. In the event that enforcement proceedings are instituted against a relevant Borrower under the terms of such Borrower Security, any proceeds therefrom which are</p> |
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| | <p>available to be distributed, will be distributed under the terms of the Security Trust Agreement, pro rata and pari passu to the Issuer in an amount up to, but not to exceed, all amounts due and payable under such Borrower Loans, and to the Loan Originator in an amount up to, but not to exceed, all amounts due and payable under the Associated Debt. As such, there is a risk that upon enforcement of a Borrower Loan that is subject to an All Moneys Security, that the Borrower Loan will not be repaid in full, since it must share the enforcement proceeds of an All Moneys Security with the relevant Associated Debt. Furthermore, the Borrower Security Trustee will act on the instructions of the Issuer (or the Loan Servicer on its behalf) in relation to the Borrower Loan and the Loan Originator (or transferee of the Associated Debt) in relation to the Associated Debt and, as a consequence, there may be situations where the Borrower Security Trustee receives conflicting instructions in relation to an All Moneys Security from the Issuer (or the Loan Servicer on its behalf) in relation to the Borrower Loans and the Loan Originator in relation to the Associated Debt and is, therefore, unable to act as instructed by the Issuer (or the Loan Servicer on its behalf) and may take action which is adverse to the interests of the Issuer and the Noteholders in respect of the relevant Series of Notes for which that Borrower Loan provides security. The Borrower Security Trustee shall however comply with all requests of the Issuer to transfer any Borrower Loans and the related Borrower Security to the Issuer or as it may direct.</p> <p>The Issuer will, for each Series, grant security interests in favour of the Trustee for the benefit of the Noteholders in the Issuer Security pursuant to the Issuer Deed of Charge. However, if the security interest of the Trustee in the Issuer Security was determined to be invalid or unperfected, Noteholders in such Series would be unsecured creditors and would rank on a pari passu basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.</p> <p>The Notes are secured obligations of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus including but not limited to the Loan Originator, the Loan Servicer, the Placing Agent, the Trustee, the Agents, any guarantor, the directors and the Share Trustee. None of the foregoing or any other person has assumed or will assume any obligation in the event the Issuer fails to make any payment due under any of the Notes.</p> <p>The Issuer's ability to meet its obligations in respect of the Notes, its operating expenses and its administrative expenses is wholly dependent upon (i) payments of amounts requested under the Expenses Facility, (ii) payments of instalments by Borrowers, (iii) payments under any security in respect of the Borrower Loans backing that Series, (iv) any available cash reserves, and (v) the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents.</p> <p>The Issuer's sole business is the raising of money by issuing notes for the purposes of acquiring the Borrower Loans and entering into related contracts. In the event of non-payment under the Borrower Loans, there is no assurance that the Issuer will have the ability to pay interest on the Notes or, on the redemption date of Notes (whether on the respective Maturity Dates for each series of Notes, upon acceleration or upon mandatory early redemption in part or in whole as permitted under the Notes), that there will be sufficient funds to enable the Issuer to repay principal in respect of such Series of Notes in whole or in part.</p> <p>If the Borrowers' payments of instalments do not generate sufficient funds for the Issuer to pay the Notes in full on a Maturity Date for a Series of Notes, then the Issuer will not be obliged to pay the shortfall between the amount expected to be paid on the Maturity Date and the amount that can be repaid from the Borrowers' instalments received, and any claims in respect of such shortfall will be extinguished, so that Noteholders may lose all or part of their investment.</p> <p>In accordance with the provisions of the Trust Deed, the Notes will be direct limited recourse obligations solely of the Issuer, and the Noteholders will therefore have a claim under the Notes against the Issuer only to the extent of the Issuer Security associated with that Series. The Notes constitute secured obligations of the Issuer. If there are</p> |
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| | | <p>insufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes at the Maturity Date or upon acceleration or upon mandatory early redemption in part or in whole as permitted under the Notes, then the investors will have no further claim against the Issuer in respect of any such unpaid amounts. No recourse may be had for any amount due in respect of any Notes or any other obligations of the Issuer against any officer, member, director, employee, shareholder or incorporator of the Issuer or their respective successors or assigns. Each of the parties to the Transaction Documents (other than the Issuer) covenants and agrees that it shall not be entitled to petition or take any step for the winding-up of the Issuer for so long as any Notes of the Issuer are outstanding.</p> <p>Increases in the cost or reductions in availability of the Loan Originator's funding to finance the origination of Borrower Loans and working capital could adversely impact the Loan Originator's financial performance and results from operations.</p> <p>As the Loan Originator partly relies on brokers and distributors in order to source new lending, if there is a significant period of time when funding is unavailable on commercially acceptable terms, there is also likely to be an adverse effect on the Loan Originator's relationships with its brokers, dealers and key introducers. As a consequence, its ability to generate new business from brokers and distributors in the future, should funding become more readily available, may be more challenging. This could have a material adverse impact on the Loan Originator's business, results of operations, profitability or financial condition.</p> <p>The success of the business of the Loan Originator is dependent on recruiting, retaining and developing appropriately skilled, competent people at all levels of the organisation (for example, relationship managers responsible for key introducers). If the Loan Originator is not able successfully to attract and retain such personnel or ensure that the experience and knowledge of key management is not lost from its business during the succession of personnel, it may not be able to maintain its standards of service or continue to grow its business as anticipated.</p> <p>The loss of such personnel, and more particularly the failure to find suitable replacements in a timely manner, the inability to attract and retain additional appropriately skilled employees, or the failure to plan succession effectively, could have an adverse effect on the Loan Originator's business.</p> |
| <p>D.3</p> | <p>Key risks Specific to the Notes:</p> | <p>The following key risks are specific to the Notes:</p> <p> Holders of CREST depository interests will hold or have an interest in a separate legal instrument and will not be the legal owners of the Notes so rights under the Notes cannot be enforced except indirectly through the intermediary depositories and custodians and rights are governed by external provisions.</p> <p>The Notes are not protected by the Financial Services Compensation Scheme (the "FSCS") or any other government savings or deposit protection scheme. The FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer. If the Issuer goes out of business or becomes insolvent, Noteholders may lose all or part of their investment in the Notes.</p> <p>Investors and sellers of the Notes may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.</p> <p>Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If an investor chooses to sell prior to maturity of the Notes, the investor may receive an amount less than the amount due to be repaid upon maturity.</p> <p>The Loan Originator has in place processes and procedures to counter fraud, and insurance in place providing an indemnity against losses arising from dishonest, fraudulent or malicious acts committed by its staff, outside valuers and outside solicitors, however it is possible that large scale fraud could adversely affect the Loan Originator's revenues and/or profits which could in turn adversely impact the Issuer's ability to fulfil its</p> |

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| | | <p>obligations under the Notes.</p> <p>A significant breakdown of the Loan Originator's IT systems might adversely impact its ability to operate its business effectively, which may in turn have an adverse effect on the Loan Originator's business, results of operations, profitability or financial condition.</p> <p>Neither the Issuer nor the Trustee nor any other third party has undertaken or will undertake any investigations, searches or other actions as to any Borrower Loans or a Borrower's status, and each will rely instead solely on the warranties given by the Loan Originator in respect of such matters in the Loan Origination Agreement. The sole remedy against the Loan Originator available to each of the Issuer and the Trustee in respect of any breach of warranty relating to the Borrower Loans originated by the Loan Originator and the Borrower Security if the breach is material and is not capable of remedy (or is capable of remedy and is not remedied within the specified time) shall be to require the Loan Originator to repurchase or take a sub-participation of the relevant Borrower Loan together with any Borrower Security.</p> <p>The Noteholders will receive the limited information in relation to the Borrower Loans set out in the applicable Final Terms. It is expected that the constitution of the portfolio of Borrower Loans which provide security for a Series of Notes may change as the Loan Servicer may recommend to the Issuer that the Borrower Loans securing a Series of Notes should be sold. The Loan Servicer may recommend a sale of the Borrower Loans securing a Series where considered likely to result in greater redemption of Notes of that Series than would result from holding Borrower Loans to maturity and enforcing on defaulting Borrower Loans. The Loan Servicer may also recommend that the Issuer sells or accepts the repayment of Borrower Loans and to reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria. There is no assurance that the characteristics of the Borrower Loans acquired by the Issuer in the circumstances such as those specified above will be the same as the Borrower Loans described in the applicable Final Terms. However, each Borrower Loan will be required to meet the Borrower Loan Eligibility Criteria.</p> | |
| | Section E - Offer | | |
| E.2b | Reasons for the Offer and Use of Proceeds: | <p>The net proceeds from each issue of Notes will be used to acquire Borrower Loans and/or make any payments of expenses required to be made pursuant to any Transaction Document.</p> <p>Issue specific summary:</p> <p>[Reasons for the offer: [•]]</p> <p>[Estimated Net Proceeds: [•]]</p> <p>[Estimated Total Expenses: [•]]</p> | |
| E.3 | Terms and Conditions of the Offer: | <p>Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.</p> <p>Issue specific summary:</p> <p>[An Investor intending to acquire or acquiring Notes from an Authorised Offeror other than the Issuer, will do so, and offers and sale of Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.]</p> | |
| | | Offer Price: | [•] |
| | | Conditions to which the offer is subject: | [Not Applicable/[•]] |
| | | Total amount of the offer: | [Not Applicable/[•]] |
| | | Legal jurisdiction by which the Borrower Loans | [•] |

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| | | are governed: | |
| | | Global statistical data in relation to the Issuer Security: | [•] |
| | | Legal nature of the Borrower Loans: | [•] |
| | | Expiry or maturity date(s) of the Borrower Loans: | [•] |
| | | Value of assets which are to secure the Notes issued under the offer: | [•] |
| | | Amount of the Borrower Loans: | [•] |
| | | Range of minimum and maximum amount of the Borrower Loans which are to secure the Notes: | [•] |
| | | Range of loan to value ratios of Borrower Loans at origination: | [•] |
| | | Description of arrangements and timing for announcing the offer to the public: | [Not Applicable/[•]] |
| | | Offer Period including any possible amendments, during which the offer will be open: | [The period from [[•] until [•]/[the Issue Date]/[the date which falls [•] days thereafter] |
| | | Description of the application process: | [Not Applicable/[•]] |
| | | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/[•]] |
| | | Details of the minimum and/or maximum amount of application: | [Not Applicable/[•]] |
| | | Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/[•]] |
| | | Manner in and date on which results of the offer are to be made public: | [Not Applicable/[•]] |
| | | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/[•]] |
| | | Whether tranche(s) have been reserved for certain countries: | [Not Applicable/[•]] |
| | | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/[•]] |
| | | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/[•]] |
| | | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/[•]] |

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| | | Name and address of any paying agents and depositary agents: | [None/[•]] |
| | | Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | [None/[•]] |
| E.4 | Interests Material to the Issue: | Not applicable. Issue specific summary: The following additional interest(s) are material to issues of the Notes: [•]/[Not applicable]. | |
| E.7 | Estimated Expenses: | No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Notes. expenses may be chargeable to Investors by the Authorised Offeror(s); these are beyond the control of the Issuer and are not set by the Issuer. Such expenses may vary depending on the size of the amount of Notes subscribed for and the Investor's arrangements with the Authorised Offeror(s). | |

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RISK FACTORS

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

GENERAL

General

It is intended that the Issuer will acquire interests in Borrower Loans as described in "Overview of the Programme" below. There can be no assurance that the Issuer's investments will be successful, that its investment objective will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Base Prospectus carefully and should consider, inter alia, the following factors before deciding whether to invest in the Notes.

Nature of the Issuer

The Issuer is a newly formed entity and has no operating history. The Issuer will have no material assets other than the Issuer Security. The Issuer will not engage in any business activity other than entering into the Transaction Documents, the issuance of the Notes, the acquisition and disposition of and investment and reinvestment in Borrower Loans and cash or cash equivalents as described herein, certain activities conducted in connection with the payment of amounts in respect of the Notes and the management of the Issuer Security, and other activities incidental or related to the foregoing. Income derived from the Issuer Security and interests on the Issuer Collateral Accounts will be the Issuer's principal source of cash.

Credit Risk

The ability of the Issuer to meet its payment obligations under the Notes will be adversely affected by defaults in the underlying Borrower Loans or the failure by Borrowers to make timely payments of interest and principal under such Borrower Loans.

The Issuer is inherently exposed to risks arising from changes in credit quality and the recoverability of Borrower Loans and amounts due from Borrowers. Adverse changes in the credit quality of the Borrowers could result from a general deterioration in UK economic conditions or increases in the

interest rates and borrowing costs within the UK economy. Increased numbers of defaults by the Borrowers may reduce the recoverability and value of the Issuer's assets.

Noteholder Has No Recourse to Borrowers

No proprietary or other direct interest in the Issuer's rights under or in respect of any Borrower Loans or any related partial financial guarantee in respect of the Borrower Loans backing that Series exists for the benefit of the Noteholders. Subject to the terms of the Trust Deed, no Noteholder will have any entitlement to enforce any of the provisions of the corresponding Borrower Loans or have direct recourse to the corresponding Borrower (or any other Borrower) except through action by the Trustee under the Trust Deed and the Issuer Deed of Charge.

Risks relating to the transfer of Borrower Loans and related Borrower Security and the Borrower Security Trustee

Under the agreement with the Loan Originator legal title to the Borrower Loans and related Borrower Security will be transferred to the Borrower Security Trustee. The Borrower Security Trustee will hold the Borrower Loans and related Borrower Security on trust for the Issuer subject to and in accordance with the terms of the Security Trust Agreement. The Issuer (and, therefore, in turn, the Trustee) will be reliant on the Borrower Security Trustee to protect their interests in the Borrower Loans and related Borrower Security. If the Borrower Security Trustee fails to protect the interests of the Issuer or the Trustee, the rights of the Issuer (and, therefore, in turn, the Trustee) may be, or may become, subject to equities as well as to the interests of third parties that may rank in priority to the Issuer's interests in accordance with the normal rules governing the priority of equitable and other interests and the Issuer (and, therefore, in turn, the Trustee) will have to join the Borrower Security Trustee to any legal proceedings to enforce repayment by the Borrower of the Borrower Loans and the Borrower will be entitled to rely upon defences and rights of set off available against the Borrower Security Trustee when the Issuer (and, therefore, in turn the Trustee) seeks loan repayment from the Borrower. These defences and rights of set off may reduce the amount that the Borrower is required to pay by way of discharge of the Borrower Loan.

Security May Be Declared Invalid

The Issuer will, for each Series, grant security interests in favour of the Trustee for the benefit of the Noteholders in the Issuer Security pursuant to the Trust Deed and the Issuer Deed of Charge. However, if the security interest of the Trustee in the Issuer Security was determined to be invalid or unperfected, Noteholders in such Series would be unsecured creditors and would rank on a pari passu basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.

Early Repayment and Reinvestment Risk

The Notes will be subject to early repayment risk. The timing of principal payments in respect of the Notes will depend principally on payments received by the Issuer under the Borrower Loans and any applicable security in respect of the Borrower Loans backing that Series. In addition, if the Issuer sells or accepts the repayment of Borrower Loans and does not reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria, the Notes may also be subject to early repayment risk. Investors in Notes bear the risk that,

if and when they receive a principal payment in respect of the Notes, they will not be able to reinvest the amount of the principal payment in alternative investments that bear a yield or return equal to or greater than the interest rate on the Notes. Investors are also reliant on the Issuer acquiring further Borrower Loans with the proceeds of an early repayment of existing Borrower Loans to maintain the overall yield on their Notes to maturity.

Certain Conflicts of Interest

Various potential and actual conflicts of interest may arise from the overall investment activities of the Loan Originator, the Loan Servicer, the Placing Agent and their respective clients, agents and affiliates. Where the Loan Originator, Loan Servicer or Placing Agent selects the service providers to the Issuer, there is the possibility that these agents will act in the interest of the selector rather than that of the Issuer. It should be noted that this risk is mitigated by the fact that the Trustee has a fiduciary duty towards the Noteholders, all of the service providers are professional companies and the various agreements in place clearly define the roles and services to be provided, including those to be provided by each of the Loan Originator, the Loan Servicer and the Placing Agent.

Not Intended as a Complete Investment Program

Because of its specialised objective, the Issuer will not generally invest in assets as diversified as other investment vehicles. Accordingly, the Issuer's investments may be subject to more rapid change in value than would be the case if the Issuer were required to maintain diversification among types of securities and other instruments and countries and industries.

Liability for the Notes

The Notes are secured obligations of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus including but not limited to the Loan Originator, the Loan Servicer, the Placing Agent, the Trustee, the Agents, any guarantor, the directors and the Share Trustee. None of the foregoing or any other person has assumed or will assume any obligation in the event the Issuer fails to make any payment due under any of the Notes.

Limited Resources of the Issuer

The Issuer's ability to meet its obligations in respect of the Notes, its operating expenses and its administrative expenses is wholly dependent upon (i) payments of amounts requested under the Expenses Facility (ii) payments of instalments by Borrowers, (iii) payments under any security in respect of the Borrower Loans backing that Series, (iv) any available cash reserves, and (v) the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents.

The Issuer's sole business is the raising of money by issuing notes for the purposes of acquiring the Borrower Loans and entering into related contracts. In the event of non-payment under the Borrower Loans, there is no assurance that the Issuer will have the ability to pay interest on the Notes or, on the redemption date of Notes (whether on the respective Maturity Dates for each series of Notes, upon acceleration or upon mandatory early redemption in part or in whole as permitted under the Notes), that there will be sufficient funds to enable the Issuer to repay principal in respect of such Series of Notes in whole or in part.

If the Borrowers' payments of instalments do not generate sufficient funds for the Issuer to pay the Notes in full on a Maturity Date for a Series of Notes, then the Issuer will not be obliged to pay the shortfall between the amount expected to be paid on the Maturity Date and the amount that can be repaid from the Borrowers' instalments received, and any claims in respect of such shortfall will be extinguished, so that Noteholders may lose all or part of their investment.

Limited Recourse Nature of the Notes

In accordance with the provisions of the Trust Deed, the Notes will be direct limited recourse obligations solely of the Issuer, and the Noteholders will therefore have a claim under the Notes against the Issuer only to the extent of the Issuer Security associated with that Series. The Notes constitute secured obligations of the Issuer. If there are insufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes at the Maturity Date or upon acceleration or upon mandatory early redemption in part or in whole as permitted under the Notes, then the investors will have no further claim against the Issuer in respect of any such unpaid amounts. No recourse may be had for any amount due in respect of any Notes or any other obligations of the Issuer against any officer, member, director, employee, shareholder or incorporator of the Issuer or their respective successors or assigns. Each of the parties to the Transaction Documents (other than the Issuer) covenants and agrees that it shall not be entitled to petition or take any step for the winding-up of the Issuer for so long as any Notes of the Issuer are outstanding.

RISKS RELATING TO THE LOAN ORIGINATOR

Adverse financial performance of the Loan Originator

Increases in the cost or reductions in availability of the Loan Originator's funding to finance the origination of Borrower Loans and working capital could adversely impact the Loan Originator's financial performance and results from operations.

In addition, there is a risk that in the future, the Loan Originator is not able to sell Borrower Loans to the Issuer and that as a result the Loan Originator is required to cease new lending or asset purchase activities. This may in turn be detrimental to the Loan Originator's goodwill, profitability and the Loan Originator's future growth potential which in turn could affect the Issuer's ability to pay interest and principal on the Notes.

As the Loan Originator partly relies on brokers and distributors in order to source new lending, if there is a significant period of time when funding is unavailable on commercially acceptable terms, there is also likely to be an adverse effect on the Loan Originator's relationships with its brokers, dealers and key introducers. As a consequence, its ability to generate new business from brokers and distributors in the future, should funding become more readily available, may be more challenging. This could have a material adverse impact on the Loan Originator's business, results of operations, profitability or financial condition.

Failure to attract, retain or replace senior management and skilled personnel could have a detrimental impact on the Loan Originator's business

The success of the business of the Loan Originator is dependent on recruiting, retaining and developing appropriately skilled, competent people at all levels of the organisation (for example, relationship managers responsible for key introducers). If the Loan Originator is not able successfully

to attract and retain such personnel or ensure that the experience and knowledge of key management is not lost from its business during the succession of personnel, it may not be able to maintain its standards of service or continue to grow its business as anticipated.

The loss of such personnel, and more particularly the failure to find suitable replacements in a timely manner, the inability to attract and retain additional appropriately skilled employees, or the failure to plan succession effectively, could have an adverse effect on the Loan Originator's business.

Possible exposure of the Loan Originator to fraud

As an originator of loan assets, the Loan Originator is exposed to possible fraud by borrowers, purported borrowers, their professional advisors such as solicitors, accountants or valuers as well as by employees. Attempted fraud typically involves borrowers, either acting alone or in concert with professional advisors, seeking to obtain funds by adopting a false identity or using a false inflated property valuation or purporting to own a property or seeking a release of security without redeeming the underlying loan. In addition, solicitors could abscond with completion monies, although redress under the indemnity arrangements required by the Solicitors Regulation Authority is normally available in such circumstances.

The Loan Originator has in place processes and procedures to counter fraud, and insurance in place providing an indemnity against losses arising from dishonest, fraudulent or malicious acts committed by its staff, outside valuers and outside solicitors, however it is possible that large scale fraud could adversely affect the Loan Originator's revenues and/or profits which could in turn adversely impact the Issuer's ability to fulfil its obligations under the Notes.

Loan Originator's IT systems

The Loan Originator's various activities subject it to operational risks relating to its ability to implement and maintain effective systems to process the transactions it enters into with Borrowers.

A significant breakdown of the Loan Originator's IT systems might adversely impact its ability to operate its business effectively, which may in turn have an adverse effect on the Loan Originator's business, results of operations, profitability or financial condition.

Limitations of representations and warranties delivered by the Loan Originator

Neither the Issuer nor the Trustee nor any other third party has undertaken or will undertake any investigations, searches or other actions as to any Borrower Loans or a Borrower's status, and each will rely instead solely on the warranties given by the Loan Originator in respect of such matters in the Loan Origination Agreement. The sole remedy against the Loan Originator available to each of the Issuer and the Trustee in respect of any breach of warranty relating to the Borrower Loans originated by the Loan Originator and the Borrower Security if the breach is material and is not capable of remedy (or is capable of remedy and is not remedied within the specified time) shall be to require the Loan Originator to repurchase or take a sub-participation of the relevant Borrower Loan together with any Borrower Security.

RISKS RELATED TO THE ISSUER SECURITY

Borrower Loans

The decision by any prospective holder of Notes to invest in such Notes should be based, among other things (including, without limitation, the identity of the Loan Originator and the Loan Servicer), on the Borrower Loan Eligibility Criteria which each Borrower Loan is required to satisfy, as disclosed in this Base Prospectus. This Base Prospectus does not contain any information regarding the individual Borrower Loans on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Loan Originator in acquiring investments for purchase on behalf of the Issuer over time. No assurance can be given that the Issuer will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

Limited description of the Borrower Loans

The Noteholders will receive the limited information in relation to the Borrower Loans set out in the applicable Final Terms. It is expected that the constitution of the portfolio of Borrower Loans which provide security for a Series of Notes may change as the Loan Servicer may recommend to the Issuer that the Borrower Loans securing a Series of Notes should be sold. The Loan Servicer may recommend a sale of the Borrower Loans securing a Series where considered likely to result in greater redemption of Notes of that Series than would result from holding Borrower Loans to maturity and enforcing on defaulting Borrower Loans. The Loan Servicer may also recommend that the Issuer sells or accepts the repayment of Borrower Loans and to reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria. There is no assurance that the characteristics of the Borrower Loans acquired by the Issuer in the circumstances such as those specified above will be the same as the Borrower Loans described in the applicable Final Terms. However, each Borrower Loan will be required to meet the Borrower Loan Eligibility Criteria.

Nature of Borrower Loans

The Issuer will invest in a portfolio of Borrower Loans consisting of: (a) loans to property developers and construction companies for the purpose of property development or major refurbishment works, and (b) bridging loans. In addition, the Issuer will acquire loans made to companies or sole traders for commercial purposes where appropriate tangible security is available which is in line with the lending criteria of the Credit Committee from time to time. This security may take the form of tangible commercial or residential property but other security types will be considered including receivables, stock and work-in-progress, chattels, insurance contracts, securities and similar assets where appropriate security is available in line with the credit policy of the Loan Originator. The Borrower Loans are subject to credit, liquidity and interest rate risks as well as macro-economic factors which may directly or indirectly result in reducing the market value of the assets secured by the Borrower Security.

The Borrower Loans will, in all cases, be an obligation that is secured by assets of the Borrower and such security will be granted under English law or the law of the jurisdiction where that asset is

located. The Borrower Loans will each have been made for use in the Borrower's business and the Issuer will not acquire Borrower Loans which are subject to consumer credit or similar laws. There is no restriction on the type of business that a Borrower may be engaged in although it is expected that most Borrower Loans will have been made for the purposes of property development and construction and will take the form of a mortgage loan with property as security. The Loan Originator will ensure that each Borrower Loan is an obligation which has a loan to value ratio in relation to the principal amount of the Borrower Loan equal to or below ninety (90) per cent. and where that Borrower Loan is a mortgage loan with property as security, that there has been no revaluation of the mortgaged properties between the date of origination of the related Borrower Loan and the sale of such Borrower Loan to the Issuer and that there will be no revaluation for the purposes of a Note issuance and that the quoted valuations are as at the date of the original initial loan origination (for the avoidance of doubt, valuation reports will only be provided to Noteholders in circumstances where Notes are issued pursuant to a Drawdown Prospectus and no such valuation reports will be available where Notes are issued by way of Final Terms).

The Loan Originator shall also ensure that each Borrower Loan meets all the requirements of the Borrower Loan Eligibility Criteria. The subsequent failure of any Borrower Loan to satisfy any of the Borrower Loan Eligibility Criteria shall not prevent any obligation which would otherwise be a Borrower Loan from being a Borrower Loan so long as such obligation satisfied the Borrower Loan Eligibility Criteria when the Issuer entered into the relevant Borrower Loan Agreement.

The market value of the Borrower Loans will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the Borrowers of the Borrower Loans. A decrease in the market value of the Borrower Loans would adversely affect the amount that could be obtained upon the sale of the Borrower Loans and could, ultimately, affect the ability of the Issuer to effect an optional redemption of the Notes or pay the principal of the Notes upon a liquidation of the Issuer Security following the occurrence of an Event of Default.

The offering of the Notes has been structured so that the Notes can withstand certain assumed losses relating to defaults on the Borrower Loans. There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Notes could be adversely affected by such defaults. To the extent that a default occurs with respect to any Borrower Loan securing the Notes and the Issuer sells or otherwise disposes of such Borrower Loan, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

All Moneys Security

The Borrower Security in respect of a Borrower Loan may also secure the repayment of other Borrower Loans and all present and future sums that may be advanced by the Loan Originator to the relevant Borrower, including sums that do not constitute a Borrower Loan (the "**Associated Debt**") as well as securing the repayment of the relevant Borrower Loan (such Borrower Security, an "**All Moneys Security**"). In all such cases the Associated Debt must meet the Borrower Loan Eligibility Criteria at the time that it was made. In the event that enforcement proceedings are instituted against a relevant Borrower under the terms of such Borrower Security, any proceeds therefrom which are available to be distributed, will be distributed under the terms of the Security Trust

Agreement, pro rata and pari passu to the Issuer in an amount up to, but not to exceed, all amounts due and payable under such Borrower Loans, and to the Loan Originator in an amount up to, but not to exceed, all amounts due and payable under the Associated Debt. As such, there is a risk that upon enforcement of a Borrower Loan that is subject to an All Moneys Security, that the Borrower Loan will not be repaid in full, since it must share the enforcement proceeds of an All Moneys Security with the relevant Associated Debt. Furthermore, the Borrower Security Trustee will act on the instructions of the Issuer (or the Loan Servicer on its behalf) in relation to the Borrower Loan and the Loan Originator (or transferee of the Associated Debt) in relation to the Associated Debt and, as a consequence, there may be situations where the Borrower Security Trustee receives conflicting instructions in relation to an All Moneys Security from the Issuer (or the Loan Servicer on its behalf) in relation to the Borrower Loans and the Loan Originator in relation to the Associated Debt and is, therefore, unable to act as instructed by the Issuer (or the Loan Servicer on its behalf) and may take action which is adverse to the interests of the Issuer and the Noteholders in respect of the relevant Series of Notes for which that Borrower Loan provides security. The Borrower Security Trustee shall however comply with all requests of the Issuer to transfer any Borrower Loans and the related Borrower Security to the Issuer or as it may direct.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when the cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero-Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

RISKS RELATING TO NOTES GENERALLY

Set out below is a brief description of certain risks relating to the Notes generally:

The Notes are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Notes are not protected by the Financial Services Compensation Scheme (the "FSCS") or any other government savings or deposit protection scheme. As a result, the FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer. If the Issuer goes out of business or becomes insolvent, Noteholders may lose all or part of their investment in the Notes.

No Regulation of the Issuer by any Regulatory Authority

The Issuer is not licensed or authorized under any current securities, commodities, insurance or banking laws of any jurisdiction and has not applied (and does not expect to apply) for any such licences or authorizations. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by any such regulatory authority could have an adverse impact on the Issuer or the holders of Notes issued by the Issuer.

Modification, waiver and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (a) any modification of any of the provisions of the Trust Deed or the Conditions of the Notes that is of a formal, minor or technical nature or is made to correct a manifest error, (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes or Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, or (c) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 17(c) (*Substitution*) of the Notes.

Taxation

Prospective investors and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the

country where the Notes are transferred or other jurisdictions. Potential investors are advised not to rely upon the description contained in the general description section of this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the prospective investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**") each member state of the European Union ("**Member State**") was required to provide to the tax authorities of another Member State with details of payments of interest (and other similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual, or certain types of entity established, in that other Member State, except that Austria chose to impose a withholding system for a transitional period unless the recipient opted for information exchange. A number of non-EU countries and certain dependent or associated territories of Member States adopted similar measures.

On 10 November 2015, the Council of the European Union approved Council Directive 2015/2060/EU which has repealed the Directive from 1 January 2017 in the case of Austria, and from 1 January 2016 in relation to all other Member States, subject to ongoing requirements to fulfil administrative obligations (such as the reporting and exchange of information relating to, and accounting for tax withheld from, payments made before those dates). Repeal was needed to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Co-operation in the field of Taxation (as amended by Council Directive 2014/107/EU). Council Directive 2011/16/EU (as amended), which effectively implements the Organization for Economic Co-operation and Development's common reporting standard on automatic exchange of financial account information in tax matters, requires governments to obtain detailed account information from financial institutions and exchange that information automatically with other jurisdictions annually. Council Directive 2011/16/EU (as amended) is, generally, broader in scope than the Directive but does not impose withholding taxes.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should such definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to holding CREST Depositary Interests

Terms used in this risk factor and not otherwise defined shall have the meanings given to such terms in "Book-Entry Clearing Systems – Crest Depositary Interests".

CREST Depositary Interests are separate legal obligations distinct from the Notes and CDI Holders will be subject to additional provisions other than the Conditions of the Notes.

CDI Holders will hold or have an interest in a separate legal instrument and not be the legal owners of the Notes. The rights of CDI Holders to the Notes are represented by the relevant entitlements against the CREST Depositary which (through the CREST Nominee) holds interests in the Notes. Accordingly, rights under the Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the relevant Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depositary. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depositary in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depositary in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the Issuer, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see the section entitled "Book-Entry Clearing Systems – Crest Depositary Interests" in this Base Prospectus.

EU Regulations

The Issuer is of the opinion that the requirements of Articles 404 to 410 of Regulation (EU) No. 575/2013 (the "**Capital Requirements Regulation**") Article 254(2)(a) of Regulation (EU) No. 2015/35 (the "**Solvency II Regulation**") and Article 51(1)(a) of Regulation (EU) No 231/2013 (the "**AIFM Regulation**") do not apply to the Notes. Investors in the Notes are responsible for analysing their own regulatory position and neither the Issuer, the Loan Originator, the Loan Servicer nor any of the parties to the transaction of which the Notes form part makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

Articles 404 to 410 of the Capital Requirements Regulation, Article 254(2)(a) of the Solvency II Regulation and Article 51(1)(a) of the AIFM Regulation and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Further, if an investor chooses to sell its Notes in the open market at any time prior to maturity of the Notes, the price the investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at maturity of the Notes if the investor were to hold onto the Notes until then. Factors that will influence the price received by investors who choose to sell their Notes in the open market may include, but are not limited to, market appetite, inflation, the period remaining to maturity of the Notes, prevailing interest rates and the financial position of the Issuer.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of

the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Notes may bear interest at a fixed rate. Potential investors should note that if interest rates rise, then the income payable on such Notes might become less attractive and the price that investors could realise on a sale of the Notes may fall. However, the market price of the Notes from time to time has no effect on the total income investors receive on maturity of the Notes if the investor holds the Notes until the maturity date. Further, inflation will reduce the real value of the Notes over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Notes less attractive in the future, again affecting the price that investors could realise on a sale of the Notes.

Credit ratings may not reflect all risks

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating(s) will not necessarily be the same as the rating assigned to Notes already issued. There are no guarantees that such ratings will be assigned or maintained. Any credit rating agency may lower its ratings or withdraw the rating if, in the sole judgement of the credit rating agency, the credit quality of the Notes has declined or is in question. In addition, at any time a credit rating agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Notes may be lowered. If any of the ratings assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Furthermore, the ratings may not reflect the potential impact of all risks discussed above, and other factors that may affect the value of the Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Any credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

A credit rating reduction may result in a reduction in the trading value of the Notes

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding Notes of such Issuer by standard statistical rating services. A reduction in, or a placing on credit watch of the rating, if any, accorded to outstanding Notes of the Issuer by a rating agency could result in a reduction in the trading value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Yield

Any indication of yield (i.e. the income return on the Notes) stated within the applicable Final Terms applies only to investments made at (as opposed to above or below) the issue price of the relevant Notes. If an investor invests in the Notes at a price other than the issue price of the Notes, the yield on the investment will be different from any indication of yield on the Notes as set out in the applicable Final Terms.

Trustee indemnity

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of the Notes. Prior to taking such action, pursuant to the Conditions the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If so, and the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction, it may decide not to take any action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Noteholders would have to either provide such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any potential inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by it of the terms of the Trust Deed or the Notes unless the Trustee has failed within a reasonable time to do so.

Brexit

As a result of the outcome of the UK Referendum on continued membership of the European Union, it is anticipated that the UK will withdraw its membership from the European Union. The terms of this withdrawal and the ongoing relationship between the UK and the European Union are still to be negotiated and this introduces elements of political uncertainty which may have practical consequences for the Issuer.

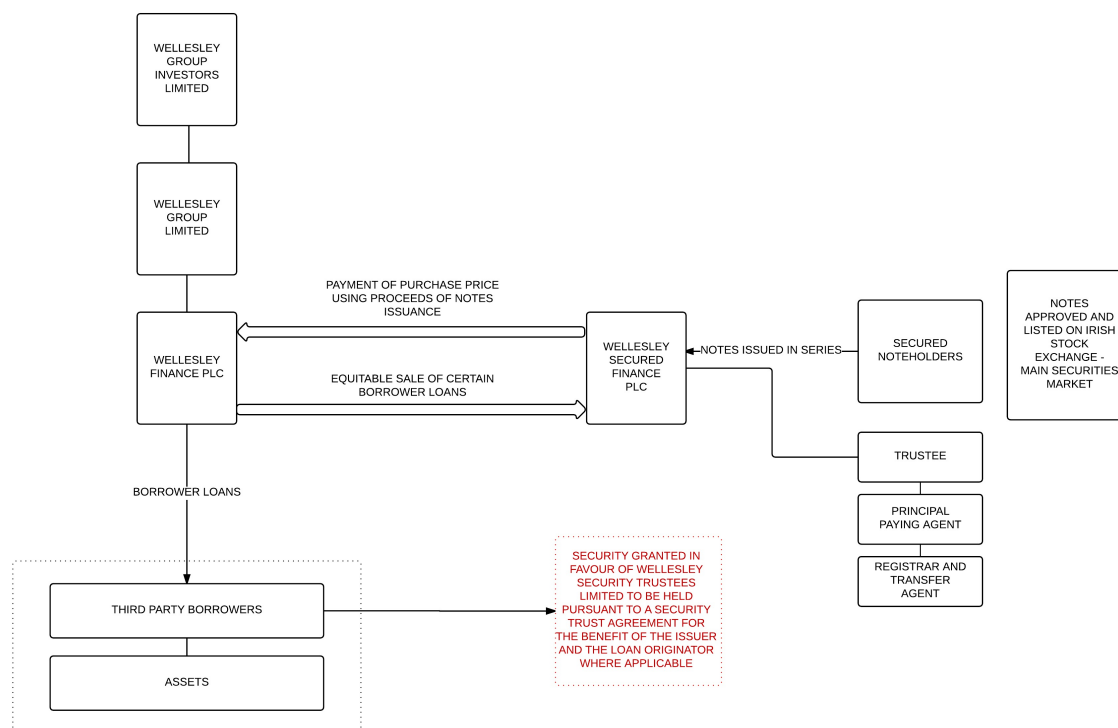
OVERVIEW OF THE PROGRAMME

VII 5.2
XX(VIII)3.2

STRUCTURE DIAGRAM

XX(VIII)3.1

The structure diagram below is qualified in its entirety by the remainder of this Base Prospectus and the applicable Final Terms/Drawdown Prospectus. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this structure diagram.



NOTE ISSUANCE PROCESS

XX(VIII)3.3

Under the Programme, the Issuer will, from time to time, issue Notes in Series and will use the proceeds to acquire from the Loan Originator loans (each a "**Borrower Loan**" and, together, the "**Borrower Loans**") made to borrowers (each a "**Borrower**" and, together, the "**Borrowers**") meeting strict eligibility criteria, pursuant to the terms of a loan agreement (each, a "**Borrower Loan Agreement**" and, together, the "**Borrower Loan Agreements**"). The terms of such Borrower Loan Agreements are summarised below under "Borrower Loan Agreements".

The Borrower Loans backing each Series of Notes will be originated by the Loan Originator pursuant to the terms of the Loan Origination Agreement and in accordance with the procedures set out below.

The Issuer's obligations under the Notes are secured in the manner described below --"The Issuer Security Structure".

Each Borrower's obligations pursuant to the Borrower Loan Agreements are secured in the manner described below - "The Borrower Security Structure".

Borrower Loans and each Issue Date

The Issuer will create separate Series of Notes from time to time for Notes to be issued with varying terms and interest rates. Following the relevant Issue Date of Notes, the Issuer will acquire Borrower Loans for an aggregate principal amount equal to the Aggregate Nominal Amount of Notes being issued pursuant to such Series. The funds applied by the Issuer to acquire Borrower Loans may be sourced from funds relating to more than one Series of Notes. In circumstances where the funds applied to acquire the relevant Borrower Loan are sourced from more than one Series of Notes, the respective interests of each relevant Series of Notes in the relevant Borrower Loan and the security granted by the Issuer under the Issuer Deed of Charge will rank *pari passu* and *pro rata* according to the portion of the acquisition price funded by the relevant Series of Notes. XX(VIII)3.4.4

The Borrower Loans acquired by the Issuer with the proceeds of an issuance of a Series of Notes will meet the Borrower Loan Eligibility Criteria and will have the characteristics and capacity to produce funds to service the payments due under the Notes of that Series. The Issuer may create Series of Notes which provide for the payment of interest on those Notes at monthly or quarterly intervals. In such cases, the Borrower Loans acquired with the proceeds of that Series are likely to pay interest less frequently than monthly or quarterly and the Issuer will, prior to and conditional on issuing any Notes which pay interest on a monthly or quarterly basis, enter into a loan agreement with the Loan Originator (each an "**Subordinated Loan Agreement**") pursuant to which the Loan Originator will lend to the Issuer, on the date of issuance of such Notes, an amount which the Loan Originator determines is required by the Issuer to make the required monthly or quarterly interest payments on such Notes during the period from the Issue Date of such Notes to such time as the repayment schedule of the payments of interest on the applicable Borrower Loans allows the Issuer to make the interest payments due on the applicable Notes from such payments. The proceeds of each loan made under a Subordinated Loan Agreement for a Series will be held in the Issuer Collateral Account for such Series. Once the interest payment schedule of the Borrower Loans matches the interest payment schedule on the related Notes, the Issuer will repay the loan made under the applicable Subordinated Loan Agreement to the Loan Originator. Where a Series of Notes is subject to a Subordinated Loan Agreement, the Issuer will provide details of such Subordinated Loan Agreement in the applicable Final Terms. XX(VIII) 3.4.2
XX(VIII)3.4.7

Credit enhancements and subordinated debt finance

The Notes will not be subject to any credit enhancements and the Issuer will rely on the Borrower Loan Eligibility Criteria to ensure that the Issuer is able to meet its obligations under the Notes. Where applicable, the Issuer will enter into a Subordinated Loan Agreement in the circumstances set out above and it is a condition of the Borrower Loan Eligibility Criteria that the Issuer has entered into such Subordinated Loan Agreement in the circumstances set out in the Borrower Loan Eligibility Criteria.

Final Terms / Drawdown Prospectus

Notes may only be issued by way of applicable Final Terms under this Base Prospectus where the Borrower Loans being acquired with the proceeds of a Note issuance meet the eligibility criteria below under the heading "Eligibility Criteria for Final Terms Issuance". In all other cases, the Borrower Loans in respect of a Series of Notes will be as specified in the applicable Drawdown Prospectus.

Valuations

The applicable Final Terms for a Series of Notes will show the outstanding principal balances of the Borrower Loans over the range of LTV ratios, which express the outstanding principal balance of the aggregate of Borrower Loans as at the date of the origination of the Borrower Loan divided by the value of the property securing the Borrower Loans at the date of the first advance. The Loan Originator is not expected to revalue any of the mortgaged properties between the date of origination of the related Borrower Loan and the sale of such Borrower Loan to the Issuer. For the avoidance of doubt, valuation reports will only be provided to Noteholders in circumstances where Notes are issued pursuant to a Drawdown Prospectus.

Management of Borrower Loans

XX(VIII)2.2.9

The Loan Servicer is responsible for the monthly management of payments by Borrowers under the Borrower Loans and for liaising with Borrowers on Borrower Loans generally and negotiating and agreeing amended Borrower Loan terms to the extent that amendments agreed are consistent with the Borrower Loan Eligibility Criteria. The Loan Servicer will apply risk management techniques to reduce the probability of default on the Borrower Loans and will manage defaults and enforcement procedures in respect of the Borrower Loans where appropriate and will enforce the rights of the Issuer under the terms of any financial guarantee in relation to the Borrower Loans where a Series is backed by financial guarantee. Taking this into account, the Loan Servicer may recommend that the Issuer sells or accepts the repayment of Borrower Loans and, by way of substitution, reinvests the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria.

THE LOAN ORIGINATOR AND BORROWER LOAN AGREEMENTS

XX(VIII)2.2.7

Description of the Loan Originator

Wellesley Finance plc has been appointed by the Issuer to act as the loan originator (the "**Loan Originator**"). The Loan Originator was incorporated in England (registered number 08331511) on 14 December 2012 as a private limited company under the Companies Act 2006 as Wellesley Property Finance Limited. On 5 July 2013 the Loan Originator changed its name to Sterling Property Finance Limited, on 27 September 2009 the Loan Originator changed its name to Wellesley Finance Limited and on 15 July 2014, the Loan Originator re-registered as a public limited company. The authorised share capital of the Loan Originator is £50,000 ordinary shares of £1 each. All of the issued shares are full paid and are in the ownership of Wellesley Group Limited, a company incorporated in England and Wales with registered number 08478238 and registered office at 6th Floor, St Albans House, 57/59 Haymarket, London SW1Y 4QX.

XX(VIII)3.5

The Loan Originator also acts as loan originator for customers on the "Wellesley Peer-to-Peer Lending Platform". Such platform is owned and operated by Wellesley & Co Limited, an affiliate of the Loan Originator. The Loan Originator's obligations to the Issuer are separate to its obligations to Wellesley & Co Limited and the Loan Originator may provide loan origination services to other affiliated entities.

As at 31 December 2016, the Loan Originator has originated over 255 loans with a notional value in excess of £317,000,000.

Note issuances by the Loan Originator

On 6 February 2015, the Loan Originator created a secured note programme listed on the Irish Stock Exchange. Notes under the secured note programme are issued pursuant to a trust deed dated 6 February 2015 between the Loan Originator and U.S. Bank Trustees Limited (the "**Irish Listed Bonds**"). The programme under which the Loan Originator has issued the Irish Listed Bonds is different and separate to the Programme described in this Base Prospectus. The Irish Listed Bonds are secured against a specific number of loans that the Loan Originator has made and the Loan Originator's rights in respect of those loans (including any related security). The notional amount of the loans which secure the Irish Listed Bonds is approximately £5,500,000. As at 31 December 2016, the Loan Originator had issued £5,418,000 of Irish Listed Bonds. Shortly after the launch of the Programme, the Loan Originator and the Issuer will agree a process by which the Issuer is substituted in place of the Loan Originator as the issuer of the Irish Listed Bonds and the obligations of the Loan Originator in respect of the Irish Listed Bonds and the loan assets of the Loan Originator which secure the Irish Listed Bonds will be transferred to the Issuer to be held on the original terms of the Irish Listed Bonds.

The Loan Originator also issued a bond instrument dated 29 July 2014, pursuant to which the Loan Originator issues, from time to time, unsecured non-convertible non-transferable bonds (the "**Mini Bonds**"). A further series of Mini Bonds was launched on 10 December 2015. As at 31 December 2016, the Loan Originator has raised £42,912,218 through the issuance of Mini Bonds. The Mini Bonds are not offered to the public, are not listed on any stock exchange and are restricted to sophisticated investors. The Loan Originator continues to raise capital through the issuance of Mini Bonds.

Directors

The directors of the Loan Originator are:

Graham Wellesley - Graham is the joint chief executive officer and chairman of the Loan Originator. Graham started his career in the financial derivatives industry before founding IFX Group Plc, one of the first online foreign exchange trading providers, in 1995. After taking IFX Group Plc public on the London Stock Exchange, Graham acquired ODL Securities in 2004 which he grew to being an international leader in FX trading and which he then merged with FXCM in 2010 as part of a floatation on the New York Stock Exchange (NYSE:FXCM). Graham was the vice-chairman of FXCM and the chairman of Prestige Asset Management where he was responsible for building a significant agricultural loan book.

Andrew Turnbull - Andrew is a director and co-founder of the Loan Originator. Andrew began working within the derivative trading industry as an investment adviser and sales manager. In 2008, he joined Graham and Lorenzo at ODL Group Limited where he was the sales and marketing director, specialising in the firm's promotion of retail trading services on a global scale. Post-merger with FXCM in 2011, Andrew played a key role in ensuring the integration between both firms was effective and was promoted to senior vice president for FXCM Europe. Whilst at FXCM, Andrew managed their trading relationship with Barclays stockbrokers which was branded Barclays Margin FX and also led the firm's strategy in the Turkish FX Markets.

XX(VIII)2.1

Borrower Loan Origination Process and Credit Committee

The Loan Originator has an origination team of 10 experienced lenders and 10 asset and risk management staff. A committee consisting of the directors of the Loan Originator (the "**Credit Committee**") review all proposals and determine which Borrower Loans to originate in accordance with the Borrower Loan Origination Step Process described below. Each opportunity is required to meet or exceed projected minimum return criteria as set by the Credit Committee and the requirement is that those Borrower Loans which are to be sold to the Issuer will, when aggregated, produce sufficient funds for the Issuer to meet any payments due and payable on the Notes of each Series. Such minimum return criteria will, at all times, be set at a level which permits the Issuer to meet its obligations to pay interest and principal under each Series of Notes. All Borrower Loans must meet the Borrower Loan Eligibility Criteria set out on page 62.

XX(VIII)3.4.1

Borrower Loan Origination Step Process

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| Step 1 | Introduction. Borrower Loans are introduced to the Loan Originator directly, by introducers/packagegers, via wholesale funding lines or by way of disposal by other lenders | The Loan Originator reviews a short detail of the proposed Borrower Loan, the purposes for which it is to be used. An initial assessment of the Borrower's proposed budget/business plan and the value of the security available is made at this stage. |
| Step 2 | Initial Internal Discussions | The Loan Originator reviews the proposed Borrower Loan against the Borrower Loan Eligibility Criteria – please see below on page 62. |
| Step 3 | Initial due diligence | The Loan Originator completes due diligence on the proposed Borrower and the assets available as security for the Borrower Loan. Where such Borrower Loan relates to a property development, the Loan Originator will review the planning permission and carry out a feasibility study. A site visit, if applicable, will be made at this stage. |
| Step 4 | Credit Committee | A formal submission is presented to the Credit Committee. The proposed Borrower Loan requires the unanimous approval of the Credit Committee and at least 2 directors of the Loan Originator must be on the Credit Committee. As at the date of this Base Prospectus, Graham Wellesley and Andrew Turnbull, being the sole directors of the Loan Originator, sit on the Credit Committee. The Credit Committee will review the proposed Borrower Loan from a credit, operations, liquidity and profitability perspective. The Credit Committee will confirm the availability of capital and liquidity available to the Loan Originator to meet the drawdown requirements in the Borrower Loan. |
| Step 5 | Approved Borrower Loan plus Conditions | The Loan Originator prepares a formal approved loan offer to the Borrower with full terms and detailing the conditions precedent required for draw-down. Where the proposed Borrower Loan is for a property development, the offer will be subject to formal valuation, approval of the development plan and budget and the solicitor's enquiry and report on title. |
| Step 6 | Finalised due diligence | Once the proposed Borrower accepts and signs the loan offer and pays all required fees (such as those of the valuer and appointed solicitors) the Loan Originator formally instructs solicitors to prepare the required documents and carry out the necessary searches and, where applicable, instructs a valuer to carry out a formal valuation. |
| Step 7 | Final Credit Committee sign-off and drawdown approval | Once all external due diligence is complete and all items on the Borrower Loan Eligibility Criteria are met, the Credit Committee signs-off on the Borrower Loan. |

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| Step 8 | Drawdown | Final drawdown under the Borrower Loan is made once all documents are signed by the Borrower. |
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Description of Borrowers and Borrower Loans

The Borrower Loans will broadly fall into two categories: (a) loans to property developers and construction companies for the purpose of property development or major refurbishment works, and (b) bridging loans. In addition, the Issuer will acquire loans made to companies or sole traders for commercial purposes where appropriate tangible security is available which is in line with the lending criteria of the Credit Committee of the Loan Originator from time to time. This security may take the form of tangible commercial or residential property but other security types will be considered including receivables, stock and work-in-progress, chattels, insurance contracts, securities and similar assets where appropriate security is available in line with the credit policy of the Loan Originator.

XX(VIII)2.2.2(b)
XX(VIII)2.2.8
XX(VIII)2.2.13

In respect of each Series of Notes issued by way of Final Terms, there will be more than 5 Borrowers and the principal amount of each Borrower Loan will not account for more than 20% of the aggregate principal amount of all Borrower Loans outstanding for that Series. In all other cases, the Issuer will issue Notes by way of Drawdown Prospectus. The Borrower Loans will, in all cases, be an obligation that is secured by assets of the Borrower and such security will be granted under English law or the law of the jurisdiction where that asset is located. The Borrower Loans will each have been made for use in the Borrower's business and the Issuer will not acquire Borrower Loans which are subject to consumer credit or similar laws. There is no restriction on the type of business that a Borrower may be engaged in although it is expected that most Borrower Loans will have been made for the purposes of property development and construction and will take the form of a mortgage loan with property as security. The Loan Originator will ensure that each Borrower Loan is an obligation which has a loan to value ratio in relation to the principal amount of the Borrower Loan equal to or below ninety (90) per cent. and where that Borrower Loan is a mortgage loan with property as security, that there has been no revaluation of the mortgaged properties between the date of origination of the related Borrower Loan and the sale of such Borrower Loan to the Issuer and that the quoted valuations are as at the date of the original initial loan origination (for the avoidance of doubt, valuation reports will only be provided to Noteholders in circumstances where Notes are issued pursuant to a Drawdown Prospectus and no such valuation reports will be available where Notes are issued by way of Final Terms).

The Loan Originator shall also ensure that each Borrower Loan meets all the requirements of the Borrower Loan Eligibility Criteria. The subsequent failure of any Borrower Loan to satisfy any of the Borrower Loan Eligibility Criteria shall not prevent any obligation which would otherwise be a Borrower Loan from being a Borrower Loan so long as such obligation satisfied the Borrower Loan Eligibility Criteria when the Issuer entered into the relevant Borrower Loan Agreement.

The market value of the Borrower Loans will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the Borrowers of the Borrower Loans. A decrease in the market value of the Borrower Loans would adversely affect the amount that could be obtained upon the sale of the Borrower Loans and could, ultimately, affect the ability of the Issuer to effect an optional redemption of the Notes or pay the principal of the Notes upon a liquidation of the Issuer Security following the occurrence of an

Event of Default.

Each Borrower Loan Agreement will be governed by English law or by the laws of any jurisdiction of the European Union. Payments under each Borrower Loan Agreement will be collected by the Loan Servicer on behalf of the Issuer.

XX(VIII)2.2.1

Each Borrower Loan Agreement will contain customary representations and warranties from the Borrower to the Loan Originator, including, without limitation, representations and warranties as to the due incorporation of the Borrower, the power of the Borrower to enter into the Borrower Loan Agreement, that the Borrower has all necessary authorisations to enter into the Borrower Loan Agreement and that such entry will not contravene any other obligations of that Borrower, that the Borrower is not required to make any deductions of tax, that the Borrower Loan Agreement is enforceable under English law, that there will be no default from the making of the Borrower Loan, that there has been no material adverse change in the business or assets of the Borrower, that the Borrower is not subject to any material litigation, that the Borrower's obligations rank *pari passu* with all its other obligations and that the Borrower has good title to all its assets.

Regulatory approvals

In certain cases, the origination of Borrower Loans by the Loan Originator may require the Loan Originator to be authorised by the United Kingdom Financial Conduct Authority (the "**FCA**") or another regulator which has authority over the Loan Originator's activities. As at the date of this Base Prospectus, the Loan Originator has not originated any Borrower Loans which has required it to be authorised by the FCA or another regulator and the Loan Originator does not expect to originate any Borrower Loans which would require it to be so authorised. Should the Loan Originator originate any Borrower Loans which do require the Loan Originator and/or the Issuer to be authorised by the FCA or another regulator, such Borrower Loans will only be originated after such authorisation has been granted by the applicable regulator.

THE LOAN ORIGINATION AGREEMENT ("LOA")

The Issuer and the Borrower Security Trustee are parties to the LOA. The Issuer has appointed the Loan Originator under the LOA to originate Borrower Loans in accordance with the Borrower Loan Eligibility Criteria.

The principal responsibilities of the Loan Originator under the LOA are as follows:

- the origination of Borrower Loans which meet the Borrower Loan Eligibility Criteria; and
- management of loan disbursement to Borrowers on acquired Borrower Loans.

The Issuer may with the prior written consent of the Trustee, at any time appoint an additional Loan Originator but any such appointment will not result in the appointment of a replacement Loan Servicer.

Legal and equitable title to Borrower Loans

The Loan Originator may from time to time serve a sale notice, as set out in the LOA, on the Issuer, the Trustee and the Borrower Security Trustee, pursuant to which the Loan Originator, with full title guarantee, agrees to transfer and assign the Borrower Loans and related Borrower Security set out in

such sale notice. Provided that the Issuer has issued a Series of Notes in an amount equal to the purchase price set out in the LOA, the Issuer agrees to take a transfer or an assignment of the beneficial estate and title in each Borrower Loan and the related Borrower Security and the Borrower Security Trustee agrees to take a transfer or an assignment of the legal estate and title in each Borrower Loan and the related Borrower Security. The Borrower Security Trustee agrees to hold such legal estate and title as bare trustee for the benefit of the Issuer in accordance with the provisions of the Security Trust Agreement.

Each such transfer or assignment will be simultaneously effected by the execution of a transfer or assignment certificate in the form set out in the LOA no later than 5 Business Days after the Issue Date of the applicable Series of Notes.

Term and Termination

The Issuer may, with the prior written consent of the Trustee, terminate the appointment of the Loan Originator and the Loan Originator may resign its appointment, in either case, by giving at least 90 days' notice. Any such notice shall expire at least 45 days before or after any due date for payment in respect of a Loan. Where the Loan Originator's appointment is to terminate, the Issuer will then promptly appoint a replacement loan originator.

Fees and Expenses

The Loan Originator is entitled to recover fees, costs and expenses from the Issuer as set out in the LOA.

Limitation of Liability

The LOA provides that the Loan Originator shall not be liable for any loss or damage howsoever suffered by the Issuer due to the default of a Borrower except insofar as such losses arise as a result of negligence, wilful default or fraud of the Loan Originator.

Indemnities

The Loan Originator has agreed to indemnify the Issuer against any and all liabilities arising out of or in relation to or in connection with the appointment or the execution of any of duties by the Loan Originator under the LOA, that may result from the wilful misconduct or gross negligence of the Loan Originator.

Governing law and jurisdiction

The LOA is governed by and construed in accordance with English Law.

THE BORROWER SECURITY STRUCTURE

Under a deed of charge to be entered into between a Borrower and Wellesley Security Trustees Limited (the "**Borrower Security Trustee**") (each a "**Borrower Deed of Charge**"), the obligations of each Borrower in respect of a Borrower Loan will be secured in favour of the Borrower Security Trustee by fixed and/or floating charges over the property, undertaking and assets of the Borrower (the "**Borrower Security**").

Wellesley Security Trustees Limited is a company incorporated in England and Wales with company number 8738060. It is owned by the same private shareholders as Wellesley Group (UK) Limited. The Borrower Security Trustee will hold the benefit of each Borrower Deed of Charge on trust for the Issuer pursuant to a security trust agreement between the Issuer and the Borrower Security Trustee (the "**Security Trust Agreement**").

In respect of each Series, the Borrower Security Trustee will take a transfer from the Loan Originator of the legal (but not beneficial) estate and title in each applicable Borrower Loan and related Borrower Security and agrees to hold such legal estate and title as bare trustee for the benefit of the Issuer in accordance with the provisions of the Borrower Security Trust Agreement. The Issuer will at all times hold the beneficial title of each applicable Borrower Loan and related Borrower Security.

The Security Trust Agreement provides that the Borrower Security Trustee holds the benefit of the proceeds of enforcement of any Borrower Security first to meet the liabilities of the Borrower Security Trustee and, second, to discharge the obligations due to the Issuer pursuant to the Borrower Loan to which that Borrower Security relates.

The Borrower Security in respect of a Borrower Loan may also secure the repayment of other Borrower Loans and all present and future sums that may be advanced by the Loan Originator to the relevant Borrower, including sums that do not constitute a Borrower Loan (the "**Associated Debt**") as well as securing the repayment of the relevant Borrower Loan (such Borrower Security, an "**All Moneys Security**"). In all such cases the Associated Debt must meet the Borrower Loan Eligibility Criteria at the time that it was made. In the event that enforcement proceedings are instituted against a relevant Borrower under the terms of such Borrower Security, any proceeds therefrom which are available to be distributed, will be distributed under the terms of the Security Trust Agreement, pro rata and pari passu to the Issuer in an amount up to, but not to exceed, all amounts due and payable under such Borrower Loans, and to the Loan Originator in an amount up to, but not to exceed, all amounts due and payable under the Associated Debt.

Each Borrower Deed of Charge will contain customary representations and warranties from the Borrower to the Borrower Security Trustee, including, without limitation, representations and warranties as to the ownership by the Borrower of its assets, that such assets are free from other security, that there are no adverse claims against such assets, that the Borrower has complied with all relevant laws in respect of those assets and that the security being granted under the Borrower Deed of charge is enforceable.

The Borrower Security Trustee shall at all times comply with any direction given by the Issuer in relation to any Borrower Loans and/or related Borrower Security (including but not limited to taking legal action against the relevant Borrower), and the Borrower Security Trustee shall comply with all requests of the Issuer and do all necessary acts and things to transfer such Borrower Loans and the related Borrower Security to the Issuer or as it may direct. Where the Issuer requests the transfer of Borrower Security which is an All Moneys Security, the Issuer will take such transfer subject to the rights of the Loan Originator in such Borrower Security in so far as it relates to the Associated Debt. The Borrower Security Trustee will not transfer, assign, dispose of or otherwise deal with its bare legal title to the Borrower Loans and the related Borrower Security in any way unless requested by the Issuer to do so.

THE ISSUER SECURITY STRUCTURE

Under a deed of charge dated 12 April 2017 between the Issuer and U.S. Bank Trustees Limited (the "**Trustee**") (the "**Issuer Deed of Charge**"), the obligations of the Issuer under a Series of Notes will be secured in favour of the Trustee (for the benefit of the Noteholders and certain other secured creditors of the Issuer (the "**Issuer Secured Creditors**")) by fixed first priority security over the proceeds of such Series deposited in an Issuer Collateral Account and all of its rights in respect of the Borrower Loans and the Borrower Security acquired with the proceeds of such Series (the "**Issuer Security**").

The proceeds of any issuance of Notes by the Issuer will either be held by the Issuer in an Issuer Collateral Account (see below) or be used to acquire Borrower Loans. By granting the Issuer Security to the Trustee for the benefit of the Issuer Secured Creditors, the rights of the Noteholders and the other Issuer Secured Creditors to the Issuer Security rank first in priority to other creditors in the event of a default or an insolvency or insolvency related event of the Issuer. The rights of the Noteholders and the other Issuer Secured Creditors will not be affected by the insolvency or an insolvency related event of any other entity.

ISSUER COLLATERAL ACCOUNT

The Issuer will maintain one or more sterling currency accounts opened with the Account Bank (each an "**Issuer Collateral Account**" and, together, the "**Issuer Collateral Accounts**") into which the net proceeds of any issuance of Notes will be deposited pending the acquisition of a Borrower Loan. Each Issuer Collateral Account is secured by a first fixed charge in favour of the Trustee pursuant to the Trust Deed and the Issuer Deed of Charge.

SUBORDINATED LOAN AGREEMENTS

The Borrower Loans acquired by the Issuer with the proceeds of an issuance of a Series of Notes will meet the Borrower Loan Eligibility Criteria and will have the characteristics and capacity to produce funds to service the payments due under the Notes of that Series. The funds applied by the Issuer to acquire Borrower Loans may be sourced from funds relating to more than one Series of Notes. In circumstances where the funds applied to acquire the relevant Borrower Loan are sourced from more than one Series of Notes, the respective interests of each relevant Series of Notes in the relevant Borrower Loan and the security granted by the Issuer under the Issuer Deed of Charge will rank *pari passu* and *pro rata* according to the portion of the acquisition price funded by the relevant Series of Notes. The Issuer may create Series of Notes which provide for the payment of interest on those Notes at monthly or quarterly intervals. In such cases, the Borrower Loans acquired with the proceeds of that Series are likely to pay interest less frequently than monthly or quarterly and the Issuer will, prior to and conditional on issuing any Notes which pay interest on a monthly or quarterly basis, enter into a loan agreement with the Loan Originator (each a "**Subordinated Loan Agreement**") pursuant to which the Loan Originator will lend to the Issuer, on the date of issuance of such Notes, an amount which the Loan Originator determines is required by the Issuer to make the required monthly or quarterly interest payments on such Notes during the period from the Issue Date of such Notes to such time as the repayment schedule of the payments of interest on the applicable Borrower Loans allows the Issuer to make the interest payments due on the applicable Notes from such payments. The proceeds of each loan made under a Subordinated Loan Agreement for a Series will be held in the Issuer Collateral Account for such Series. Once the interest payment schedule of

XX(VIII) 3.4.2
XX(VIII)3.4.7

the Borrower Loans matches the interest payment schedule on the related Notes, the Issuer will repay the loan made under the applicable Subordinated Loan Agreement to the Loan Originator. Repayment of amounts due to the Loan Originator under the Subordinated Loan Agreement rank behind the payments to the Noteholders. Where a Series of Notes is subject to a Subordinated Loan Agreement, the Issuer will provide details of such Subordinated Loan Agreement in the applicable Final Terms.

EXPENSES FACILITY

For the duration of the Programme, the Issuer will, subject to satisfaction of certain conditions, be entitled to make drawings under an expenses facility (the "**Expenses Facility**") provided by Wellesley Finance plc (the "**Expenses Facility Provider**") pursuant to an expenses facility agreement dated 12 April 2017 (the "**Expenses Facility Agreement**") between the Expenses Facility Provider and the Issuer. The maximum amount of the Expenses Facility shall be £1,000,000 and shall be funded out of the Expenses Facility Provider's working capital reserves. The Issuer will be entitled to draw under the Expenses Facility Agreement funds to ensure that the Issuer Expenses Account has, at all times until the termination of the Programme, a minimum balance of £250,000 which is sufficient to cover at least 6 months of operating expenses of the Issuer. By drawing under the Expenses Facility Agreement the Issuer will also always have sufficient funds to meet its ongoing expense obligations (such as payments of fees to service providers). Repayment of amounts due to the Expenses Facility Provider under the terms of the Expenses Facility Agreement rank behind the payments due to Noteholders..

ISSUER EXPENSES ACCOUNT

The Issuer will maintain a sterling currency account opened with the Account Bank (the "**Issuer Expenses Account**") from which the Issuer will pay all expenses and other payments due under the Transaction Documents. The Issuer Expenses Account will not be secured in favour of the Trustee.

THE LOAN SERVICER

The Issuer has also appointed Wellesley Finance plc to act as the loan servicer (the "**Loan Servicer**"). The Issuer may elect to appoint professional and reputable loan servicers and managers to carry out loan servicing and management on the portfolio in addition to or in replacement of the Loan Servicer. Should the Issuer do so, the Issuer will assign its rights under the agreement by which the appointment is made to the Trustee by way of security in respect of any Series to which the appointment relates.

THE LOAN SERVICING AGREEMENT ("LSA")

XX(VIII)2.3.2
XX(VIII)3.4.5

The Issuer has appointed Wellesley Finance plc under the LSA to service Borrower Loans acquired by the Issuer on behalf of the Issuer and to manage and enforce repayment of those Borrower Loans. The principal responsibilities of the Loan Servicer under the LSA are as follows:

- Monthly management of payments by Borrowers under the Borrower Loans;
- Liaising with Borrowers on Borrower Loans generally and negotiating and agreeing amended Borrower Loan terms to the extent that amendments agreed are consistent with the Borrower Loan Eligibility Criteria;

- Applying risk management techniques to reduce the probability of default;
- Managing defaults and enforcement procedures in respect of the Borrower Loans where appropriate;
- Enforcing the rights of the Issuer under the terms of any financial guarantee in relation to the Borrower Loans where a Series is backed by financial guarantee;
- Identifying opportunities to sell Borrower Loans; and
- Making recommendations that the Issuer sells or accepts the repayment of Borrower Loans and to reinvest the proceeds of such sale or repayment in the acquisition of further Borrower Loans that meet the Borrower Loan Eligibility Criteria.

The Loan Servicer may from time to time engage third parties to assist it in the performance of its functions under the LSA and the Issuer may elect to appoint additional or replacement loan servicer(s) and manager(s).

Notwithstanding any such arrangements, the Loan Servicer remains responsible for the performance of its obligations under the LSA and its obligations and liabilities to the Issuer will be unchanged by delegation.

Term and Termination

The LSA continues until terminated by either party. Either party may terminate the LSA following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days. In certain circumstances such as the insolvency of either party or either party ceasing to carry on business, the LSA will terminate without notice. The Issuer will then promptly appoint a replacement loan servicer and manager. The Loan Servicer may not resign from its duties as Loan Servicer without a replacement having been duly appointed.

Fees and Expenses

The Loan Servicer is entitled to recover fees, costs and expenses from the Issuer as set out in the LSA. The Loan Servicer has the additional right to recover fees, costs and expenses from the Borrower on the Issuer's behalf for any and all work made necessary by the acts and omissions of any Borrower, and arising from the administration and enforcement of any Borrower Loan.

Limitation of Liability

The LSA provides that the Loan Servicer shall not be liable for any loss or damage howsoever suffered by the Issuer due to the default of a Borrower except insofar as such losses arise as a result of negligence, willful default or fraud of the Loan Servicer.

Indemnities

Each party has agreed to indemnify the other party against any and all claims, actions, losses, damages, costs and expenses (including reasonable legal costs and expenses) made or claimed by any third party arising out of or in relation to any breach by it of any of its obligations under the LSA.

Governing law and jurisdiction

The LSA is governed by and construed in accordance with English Law.

THE PLACING AGENCY AGREEMENT AND THE PLACING AGENT

Wellesley Finance plc has been appointed as placing agent under a placing agency agreement between Wellesley Finance plc and the Issuer (the "**Placing Agency Agreement**"). Wellesley Finance plc is incorporated in England and Wales (Company No. 08331511) with a registered office at 6th Floor, St Albans House 57/59 Haymarket London SW1Y 4QX.

Under the Placing Agency Agreement, the Issuer appoints Wellesley Finance plc (the "**Placing Agent**") to carry out placing and promotional activities with a view to finding investors in Notes of Series to be issued under this Base Prospectus, but the Placing Agent will not underwrite in any respect any Series of Notes. Therefore, the proceeds that can be raised by issuing Series of Notes under this Base Prospectus will be limited to the amounts that investors agree to subscribe for those Notes.

The Issuer may at any time appoint an additional Placing Agent and/or terminate the appointment of the Placing Agent by giving to the Placing Agent at least 90 days' notice to that effect, which notice shall expire at least 45 days before or after any issue date in respect of a Series of Notes. In relation to any Series of Notes, the Placing Agent may resign its appointment at any time by giving the Issuer at least 90 days' notice to that effect, which notice shall expire at least 45 days before or after any issue date in respect of a Series of Notes. Upon receipt of notice or resignation or upon notice of any other termination or removal of Placing Agent, the Issuer shall procure the appointment of a substitute Placing Agent by not later than the due date of such resignation or (as the case may be) as soon as practicable after such termination or removal.

The Placing Agent is entitled to recover fees, costs and expenses from the Issuer as set out in the Placing Agency Agreement and the Final Terms.

The Placing Agency Agreement provides that the Placing Agent shall not be liable for any loss or damage howsoever suffered by the Issuer or investors in Notes except insofar as such losses arise as a result of negligence, wilful default or fraud of the Placing Agent.

Each party has agreed to indemnify the other party against any and all claims, actions, losses, damages, costs and expenses (including reasonable legal costs and expenses) made or claimed by any third party arising out of or in relation to any breach by it of any of its obligations under the Placing Agency Agreement.

The Placing Agency Agreement is governed by and construed in accordance with English law.

THE PRINCIPAL PAYING AGENT, REGISTRAR, TRANSFER AGENT AND CALCULATION AGENT XX(VIII)3.7

Elavon Financial Services DAC, UK Branch will act as principal paying agent (the "**Principal Paying Agent**") registrar (the "**Registrar**"), transfer agent (the "**Transfer Agent**") and calculation agent (the "**Calculation Agent**") pursuant to an agency agreement (the "**Agency Agreement**") dated 12 April 2017 between the Principal Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent, the Trustee and the Issuer.

Elavon Financial Services DAC, UK Branch acts as principal paying agent and registrar pursuant to the Agency Agreement in respect of Notes which have been accepted to the respective book-entry systems of Clearstream and Euroclear and which are represented by Global Certificates. In relation to any Notes which are admitted to an alternative clearing system or which are issued outside of a clearing system, an additional paying agent and registrar will be appointed and notified to investors.

THE AGENCY AGREEMENT

Removal and resignation of an Agent

The Issuer may, with the prior written approval of the Trustee, remove any Agent at any time by giving at least 90 days' prior written notice to the Agent, which notice shall expire at least 45 days before or after the due date for payment of any Notes.

Each Agent may, with the prior consent of the Trustee, resign its appointment at any time by giving the Issuer at least 90 days' prior notice to that effect, which notice shall expire at least 30 days before or 45 days after any due date for payment of any Notes.

No such resignation or termination shall take effect until a new Principal Paying Agent, Registrar, Calculation, Agent or Transfer Agent, as the case may be, has been appointed.

Indemnification

The Agency Agreement provides that the Issuer shall indemnify each Agent (together with such Agent's directors, officers, employees and controlling persons) against any loss, liability, claim, action, demand, taxes (including stamp duty) or expense (including, but not limited to, all properly incurred costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) that such Agent may incur or that may be made against such Agent arising out of or in relation to or in connection with its appointment or the exercise of its functions, except such as may result from gross negligence, fraud or wilful default of such Agent or that of its officers, employees or agents.

Each Agent shall severally indemnify the Issuer and, on enforcement, the Trustee against any loss, liability, cost, claim, action, demand or expense (including but not limited to, all properly incurred costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) that the Issuer or the Trustee may incur or that may be made against it as a result of such Agent's fraud, gross negligence, fraud or wilful default or that of its officers, employees or agents.

Governing law and jurisdiction

The Agency Agreement is governed by and construed in accordance with the laws of England and Wales.

THE CORPORATE SERVICES PROVIDER

Intertrust Management Limited (Company number 3853947) of 35 Great St. Helen's, London, EC3A 6AP is the corporate services provider (the "**Corporate Services Provider**") of the Issuer pursuant to a corporate services agreement (the "**Corporate Services Agreement**") dated 12 April 2017. Its duties include the provision of certain management, administrative and related services.

Either party may terminate the Corporate Services Agreement upon not less than 3 months' written notice to the other party. Either party may terminate the Corporate Services Agreement by notice to the other party in certain circumstances such as following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days, the insolvency of the other party or the other party ceasing to carry on business.

THE TRUSTEE

XX(V)4.10
XX(XIII)4.11

U.S. Bank Trustees Limited will act as trustee for and on behalf of the holders of the Notes (the "**Trustee**") pursuant to a Trust Deed (the "**Trust Deed**") dated 12 April 2017 between the Note Trustee and the Issuer.

The Trustee may retire by giving the Issuer not less than 60 days' written notice or the Trustee may be removed by the Issuer on giving not less than 60 days' written notice. If a successor trustee is not duly appointed within 60 calendar days' from the date of notice of retirement, the Trustee itself shall have the right to nominate a successor trustee but no such appointment shall take effect unless previously approved by a resolution of the Noteholders and the retirement or removal of any such trustee shall not become effective until a successor trustee is appointed.

ACCOUNT BANK AND CASH MANAGER

XX(VIII)3.8(b)

Elavon Financial Services DAC, UK Branch will act as account bank (the "**Account Bank**") and Wellesley Finance plc will act as the cash manager (the "**Cash Manager**") pursuant to an account bank and cash management agreement (the "**Account Bank and Cash Management Agreement**") dated 12 April 2017.

The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of the Account Bank and/or the Cash Manager and to appoint a successor Account Bank and/or Cash Manager.

The Cash Manager will, on the basis of a report prepared by the Loan Servicer, calculate the amounts payable from the Issuer Collateral Account on the applicable Interest Payment Date or Maturity Date, as applicable, and the amounts payable from the Issuer Expenses Account as and when such amounts fall due.

WORKED EXAMPLES

Whilst the remainder of this Base Prospectus sets out, in detail, the background to the Programme, set out below is a summary of how the loan origination and subsequent sale will work in two example scenarios.

Scenario 1

Wellesley Finance plc (the "**Loan Originator**") will make a loan to a borrower (the "**Borrower**") for the purposes of a property development. Such loan is called a "**Borrower Loan**" and is required to meet the Borrower Loan Eligibility Criteria. Among the various criteria requirements set out in the Borrower Loan Eligibility Criteria is a requirement that the Borrower Loan be secured (para (a)) and that the Borrower Loan is an obligation which has a loan to value ratio of no more than 90% (para (g)). The Borrower grants to the Loan Originator a debenture over its assets and it is determined that the amount of the Borrower Loan is no more than 90% of the value of the Borrower's assets secured by the debenture. The debenture is referred to as the "**Borrower Security**".

In this scenario, the Borrower is able to complete the property development with the proceeds of the single Borrower Loan and repays in accordance with the terms of that Borrower Loan. Should the Borrower default, the Borrower Security would be enforced and the proceeds used to repay, as far as possible, the Borrower Loan.

Scenario 2

In this scenario, the Borrower requires further loans to complete the property development described in Scenario 1. This is typical in property development transactions where loans are made over time according to the progress of the property development. Such subsequent loans may be Borrower Loans (i.e. they are sold to the Issuer as security for one or more separate Series of Notes) or "**Associated Debt**" and may be made under the same agreement as the original Borrower Loan or under a separate loan agreement.

All such Borrower Loans are secured by the same debenture granted by the Borrower. However, it is a condition that the loan to value ratio of the Borrower Loans do not exceed 90%. In other words, the subsequent Borrower Loans will not be made unless the value of the Borrower's assets are such that the loan to value across all loans secured by that debenture does not exceed 90%. Again, this is typical in property development transactions where subsequent loans are made on the basis that the value of the property development is increasing over time due to the development itself.

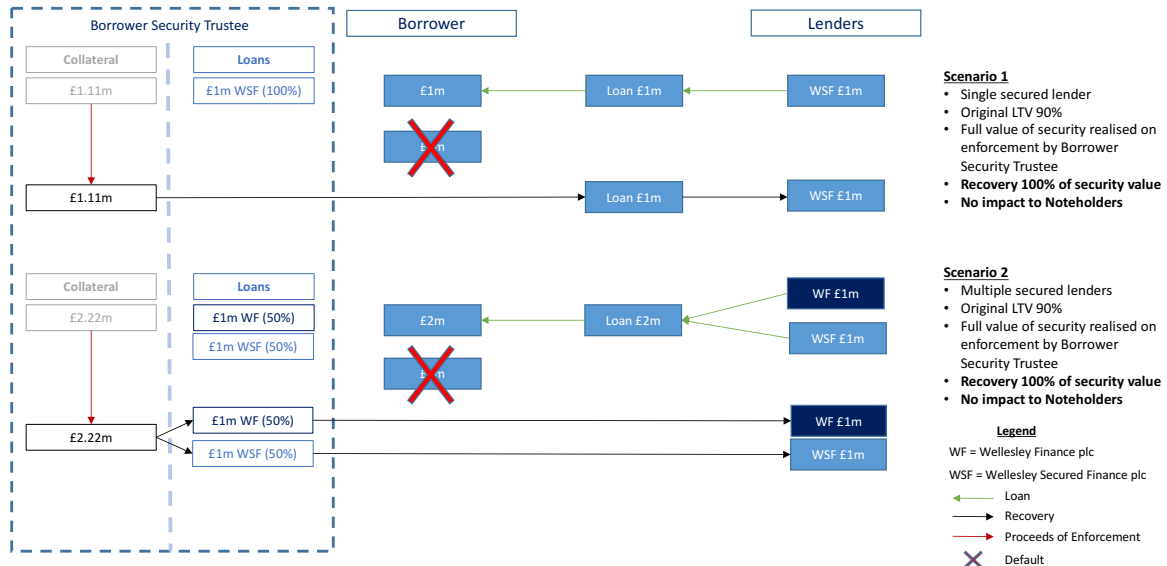
In each scenario, the legal title to the Borrower Loans and the Borrower Security is transferred to Wellesley Security Trustees Limited (the "**Borrower Security Trustee**") and the equitable title is transferred to Wellesley Secured Finance plc (the "**Issuer**").

The following three examples illustrate what would happen following an event of default by a Borrower where the Borrower Loan has been acquired by the Issuer in either Scenario 1 or Scenario 2 above. The examples demonstrate that the impact to Noteholders is consistent in either Scenario 1 or Scenario 2.

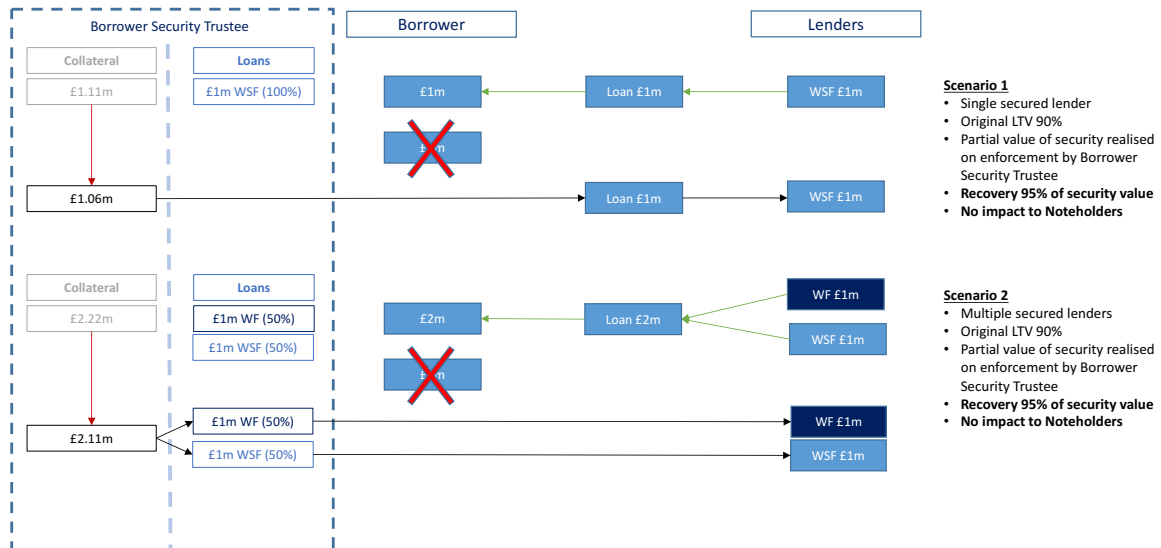
The examples have been prepared based on a loan to value ratio of 90%, the maximum that is

allowed under the Borrower Loan Eligibility Criteria. It should, however, be noted that the current credit policy of the Loan Originator as at the date of the Base Prospectus is to enter into loan agreements where the loan to value ratio is less than 70% and the current loan book of the Loan Originator has a weighted average loan to value ratio of 67%.

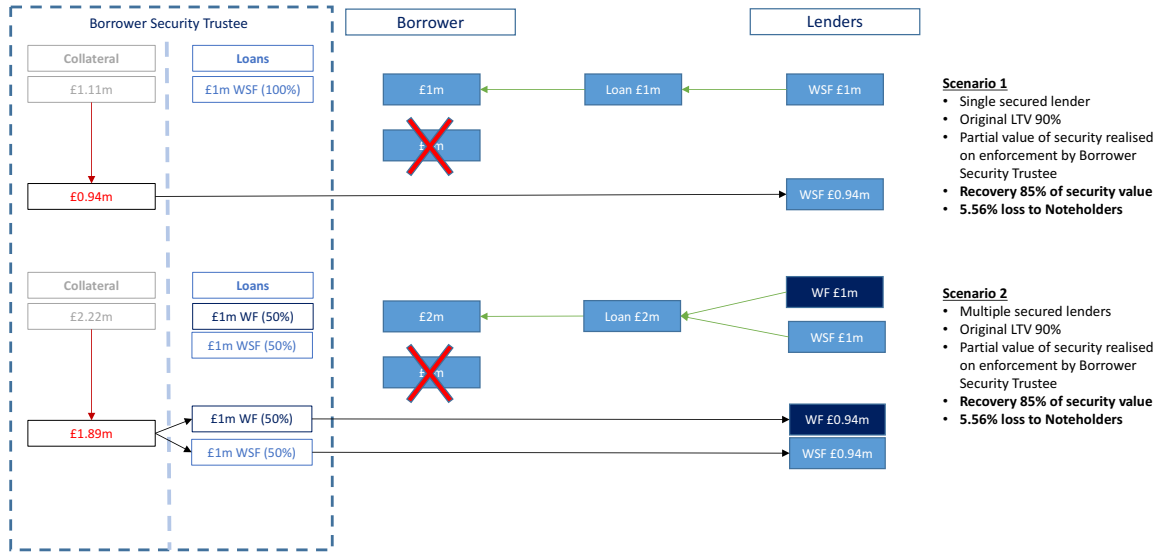
Example 1: Proceeds of Recovery in Full



Example 2: Proceeds of Partial Recovery of Greater Than Borrower Obligations



Example 3: Proceeds of Partial Recovery **Less Than** Borrower Obligations



DESCRIPTION OF THE ISSUER

General

Wellesley Secured Finance Plc (the "**Issuer**") was incorporated in England (registered number 10565816) on 16 January 2017 as a public limited company under the Companies Act 2006. The Issuer's registered office is 35 Great St. Helen's, London EC3A 6AP. The contact telephone number for the Issuer is 020 7398 6300. VII 4.2
VII 4.3
VII 4.4
VII 4.5
VII 6.1

The legislation under which the Issuer operates is the Companies Act 2006.

The Directors of the Issuer are Alasdair Lenman of 84 Bolton Road, Windsor SL4 3JJ and Intertrust Directors 1 Limited (registered number 3920254) and Intertrust Directors 2 Limited (registered number 4017430) each with their registered office at 35 Great St. Helen's, London EC3A 6AP. The Directors of the Issuer have no activities outside the Issuer which are significant with respect to the Issuer except that Alasdair Lenman is also a director of the Borrower Security Trustee. The issued share capital of the Issuer is £50,000, £50,000 of which has been paid up.

Details of Shareholdings

All of the issued shares are owned by Intertrust Corporate Services Limited (Company number 3920255) (the "**Share Trustee**"), which is a company incorporated in England and Wales. Under the terms of a declaration of trust made by the Share Trustee (the "**Declaration of Trust**"), the Share Trustee holds the benefit of the shares on trust for charity. Under the terms of the Declaration of Trust, the Share Trustee has, inter alia, covenanted not, without the approval of the Trustee and Noteholders to dispose of or otherwise deal with the shares whilst any of the Notes remain outstanding. The Share Trustee has no beneficial interest in, and derives no benefit other than its fees for acting as Share Trustee, from its holding of the shares. VII 4.6
VII 7.1

Corporate Objectives

The corporate objectives of the Issuer include, inter alia, carrying on the business of financing and re-financing, the purchasing, acquiring, dealing, engaging or otherwise trading in any financial asset including, without limitation, Borrower Loans.

Recent Events

There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

Business

The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities and does not undertake any business other than the acquisition, holding, financing, selling, hedging and granting of security over its assets, the investment thereof, the issue and redemption of the debt instruments and other related transactions, and will not issue any further shares, declare any dividends, have any subsidiaries, merge with or be voluntarily acquired by any other entity, or give any guarantee and, so long as any of the Notes remains outstanding and the Programme continues, the Issuer will not petition for winding-up or bankruptcy. VII 4.1
VII 5.1

The Notes are obligations of the Issuer alone and not of any other party.

Financial Statements

The Issuer has not commenced operations since its date of incorporation and no financial statements VII 8.1 have been made up as at the date of this Base Prospectus. The financial year of the Issuer ends on 31 December in each year. Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at its business address set out above

Auditors

The auditors of the Issuer are BDO UK LLP of 55 Baker St, London W1U 7EU, chartered accountants and registered auditors, who are qualified and registered to practise in the United Kingdom. BDO UK VII 2.1 LLP is authorised and regulated by the Institute of Chartered Accountants of England and Wales ("ICAEW") under registration number C001055835.

ELIGIBILITY CRITERIA FOR FINAL TERMS ISSUANCE

Notes may only be issued by way of applicable Final Terms under this Base Prospectus where the Borrower Loans being acquired with the proceeds of a Note issuance meet the following "**Borrower Loan Eligibility Criteria**":

- (a) it is an obligation that is secured by assets of the obligor or guarantor thereof located in the United Kingdom or any jurisdiction of the European Union (if and to the extent security over such assets is permissible under applicable law save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices) and such security is granted under English law or the law of the jurisdiction where that asset is located (a "**Secured Loan**") as of the Issue Date (as per the relevant Final Terms);
- (b) it is denominated in the currency of the Notes which such Borrower Loan secures;
- (c) it is an obligation in respect of which (i) payments will not be subject to withholding tax imposed by any jurisdiction including where this is pursuant to the operation of an applicable tax treaty subject to the completeness of any procedural formalities or (ii) the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;
- (d) it is an obligation that pays or compounds interest no less frequently than annually at a rate ^{xx(VIII) 3.4.2} which, when aggregated with all other Borrower Loans of a Series, produces funds to the ^{xx(VIII)3.4.7} Issuer sufficient to service any payments due and payable on the Notes of that Series, provided that, where such Borrower Loan pays interest less frequently than monthly or quarterly and such Borrower Loan is part of a Series of Notes which pays interest monthly or quarterly, the Issuer will, prior to and conditional on issuing such Series Notes which pay interest on a monthly or quarterly basis, enter into a loan agreement with the Loan Originator (each a "**Subordinated Loan Agreement**") pursuant to which the Loan Originator will lend to the Issuer, on the date of issuance of such Notes, an amount which the Loan Originator determines is required by the Issuer to make the required monthly or quarterly interest payments on such Notes during the period from the Issue Date of such Notes to such time as the repayment schedule of the payments of interest on the applicable Borrower Loans allows the Issuer to make the interest payments due on the applicable Notes from such payments;
- (e) it is not an obligation in respect of which interest payments are scheduled to decrease;
- (f) it is not convertible into equity;
- (g) it is an obligation which has a loan to value ratio in relation to the principal amount of the ^{xx(VIII)2.2.16} Borrower Loan equal to or below ninety (90) per cent. and the range of loan to value ratios of the Borrower Loans securing a particular Series of Notes will be set out in the Final Terms for such Series;
- (h) where a Borrower Loan is a mortgage loan with property as security, there has been no revaluation of the mortgaged properties between the date of origination of the related Borrower Loan and the sale of such Borrower Loan to the Issuer and the valuations quoted in the applicable Final Terms are as at the date of the original initial loan origination;

- (i) it will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer;
- (j) it must require the consent of the relevant lender to the Borrower thereunder for any change in the principal repayment profile or interest applicable on such obligation, for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation;
- (k) it is capable of being, and will be, the subject of a security interest in favour of the Borrower Security Trustee;
- (l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those (i) which may arise at its option; or (ii) which are fully secured; or (iii) which are subject to limited recourse provisions; or (iv) which may arise as a result of an undertaking to participate in a financial restructuring of a Secured Loan where such undertaking is contingent upon the redemption in full of such Secured Loan on or before the time by which the Issuer is obliged to enter into the restructured Secured Loan and where the restructured Secured Loan satisfies the Borrower Loan Eligibility Criteria; and
- (m) it has a maturity that is not later than the latest Maturity Date of all Notes outstanding. XX(VIII) 2.2.4

The subsequent failure of any Borrower Loan to satisfy any of the Borrower Loan Eligibility Criteria shall not prevent any obligation which would otherwise be a Borrower Loan from being a Borrower Loan so long as such obligation satisfied the Borrower Loan Eligibility Criteria when the Issuer acquired the relevant Borrower Loan Agreement.

In all other cases, the Borrower Loans in respect of a Series of Notes will be as specified in the applicable Drawdown Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a prospectus which incorporates all or part of this Base Prospectus.

FORMS OF THE NOTES

XX(V) 4.1(i)
XX(XIII) 4.2(i)

BEARER NOTES

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Whether or not the Notes are intended to be held in a manner which would allow Eurosystem eligibility will be set out in the relevant Final Terms. Note that the designation "Yes" in the relevant Final Terms means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Where the designation is specified as "No" in the relevant Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 1 year, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR PERMANENT GLOBAL NOTE

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

1. presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
2. receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

1. the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
2. the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

1. on the expiry of such period of notice as may be specified in the Final Terms; or
2. at any time, if so specified in the Final Terms; or
3. if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the relevant Issuer or any of the Transfer and Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

1. Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
2. the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
3. the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange. In relation to any issue of Notes which are expressed to be "*Temporary Global Notes exchangeable for Definitive Notes*" in accordance with this option, such Notes shall be issued and tradeable only in principal amounts equal to the Specified Denomination and multiples thereof (or if more than one Specified Denomination, the lowest Specified Denomination).

If:

1. Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
2. the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).

PERMANENT GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Final Terms specifies the form of Notes as being "*Permanent Global Note exchangeable for Definitive Notes*", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

1. on the expiry of such period of notice as may be specified in the relevant Final Terms; or
2. at any time, if so specified in the relevant Final Terms; or
3. if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - a. Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - b. if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the relevant Issuer or any of the Transfer and Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form.

In relation to any Notes issued with a denomination of EUR100,000 (or equivalent) and integral multiples of EUR1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the limited circumstances described above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

1. Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
2. the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

LEGEND CONCERNING UNITED STATES PERSONS

In the case of any Tranche of Bearer Notes having a maturity of more than 1 year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

REGISTERED NOTES

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Whether or not the Notes are intended to be held in a manner which would allow Eurosystem eligibility will be set out in the relevant Final Terms. Note that the designation "Yes" in the relevant Final Terms means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Where the designation is specified as "No" in the relevant Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper and registered

in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

1. on the expiry of such period of notice as may be specified in the relevant Final Terms; or
2. at any time, if so specified in the relevant Final Terms; or
3. if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:
 - a. Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - b. if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the relevant Issuer or any of the Transfer and Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form.

In relation to any Notes issued with a denomination of EUR100,000 (or equivalent) and integral multiples of EUR1,000 (or equivalent), the Global Note Certificate representing such Notes shall only be exchangeable to Individual Note Certificates in the limited circumstances described above.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the

Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which completes those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

CREST DEPOSITARY INTERESTS

If so specified in the applicable Final Terms, investors may also hold interests in the Notes through CREST through the issuance of CREST Depository Interests. See "*Book-Entry Clearing Systems – Crest Depository Interests*" for more information regarding holding CDIs.

TERMS AND CONDITIONS OF THE NOTES

XX(V) 4.1(i)
XX(XIII) 4.2(i)

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* Wellesley Secured Finance Plc (the "**Issuer**") has established a Secured Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"). XX(V) 4.1(i)
XX(XIII) 4.2(i)
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 12 April 2017 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and U.S Bank Trustees Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Issuer Deed of Charge:* The Notes are secured pursuant to a deed of charge dated 12 April 2017 (as amended or supplemented from time to time, the "**Issuer Deed of Charge**") between the Issuer and the Trustee;
- (e) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 12 April 2017 (the "**Agency Agreement**") between the Issuer, Elavon Financial Services DAC, UK Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor Principal Paying Agent appointed from time to time in connection with the Notes), Elavon Financial Services DAC, UK Branch as account bank (the "**Account Bank**"), Elavon Financial Services DAC as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions

references to the "**Agents**" are to the Paying Agents, the Registrar, the Account Bank, the Cash Manager and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

- (f) *The Notes*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ^{XX(V)4.3(i)} ("**Registered Notes**"). Pursuant to the Issuer's Articles of Association, the execution by the ^{XX(XIII)4.4(i)} Issuer of any Bearer Notes or Note Certificates (as defined below) representing Registered Notes issued under the Programme will be under hand and not under seal. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Trustee (125 Old Broad Street, London, EC2N 1AR) and the Specified Office of the Principal Paying Agent.
- (g) *Wellesley Security Trust Agreement*: The Issuer has entered into an amended and restated security trust agreement originally dated 8 February 2015 originally entered into between Wellesley Finance plc, Wellesley & Co Limited and the Borrower Security Trustee as amended and restated on 12 April 2017 between Wellesley Finance plc, Wellesley & Co Limited, the Issuer and the Borrower Security Trustee (the "**Wellesley Security Trust Agreement**").
- (h) *Corporate Services Agreement*: The Issuer has entered into a corporate services agreement dated 12 April 2017 between the Issuer and Intertrust Management Limited (company number 3853947) of 35 Great St. Helen's, London, EC3A 6AP (the "**Corporate Services Provider**") (the "**Corporate Services Agreement**").
- (i) *Placing Agency Agreement*: The Issuer has entered into a placing agency agreement dated 12 April 2017 between the Issuer and Wellesley Finance plc (company No. 08331511) with a registered office at 6th Floor, St Albans House 57/59 Haymarket London SW1Y 4Q (the "**Placing Agent**") (the "**Placing Agency Agreement**").
- (j) *Loan Servicing Agreement*: The Issuer has entered into a loan servicing agreement dated 12 April 2017 between the Issuer and Wellesley Finance plc (the "**Loan Servicer**") (the "**Loan Servicing Agreement**").
- (k) *Loan Origination Agreement*: The Issuer has entered into a loan origination agreement dated 12 April 2017 between the Issuer and Wellesley Finance plc (the "**Loan Originator**") (the "**Loan Origination Agreement**").
- (l) *Account Bank and Cash Management Agreement*: The Issuer has entered into an account bank and cash management agreement dated 12 April 2017 between the Issuer, the Account Bank, the Trustee and Wellesley Finance plc as cash manager (the "**Cash Manager**") (the "**Account Bank and Cash Management Agreement**").
- (m) *Expenses Facility Agreement*: The Issuer has entered into an expenses facility agreement dated 12 April 2017 between the Issuer and Wellesley Finance plc (the "**Expenses Facility Provider**") (the "**Expenses Facility Agreement**").
- (n) *Subordinated Loan Agreement*: Where the Notes of a Series pay interest on a monthly or quarterly basis, the Issuer will, prior to the Issue Date of such Series, enter into a subordinated loan agreement (the "**Subordinated Loan Agreement**") with the Loan Originator on the terms set out in the applicable Final Terms.

- (o) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of and are entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders and Couponholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below. The Trustee acts for the benefit of the Noteholders and the Couponholders in accordance with the provisions of the Trust Deed.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Borrower**" means each borrower party to a Borrower Loan Agreement;

"**Borrower Deed of Charge**" means each deed of charge entered into between a Borrower and the Borrower Security Trustee;

"**Borrower Loan Agreement**" means each loan agreement entered into between the Issuer and a Borrower;

"**Borrower Security Trustee**" means Wellesley Security Trustees Limited, a company incorporated and registered in England and Wales with company number 8738060 and having its registered office at 6th Floor, St Albans House, 57/59 Haymarket, London SW1Y 4QX;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:

- (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) where the Calculation Period is longer than one Regular Period, the sum of:
- (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (viii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount**" means, in respect of any Note, its principal amount as specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount as specified in the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**euro**" means the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended;

"**Event of Default**" means an event described in Condition 13 (Events of Default);

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount as specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fitch**" means Fitch Ratings Ltd or any successor thereof;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination and Title - Title to Registered Notes*);

"Indebtedness" means any indebtedness for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Insolvency Act" means the UK Insolvency Act 1986 and/or the UK Insolvency Act 2000, as applicable, as the same may be amended and supplemented from time to time (including any statutory instrument or regulation made thereunder in force from time to time);

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issuer Collateral Account" means, in respect of a Series, the sterling currency account of the Issuer opened with the Account Bank for such Series or any replacement therefor.

"Issuer Expenses Account" means the sterling currency account of the Issuer opened with the Account Bank or any replacement therefor for the payment of expenses and payments due under the Transaction Documents.

"Issuer Secured Creditors" means, in respect of a Series, each of (a) the Noteholders, (b) the Couponholders, (c) the Trustee, (d) the Agents, (e) the Corporate Services Provider, (f) the Placement Agent, (g) the Loan Originator, and (h) the Loan Servicer, in each case of such Series;

"Issue Date" has the meaning given in the relevant Final Terms;

"LIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the British Bankers' Association based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Moody's" means Moody's Investor Services Limited or any successor thereof;

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination and Title - Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount as specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount as specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Quotation Time" has the meaning given in the relevant Final Terms;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Receiver" means any of a receiver under the Insolvency Act, an administrator, a receiver and manager or an administrative receiver in respect of the assets comprising the Security;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Redemption Margin" has the meaning given in the relevant Final Terms;

"Reference Banks" means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Date" will be set out in the relevant notice of redemption;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"Register" means the register maintained by the Registrar in respect of the Notes in accordance with the Agency Agreement;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Secured Liabilities" means, in relation to a Series, all present and future moneys, debts and liabilities due, owing or incurred by the Issuer to the Issuer Secured Creditors in respect of such Series;

"Security" means any Security Interest created, evidenced or conferred by or under the Deed of Charge;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Standard & Poor's" means Standard & Poor's Credit Market Services Europe Limited or any successor thereof;

"Subsidiary" means, in relation to the Issuer, any company:

(i) in which the Issuer holds a majority of the voting rights; or

- (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors; or
- (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is Subsidiary of a Subsidiary of the Issuer.

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Transaction Documents**" means the Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the Corporate Services Agreement, the Placing Agency Agreement, the Loan Servicing Agreement, the Loan Origination Agreement, the Expenses Facility Agreement, each Subordinated Loan Agreement and the Account Bank and Cash Management Agreement;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Variable Servicing Fee**" means the variable servicing fee payable by the Issuer to the Loan Servicer pursuant to the Loan Servicing Agreement; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons and Couponholders shall be deemed to include references to Talons and holders of Talons, respectively;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination and Title

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, one Talon attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. XX(V) 4.1(i)
XX(XIII) 4.2(i)
- (b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership*: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes*: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below and to the conditions set forth in the Agency Agreement, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred)

the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar.

4. Status and Application of Moneys

XX(V)4.5
XX(XII)4.6

- (a) *Status:* The Notes and Coupons constitute secured obligations of the Issuer which will at all times rank *pari passu* and without preference among themselves.
- (b) *Application of Moneys:* Prior to the occurrence of an Event of Default all funds standing to the credit of the Issuer Collateral Account for a Series shall be applied in payment, in the amounts required, on each Interest Payment Date or Maturity Date, as applicable, in the following order of priority:
 - (i) first, in or towards satisfaction, by payment to the Issuer Expenses Account or otherwise, of the pro rata portion for that Series of (x) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by the Trustee in preparing and executing the trusts and performing any obligations under the Transaction Documents; (y) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to any Receiver, including in the case of either the Trustee or a Receiver the costs of enforcing and/or realising any Security;

XX(VIII)3.4.6

- (ii) second, in or towards satisfaction, by payment to the Issuer Expenses Account or otherwise, of the pro rata portion for that Series of any amounts owed by the Issuer in respect of tax and required to be paid by the Issuer;
 - (iii) third, in or towards satisfaction, by payment to the Issuer Expenses Account or otherwise, of the pro rata portion for that Series of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts (other than the Variable Servicing Fee) payable to the Issuer Secured Creditors (other than the Noteholders and the Couponholders) under the Transaction Documents;
 - (iv) fourth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of the Notes of that Series;
 - (v) fifth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series;
 - (vi) sixth, in or towards satisfaction, by payment to the Issuer Expenses Account or otherwise, of the pro rata portion for that Series of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable under the Transaction Documents (other than the Variable Servicing Fee);
 - (vii) seventh, in or towards retention of the pro rata portion for that Series of an amount of £1,000 to remain deposited in the Issuer Expenses Account and retained as annual profit by the Issuer (and from which amount the Issuer shall discharge its liability to tax);
 - (viii) eighth, in or towards satisfaction, of any amounts due and payable to the Loan Originator under any Subordinated Loan Agreement for that Series by way of repayment of any drawdowns plus accrued interest thereon; and
 - (ix) ninth, in or towards satisfaction, of the pro rata portion for that Series of any amounts due and payable to the Expenses Facility Provider under the Expenses Facility Agreement by way of repayment of any drawdowns plus accrued interest thereon; and
 - (x) tenth, the Issuer shall retain the balance (if any) in the Issuer Collateral Account to reimburse the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Loan Servicer and, thereafter, to discharge undischarged fees and expenses relating to that Series or any other Series, including the Variable Servicing Fee.
- (c) *Post Enforcement Application of Moneys:* Subject to Condition 18 (*Enforcement*), following the occurrence of an Event of Default all funds standing to the credit of the Issuer Collateral Account for a Series shall be applied in payment, in the amounts required, in the following order of priority:
- (i) first, in or towards satisfaction of (x) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by the Trustee in preparing and executing the trusts and performing any obligations under the Transaction

- Documents; (y) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to any Receiver, including in the case of either the Trustee or a Receiver the costs of enforcing and/or realising any Security;
- (ii) second, in or towards satisfaction of any amounts owed by the Issuer in respect of tax and required to be paid by the Issuer;
 - (iii) third, in or towards satisfaction of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts (other than the Variable Servicing Fee) payable to the Issuer Secured Creditors (other than the Noteholders and the Couponholders) under the Transaction Documents;
 - (iv) fourth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of the Notes of that Series;
 - (v) fifth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series;
 - (vi) sixth, in or towards satisfaction of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable under the Transaction Documents (other than the Variable Servicing Fee);
 - (vii) seventh, in or towards retention of the pro rata portion for that Series of an amount of £1,000 to remain deposited in the Issuer Expenses Account and retained as annual profit by the Issuer (and from which amount the Issuer shall discharge its liability to tax);
 - (viii) eighth, in or towards satisfaction, of any amounts due and payable to the Loan Originator under any Subordinated Loan Agreement for that Series by way of repayment of any drawdowns plus accrued interest thereon;
 - (ix) ninth, in or towards satisfaction, of the pro rata portion for that Series of any amounts due and payable to the Expenses Facility Provider under the Expenses Facility Agreement by way of repayment of any drawdowns plus accrued interest thereon; and
 - (x) tenth, in or towards satisfaction of the reimbursement of the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Loan Servicer and, thereafter, to discharge undischarged fees and expenses relating to that Series, including the Variable Servicing Fee.
- (d) *Accounts:* The Issuer shall, prior to the Issue Date, establish the Issuer Collateral Account and the Issuer Expenses Account with the Account Bank.
- (e) *Issuer Collateral Account:* The net proceeds of the issuance of the Notes of a Series and all collections on the Borrower Loans, any related assets in respect of such Series and any drawings made under a Subordinated Loan Agreement will be deposited into the Issuer Collateral Account for such Series.

- (f) *Expenses Facility:* The Issuer will be entitled to draw under the Expenses Facility Agreement funds for the payment of expenses due pursuant to Condition 4(b)(i)-(iii), (vi), (vii), (ix) and (x).
- (g) *Issuer Expenses Account:* The Issuer shall procure that the amount of £250,000 is paid into the Issuer Expenses Account and shall ensure that the amounts due or accrued with respect to actions taken in connection with the Programme and the entry into the Transaction Documents are paid out of the Issuer Expenses Account and, further, the Issuer will be entitled to draw under the Expenses Facility Agreement funds to ensure that the Issuer Expenses Account has, at all times until the termination of the Programme, a minimum balance of £250,000. To the extent that the payments due pursuant to Conditions 4(b)(i)-(iii), (vi), (vii), (ix) and (x) are not paid out of the Issuer Collateral Account for a Series on the applicable Interest Payment Date or Maturity Date, the Issuer will pay such amounts out of the Issuer Expenses Account.
- (h) *Pro rata portions:* Where a payment is due to be made of an amount which is the "pro rata portion for that Series", such payment will be the whole of such amount where that amount relates solely to that Series (as calculated by the Cash Manager) or a proportion of such amount as calculated by the Cash Manager by reference to the proportion that Series bears to all Series of Notes outstanding at such time.
- (i) *Determination and payment of amounts:* The Cash Manager will, on the basis of a report prepared by the Loan Servicer, calculate the amounts payable from the Issuer Collateral Account on the applicable Interest Payment Date or Maturity Date, as applicable, pursuant to Condition 4(b) and the amounts payable from the Issuer Expenses Account as and when such amounts fall due and will notify the Issuer and the Trustee of each of such amounts.

5. Security and Covenants

- (a) *Grant of Security:* In relation to each Series, the Trustee, the Noteholders and the other Issuer Secured Creditors of such Series will share in the benefit of the Security granted in respect of such Series. The Security is granted by the Issuer under the Issuer Deed of Charge in the favour of the Trustee, on trust for and on behalf of itself, the Noteholders and the other Issuer Secured Creditors on the terms of the Trust Deed and the Issuer Deed of Charge, as security for the Secured Liabilities.
- (b) *Fixed Charges:* The Security in relation to a Series comprises of:
 - (i) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each of the Transaction Documents to the extent that they relate to such Series;
 - (ii) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each Borrower Loan Agreement, each Borrower Deed of Charge and the Wellesley Security Trust Agreement relating to such Series; and
 - (iii) a first fixed charge of all monies from time to time standing to the credit of the Issuer Collateral Account in respect of such Series together with together with all other rights and benefits accruing to or arising in connection with such Issuer Collateral Account (including, but not limited to, entitlements to interest).

6. Fixed Rate Note Provisions

XX(V)4.6
XX(V)4.7(ii)
XX(XIII)4.6
XX(XIII)4.7
XX(XIII)4.8(ii)

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6(b) (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. Floating Rate Note Provisions

XX(V)4.7(vi)
XX(XIII)4.8(vi)

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,
- and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

XX(V)4.7(x)
 XX(V)4.7(xi)
 XX(XIII)4.8(ix)
 XX(XIII)4.8(x)

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. ^{XX(V)4.7(viii)}
^{XX(XIII)4.8(viii)}
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the fourth London Business Day thereafter. Notice thereof shall also promptly be given to the Noteholders. For the purposes of this paragraph (g) the expression "**London Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the

Paying Agents, the Noteholders and the Couponholders and (in the absence of wilful default) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

- (i) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 by the Calculation Agent or the Trustee, as the case may be, shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

8. Zero Coupon Note Provisions

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

XX(V)4.8(ii)
XX(XIII)4.9(ii)

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, the Trustee and the Principal Paying Agent (which notice shall be irrevocable), at their Early

Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) if the Trustee so requests, an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and (b) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Trustee shall be entitled to accept without liability such opinion and/ or such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, the Trustee and the Principal Paying Agent, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional

Redemption Date (Call)) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date) being the Optional Redemption Amount (Call).

On the date specified for redemption in the notice given by the Issuer, the Issuer shall redeem the Notes as specified in the notice in accordance with this Condition 9(c).

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 9(c) by the Principal Paying Agent, shall (in the absence of manifest error), be binding on the Issuer, the Principal Paying Agent, the Trustee, the Paying Agents, the Registrar (if applicable) and all Noteholders and Couponholders.

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall, in the case of a Bearer Note, hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt and, in the case of a Registered Note, mail such Registered Note by uninsured post to, and at the risk of, the

Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice. For so long as any outstanding Bearer Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Bearer Note and not such Paying Agent shall be deemed to be the holder of such Bearer Note for all purposes. Registered Notes may be redeemed under this Condition 9(e) in any multiple of their lowest Specified Denomination.

- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30/360, Actual 360 or Actual 365 (Fixed).

- (h) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. Payments - Bearer Notes

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate

Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes will be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 (inclusive) of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (d) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (e) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(e) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b)

(*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (f) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (g) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States.
- (h) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (i) *Exchange of Talons*: On or after the relevant Interest Payment Date in respect of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. Payments - Registered Notes

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the

case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes will be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 (inclusive) of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. Taxation

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such

withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
 - (iii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
 - (iv) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

13. Events of Default

If any of the following events occurs and is continuing, the Trustee at its discretion may and, if so requested in writing by holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest without further action or formality:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may agree) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (c) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer save on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (d) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer in relation to the whole or a substantial part of the undertaking or its assets, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or its assets, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or its assets and (B) in any case is not being contested in good faith by the Issuer or is not discharged or stayed within 45 days;
- (e) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) otherwise than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (f) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes.

14. Prescription

XX(V)4.7(v)
XX(XIII)4.8(v)

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons (which for this purpose shall not include Talons) are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. Replacement of Notes, Coupons or Talons

If any Note, Note Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security,

indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates, Coupons or Talons must be surrendered before replacements will be issued.

16. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

In the exercise of its trusts, rights, powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the general interests of the Noteholders as a class and will not have regard or be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 12 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 12 (*Taxation*) pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Registrar or Calculation Agent and additional or successor Paying Agents in the manner specified in the Agency Agreement; **provided, however, that:**

- (i) the Issuer shall at all times maintain a Principal Paying Agent and a Registrar; and
- (ii) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (iii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

- (iv) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. Meetings of Noteholders; Modification and Waiver; Substitution

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes which resolution of will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee and the Issuer may, without the consent of the Noteholders, agree to any modification of the Notes, these Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes, these Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders, authorise or waive any proposed breach or breach of the Notes, these Conditions or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter. Any such authorisation, waiver or modification shall be binding on the Noteholders and the Couponholders.

- (c) *Substitution:* The Trust Deed contains provisions under which the Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) of any other company being a Subsidiary of the Issuer as the principal debtor under the Notes, the Coupons and the Trust Deed **provided that** certain conditions specified in the Trust Deed are fulfilled.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or Couponholder, except to the extent provided for in Condition 12 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

18. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or steps or action (including lodging an appeal in any proceedings) as it thinks fit to enforce its rights under the Transaction Documents or the Notes or the Coupons and, at any time after the Security has become enforceable, the Trustee may at its discretion and without notice, take such steps, actions and proceedings as it may see fit to enforce the Security, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

19. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, without the consent of the

Noteholders or Couponholders, incur, create or issue further secured or unsecured notes or other Indebtedness.

20. Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.
- (c) The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, and where applicable and when the Issuer is required to do so, the Issuer shall ensure that notices are duly published via the Companies Announcement Office of the Irish Stock Exchange or Bloomberg or similar such service.

21. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. Limited Recourse and Non-Petition

XX(VIII)3.4.7

- (a) All payments to be made by the Issuer in respect of the Notes of a particular Series will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer and which are attributable to the relevant Series.
- (b) In relation to any sums received or recovered, the Issuer shall determine to which Series such sums relate and such determination shall be binding on Noteholders of all Series in the absence of manifest error.
- (c) In the event that the Issuer is unable to make or, following a request by the Trustee fails to make, the determination in Condition 23(b), such determination may be made by the Trustee or by such person as is directed by the Trustee. No liability shall attach to the Trustee as a result of such determination.
- (d) To the extent that the sums referred to in Condition 23(a) are less than the amount which the Noteholders may have expected to receive (the difference being referred to as the shortfall), such shortfall will be borne by the Noteholders.
- (e) Each Noteholder, by subscribing for and purchasing Notes, will be deemed to accept and acknowledge that it is fully aware that:
 - (i) the Noteholders shall look solely to the sums referred to in this Condition 23 (*Limited Recourse and Non Petition*) as applied in accordance with the above paragraphs (the "**Relevant Sums**"), for payments to be made by the Issuer in respect of the Notes;
 - (ii) the Noteholders of any Series shall not look to the sums which are attributable to another Series in satisfaction of the obligations of the Issuer;
 - (iii) the obligations of the Issuer to make payments in respect of the Notes will be limited to the Relevant Sums and the Noteholders shall have no further recourse to the Issuer or its shareholders, directors, officers, successors or assigns in respect of the Notes;
 - (iv) without prejudice to the foregoing, any right of the Noteholders to claim payment of any amount exceeding the Relevant Sums shall be automatically extinguished; and

- (v) the Noteholders shall not be able to petition for the winding up of the Issuer as a consequence of such shortfall.
- (f) Non-payment of any shortfall shall not constitute an Event of Default under Condition 13 (*Events of Default*).
- (g) None of the Share Trustee, the Agents, the Placing Agent, the Loan Originator and the Loan Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.

24. Governing Law

The Notes, the Coupons, the Trust Deed and the other Transaction Documents and any non-^{XX(V)4.2}
contractual obligations arising out of or in connection with the Notes, the Trust Deed and the other^{XX(XIII)4.3}
Transaction Documents are governed by, and construed in accordance with, English law.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).

Final Terms dated [●]

WELLESLEY SECURED FINANCE PLC

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £500,000,000

Secured Note Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (2) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

1. in circumstances in which no obligation arises for the Issuer, the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
2. in those Public Offer Jurisdictions mentioned in Paragraph 8 of Part B below, provided such person is one of the persons described in Paragraph [8] of Part B below [and which satisfies conditions set out in the Base Prospectus (as defined herein) and in the Final Terms] and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.]

[OR]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has

implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Trustee, nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 12 April 2017 [and the supplemental Base Prospectus dated [•] (the "**Base Prospectus**")][which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]¹

[A summary of this issue is included at the end of these Final Terms.]²

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

| | | |
|----|---|---|
| 1. | Issuer: | Wellesley Secured Finance Plc |
| 2. | [(i) Series Number:] | [•] |
| | [(ii) Tranche Number:[•]] | [•] |
| | [(iii) Date on which the Notes become fungible: | [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with all other Notes of the Issuer on [[•]/the Issue |

XX(VIII)2.4

¹ Delete for an exempt offer.

² Delete for an exempt offer.

| | | | |
|---|---|--|---------------|
| | | Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].] | |
| 3. | Specified Currency or Currencies: | [•] | XX(V)4.4 |
| 4. | Aggregate Nominal Amount: | [•] | |
| | [(i)] [Series]: | [•] | |
| | [(ii) Tranche:] | [•] | |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] | |
| 6. | (i) Specified Denominations: | [•] | XX(VIII)1.1 |
| | (ii) Calculation Amount: | [•] | |
| 7. | (i) Issue Date: | [•] | XX(V)4.12 |
| | (ii) Interest Commencement Date: | [[•]/Issue Date/Not Applicable] | XX(V)4.7(iii) |
| 8. | Maturity Date: | [•] [Interest Payment Date falling in or nearest to [•]] | XX(V)4.8(i) |
| 9. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount. | |
| 10. | Put/Call Options: | [Put Option]/[Not Applicable] | |
| | | [Call Option]/[Not Applicable] | |
| 11. | Date [Board] approval for issuance of Notes obtained: | [•] [and [•], respectively] | XX(V)4.11 |
| PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE | | | |
| 12. | Fixed Rate Note Provisions | [Applicable/Not Applicable] | XX(V)4.7(i) |
| | (i) Rate[(s)] of Interest: | [•] per cent. per annum payable in arrear on each Interest Payment Date | |
| | (ii) Interest Payment Date(s): | [•] in each year up to and including the Maturity Date | XX(V)4.7(iv) |
| | (iii) Fixed Coupon Amount[(s)]: | [•] per Calculation Amount | |
| | (iv) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] | |
| 13. | Floating Rate Note Provisions | [Applicable/Not Applicable] | XX(V)4.7(i) |

| | | | |
|-----|---|---|---------------|
| | (i) Interest Period(s): | [•] | |
| | (ii) Specified Period: | [•] | |
| | (iii) Specified Interest Payment Dates: | [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below] | |
| | (iv) [First Interest Payment Date]: | [•] | |
| | (v) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] | |
| | (vi) Additional Business Centre(s): | [Not Applicable/[•]] | |
| | (vii) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination] | |
| | (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): | [[•] shall be the Calculation Agent] | XX(V)4.7(xii) |
| | (ix) Screen Rate Determination: | [Applicable/Not Applicable] | XX(V)4.7(vii) |
| | Reference Rate: | [insert time period] [EURIBOR]/[LIBOR]] | |
| | Interest Determination Date(s): | [•] | |
| | Relevant Screen Page: | [•] | |
| | Relevant Time: | [•] | |
| | Relevant Financial Centre: | [•] | |
| | (x) ISDA Determination: | [Applicable/Not Applicable] | XX(V)4.7(vii) |
| | Floating Rate Option: | [•] | |
| | Designated Maturity: | [•] | |
| | Reset Date: | [•] | |
| | ISDA Definitions: | 2006 | |
| | (xi) Margin(s): | [+/-][•] per cent. per annum | |
| | (xii) Minimum Rate of Interest: | [•] per cent. per annum | |
| | (xiii) Maximum Rate of Interest: | [•] per cent. per annum | |
| | (xiv) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] | |
| 14. | Zero Coupon Note Provisions | [Applicable/Not Applicable] | XX(V)4.7(i) |

| | | |
|---|--------------------------------------|---|
| | (i) Accrual Yield: | [•] per cent. per annum |
| | (ii) Reference Price: | [•] |
| | (iii) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] |
| PROVISIONS RELATING TO REDEMPTION | | |
| 15. | Call Option | [Applicable/Not Applicable] |
| | (i) Optional Redemption Date(s): | |
| | (ii) Optional Redemption Amount(s): | [[•] per Calculation Amount] |
| | (iii) If redeemable in part: | |
| | (a) Minimum Redemption Amount: | [•] per Calculation Amount |
| | (b) Maximum Redemption Amount: | [•] per Calculation Amount |
| | (iv) Notice period: | [•] |
| 16. | Put Option | [Applicable/Not Applicable] |
| | (i) Optional Redemption Date(s): | [•] |
| | (ii) Optional Redemption Amount(s): | [•] per Calculation Amount |
| | (iii) Notice period: | [•] |
| 17. | Final Redemption Amount of each Note | [•] per Calculation Amount |
| 18. | Early Redemption Amount: | [•] per Calculation Amount |
| 19. | Early Termination Amount: | [•] per Calculation Amount |
| 20. | Unmatured coupons void: | [Condition 10(e) (Unmatured Coupons Void) applicable/Not Applicable] |
| GENERAL PROVISIONS APPLICABLE TO THE NOTES | | |
| 21. | Form of Notes: | [Bearer Notes]: |
| | | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] |
| | | [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] |

XX(V)4.1(i)

| | | | |
|--|---|--|-------------------------|
| | | [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] | |
| | | [Registered Notes] | |
| | | Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note | |
| | | [and | |
| | | Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).] | XX(V)4.3(ii) |
| | | [CREST Depository Interests (CDIs) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited (CREST)] | |
| 22. | New Global Note: | [Yes] [No] | |
| 23. | Additional Financial Centre(s): | [Not Applicable/[•]] | |
| 24. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes, as the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.][No] | |
| THIRD PARTY INFORMATION | | | |
| [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]. | | | XX(V)7.4 XX(VIII)1.2 |
| Signed on behalf of Wellesley Secured Finance Plc: By: Duly authorised | | | |

PART B – OTHER INFORMATION

| | | | |
|----|-----------------------------------|--|---|
| 1. | Listing and admission to trading: | [Application has been made to the Irish Stock Exchange by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and trading on its regulated market with effect from [•].] | XX(V)6.1(i) XX(V)6.1(ii) XX(V)6.2 |
|----|-----------------------------------|--|---|

| | | | |
|----|--|---|--------------------------------|
| | | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•]] and listing on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] and listing on [•] with effect from [•].] [Not Applicable.] | |
| 2. | Ratings: | Ratings: The Notes to be issued [are not/have been/are expected to be] rated: [Standard & Poor's: [•]] [Moody's: [•]] [Fitch: [•]] | XX(V)7.5 |
| 3. | Interests of natural and legal persons involved in the issue/offer: | [Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] [Amend as appropriate if there are other interests, including any conflicts] The following additional interest(s) are material to issues of the Notes: [•]/[Not applicable]. | XX(V)3.1 XX(VIII)2.2.12 |
| 4. | Reasons for the offer, estimated net proceeds and total expenses | | XX(V)3.2 XX(V)5.3.1(iii) |
| | [(i)] Reasons For The Offer: | [•] | |
| | [(ii)] Estimated Net Proceeds: | [•] | |
| | [(iii)] Estimated Total Expenses: | [•] | |
| 5. | [Fixed Rate Notes only – Yield] | | XX(V)4.9(i) |
| | Indication of Yield: [•] | [•] | |
| 6. | [Floating rate notes only - historic interest rates]: | Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].] | XX(V)4.7(ix) |
| 7. | Operational information | | |
| | ISIN code: | [•] | XX(V)4.1(ii) |
| | Common code: | [•] | |
| | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable][The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes] | |

| | | | |
|----|--|---|-------------|
| | Intended to be held in a manner which would allow eurosystem eligibility: | [Yes][No] | |
| | | Note that the designation "Yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. | |
| | | Note that the where the designation is specified as "No", should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. | |
| 8. | Distribution | | XX(V)5.4.1 |
| | (i) If syndicated: | [Not Applicable/[•]] | XX(XXX)2A.1 |
| | (a) Names and addresses of Dealers and underwriting commitments: | | XX(V)5.4.3 |
| | (b) Date of subscription agreement: | | XX(V)5.4.4 |
| | (ii) If non-syndicated, name and address of Dealer: | [Not Applicable/[•]] | |
| | (iii) Indication of the overall amount of the underwriting commission and of the placing commission: | [•] per cent. of the Aggregate Nominal Amount | |
| | (iv) U.S. selling restrictions: | [TEFRA C/TEFRA D/TEFRA not applicable] | |

| | | | |
|----|---|---|--------------------------------|
| | (v) Public Offer: | [The Issuer does not consent to the use of the Base Prospectus in connection with a Public Offer of the Notes by any person.] | |
| | | [The Issuer consents to the use of the Base Prospectus in connection with a Public Offer of the Notes during the period from [•] until [•] (the " Offer Period ") in [•] (" Public Offer Jurisdictions ") by [any financial intermediary/[•]] which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the conditions set out in the Base Prospectus and [the following additional conditions: [•]]. | XX(XXX)1.3 |
| | | [The Issuer consents to the use of the Base Prospectus in connection with a Public Offer of the Notes during the period from [•] until [•] (the " Offer Period ") by [•] in [•] (" Public Offer Jurisdictions ") [and subject to the following conditions: [•]], for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC).] | XX(XXX)1.5 |
| 9. | Terms and conditions of the offer | | XX(V)5.1.1 |
| | Offer Price: | [•] | XX(V)5.3.1(i) |
| | Conditions to which the offer is subject: | [Not Applicable/[•]] | |
| | Total amount of the offer: | [Not Applicable/[•]] | XX(V)5.1.2 |
| | Legal jurisdiction by which the Borrower Loans are governed: | [•] | XX(VIII)2.2.1 |
| | Global statistical data in relation to the Issuer Security: | [•] | XX(VIII)2.2.2(b) |
| | Legal nature of the Borrower Loans: | [•] | XX(VIII)2.2.3 |
| | Expiry or maturity date(s) of the Borrower Loans: | [•] | XX(VIII)2.2.4 |
| | Value of assets which are to secure the Notes issued under the offer: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| | Amount of the Borrower Loans: | [•] | XX(VIII)2.2.5 |

| | | |
|--|---|--------------------------------|
| Range of minimum and maximum amount of the Borrower Loans which are to secure the Notes: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| Range of loan to value ratios of Borrower Loans at origination: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| Description of arrangements and timing for announcing the offer to the public: | [Not Applicable/[•]] | |
| Offer Period including any possible amendments, during which the offer will be open: | [The period from [[•] until [•]/[the Issue Date]/[the date which falls [•] days thereafter] | XX(V)5.1.3(i) |
| Description of the application process: | [Not Applicable/[•]] | |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/[•]] | XX(V)5.1.4 |
| Details of the minimum and/or maximum amount of application: | [Not Applicable/[•]] | XX(V)5.1.5 |
| Details of the method and time limits for paying up and delivering the notes: | [Not Applicable/[•]] | XX(V)5.1.6 |
| Manner in and date on which results of the offer are to be made public: | [Not Applicable/[•]] | XX(V)5.1.7 |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/[•]] | XX(V)5.1.8 |
| Whether tranche(s) have been reserved for certain countries: | [Not Applicable/[•]] | XX(V)5.2.1(ii) |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/[•]] | XX(V)5.2.2 |
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/[•]] | |
| Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place: | [None/[•]] | |
| Name and address of any paying agents and depositary agents: | [None/[•]] | XX(V)5.4.2 XX(V)7.1 |
| Name and address of the entities which | [None/[•]] | XX(V)6.3 |

| | | | |
|-----|--|------------------------------|----------------|
| | have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | | |
| 10. | Subordinated Loan Agreement | [Not applicable][Applicable] | XX(VIII) 3.4.3 |
| | (i) [Date: | [•]] | |
| | (ii) [Amount: | [•]] | |
| | (iii) [Interest rate: | [•]] | |
| | (iv) [Maturity date: | [•]] | |

SUMMARY OF THE ISSUE

[•]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).

Final Terms dated [•]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £500,000,000 Secured Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the supplemental Base Prospectus dated •] (the "**Base Prospectus**") [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]³

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing during normal business hours at [address] [and copies may be obtained from [address]].

[In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes described herein.]⁴

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State

| | | |
|----|---|--|
| 1. | Issuer: | Wellesley Secured Finance Plc |
| 2. | [(i) Series Number:] | [•] |
| | [(ii) Tranche Number: | [•] |
| | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue |

³ Delete where Notes are not listed.

⁴ Include where Notes are not listed.

| | | | |
|---|---|--|------------------|
| | | Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].] | |
| 3. | Specified Currency or Currencies: | [•] | XX(XIII)4.5 |
| 4. | Aggregate Nominal Amount: | [•] | XX(XIII)4.1 |
| | [(i)] [Series]: | [•] | |
| | [(ii)] Tranche: | [•] | |
| 5. | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] | |
| 6. | (i) Specified Denominations: | [•] | XX(VIII)1.1 |
| | (ii) Calculation Amount: | [•] | |
| 7. | (i) Issue Date: | [•] | XX(XIII)4.13 |
| | (ii) Interest Commencement Date: | [[•]/Issue Date/Not Applicable] | XX(XIII)4.8(iii) |
| 8. | Maturity Date: | [•] [Interest Payment Date falling in or nearest to [•]] | XX(XIII)4.9 |
| | | | |
| | | | |
| 9. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount. | |
| | | | |
| 10. | Put/Call Options: | [Put Option]/[Not Applicable] | |
| | | [Call Option]/[Not Applicable] | |
| 11. | Date [Board] approval for issuance of Notes obtained: | [•] [and [•], respectively] | XX(XIII)4.12 |
| | | | |
| PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE | | | |
| 12. | Fixed Rate Note Provisions | [Applicable/Not Applicable] | XX(XIII)4.8(i) |
| | (i) Rate[(s)] of Interest: | [•] per cent. per annum payable in arrear on each Interest Payment Date | |

| | | | |
|-----|---|--|------------------|
| | (ii) Interest Payment Date(s): | [•] in each year up to and including the Maturity Date | XX(XIII)4.8(iv) |
| | (iii) Fixed Coupon Amount[(s)]: | [•] per Calculation Amount | |
| | (iv) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] | |
| 13. | Floating Rate Note Provisions | [Applicable/Not Applicable] | XX(XIII)4.8(i) |
| | (i) Interest Period(s): | [•] | |
| | (ii) Specified Period: | [•] | |
| | (iii) Specified Interest Payment Dates: | [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below] | |
| | (iv) [First Interest Payment Date]: | [•] | |
| | (v) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] | |
| | (vi) Additional Business Centre(s): | [Not Applicable/[•]] | |
| | (vii) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination] | |
| | (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): | [[•] shall be the Calculation Agent] | XX(XIII)4.8(xi) |
| | (ix) Screen Rate Determination: | [Applicable/Not Applicable] | XX(XIII)4.8(vii) |
| | Reference Rate: | [insert time period] [EURIBOR]/[LIBOR] | |
| | Interest Determination Date(s): | [•] | |
| | Relevant Screen Page: | [•] | |
| | Relevant Time: | [•] | |
| | Relevant Financial Centre: | [•] | |
| | (x) ISDA Determination: | [Applicable/Not Applicable] | XX(XIII)4.8(vii) |
| | Floating Rate Option: | [•] | |
| | Designated Maturity: | [•] | |
| | Reset Date: | [•] | |

| | | | |
|--|--|--|-----------------|
| | ISDA Definitions: | 2006 | |
| | (xi) Margin(s): | [+/-][•] per cent. per annum | |
| | (xii) Minimum Rate of Interest: | [•] per cent. per annum | |
| | (xiii) Maximum Rate of Interest: | [•] per cent. per annum | |
| | (xiv) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] | |
| 14. | Zero Coupon Note Provisions | [Applicable/Not Applicable] | XX(XIII)4.8(vi) |
| | (i) Accrual Yield: | [•] per cent. per annum | XX(XIII)4.8(i) |
| | (ii) Reference Price: | [•] | |
| | (iii) Day Count Fraction: | [Actual/Actual(ICMA)][Actual/Actual(ISDA)] [Actual/365(Fixed)][Actual/365(Sterling)] [Actual/360][30/360][30E/360 or Eurobond Basis] [30E/360(ISDA)] | |
| PROVISIONS RELATING TO REDEMPTION | | | |
| 15. | Call Option | [Applicable/Not Applicable] | |
| | (i) Optional Redemption Date(s): | | |
| | (ii) Optional Redemption Amount(s): | [[•] per Calculation Amount] | |
| | (iii) If redeemable in part: | | |
| | (a) Minimum Redemption Amount: | [•] per Calculation Amount | |
| | (b) Maximum Redemption Amount | [•] per Calculation Amount | |
| | (iv) Notice period: | [•] | |
| 16. | Put Option | [Applicable/Not Applicable] | |
| | (i) Optional Redemption Date(s): | [•] | |
| | (ii) Optional Redemption Amount(s): | [•] per Calculation Amount | |
| | (iii) Notice period: | [•] | |
| 17. | Final Redemption Amount of each Note | [•] per Calculation Amount | |
| 18. | Early Redemption Amount | | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption: | [•] per Calculation Amount | |

| | | |
|---|---|--|
| 19. | Early Termination Amount | [•] per Calculation Amount |
| 20. | Unmatured coupons void | [Condition 10(e) (<i>Unmatured Coupons Void</i>) applicable/Not Applicable] |
| GENERAL PROVISIONS APPLICABLE TO THE NOTES | | |
| 21. | Form of Notes: | Bearer Notes: |
| | | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] |
| | | [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] |
| | | [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] |
| | | [Registered Notes] |
| | | Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note |
| | | [and |
| | | Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).] |
| | | [CREST Depository Interests (CDIs) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited (CREST)] |
| 22. | New Global Note: | [Yes] [No] |
| 23. | Additional Financial Centre(s): | [Not Applicable/[•]] |
| 24. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes, as the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.][No] |

XX(XIII)4.2(i)

XX(XIII)4.4(ii)

| | |
|--|------------------------|
| THIRD PARTY INFORMATION | XX(VIII)1.2 |
| [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]. | XX(XIII)7.4 VII 9.2 |
| Signed on behalf of Wellesley Secured Finance Plc: By: Duly authorised | |

PART B – OTHER INFORMATION

| | | | |
|----|--|---|-----------------------------------|
| 1. | (i) Listing and admission to trading | [Application has been made to the Irish Stock Exchange by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and trading on its regulated market with effect from [•].] [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•]] and listing on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] and listing on [•] with effect from [•].] [Not Applicable.] | XX(XIII)5.1(ii) XX(XIII)5.1(i) |
| | (ii) Estimated total expenses related to admission to trading: | [•] | XX(XIII)6.1 |
| 2. | Ratings | Ratings: The Notes to be issued [are not/have been/are expected to be] rated: [Standard & Poor's: [•]] [Moody's: [•]] [Fitch: [•]] | XX(XIII)7.5(ii) |
| 3. | Interests of natural and legal persons involved in the issue/offer | [Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] The following additional interest(s) are material to issues of the Notes: [•]/[Not applicable]. | XX(XIII)3 XX(VIII)2.2.12 |
| 4. | [Fixed Rate Notes only – Yield] | | |
| | Indication of Yield: [•] | [•] | XX(XIII)4.10 |
| 5. | [Floating rate notes only - historic interest | Details of historic [LIBOR/EURIBOR] rates | |

| | | |
|----|--|---|
| | rates] | can be obtained from [Reuters].] |
| 6. | Operational information | |
| | ISIN code: | [•] |
| | Common code: | [•] |
| | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable][The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes] |
| | Intended to be held in a manner which would allow eurosystem eligibility: | [Yes][No] |
| | | Note that the designation "Yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. |
| | | Note that the where the designation is specified as "No", should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |
| 7. | Distribution | |
| | U.S. selling restrictions: | [TEFRA C/TEFRA D/TEFRA not Applicable] |
| 8. | Name and address of any paying agents and depositary agents: | [None/[•]] |

XX(XIII)5.2
XX(XIII)7.1

| | | | |
|-----|--|------------------------------|--------------------------------|
| 9. | General terms in relation to Borrower Loans | | |
| | Legal jurisdiction by which the Borrower Loans are governed: | [•] | XX(VIII)2.2.1 |
| | Global statistical data in relation to the Issuer Security: | [•] | XX(VIII)2.2.2(b) |
| | Legal nature of the Borrower Loans: | [•] | XX(VIII)2.2.3 |
| | Expiry or maturity date(s) of the Borrower Loans | [•] | XX(VIII)2.2.4 |
| | Value of assets which are to secure the Notes issued under the offer: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| | Amount of the Borrower Loans: | [•] | XX(VIII)2.2.5 |
| | Range of minimum and maximum amount of the Borrower Loans which are to secure the Notes: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| | Range of loan to value ratios of Borrower Loans at origination: | [•] | XX(VIII)2.2.5 XX(VIII)2.2.6 |
| 10. | Subordinated Loan Agreement | [Not applicable][Applicable] | XX(VIII) 3.4.3 |
| | (i) [Date: | [•]] | |
| | (ii) [Amount: | [•]] | |
| | (iii) [Interest rate: | [•]] | |
| | (iv) [Maturity date: | [•]] | |

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used to acquire Borrower Loans from the Loan Originator and/or make any payments of expenses required to be made pursuant to any Transaction Document, each as disclosed in the applicable Final Terms.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

CONDITIONS APPLICABLE TO GLOBAL NOTES

1. Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:
2. *Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in

respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

3. *Payment Business Day:* In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.
4. *Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.
5. *Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.
6. *Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).
7. *Notices:* Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear Bank and/or Clearstream, Luxembourg, and otherwise in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

BOOK-ENTRY CLEARING SYSTEMS

XX(V)4.3(ii)
XX(XIII)4.4(ii)

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or CREST (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Dealers, the Trustee and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes or, in the case of CREST only, CDIs held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

CLEARING SYSTEMS (OTHER THAN CREST)

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CREST DEPOSITORY INTERESTS

If so specified in the applicable Final Terms, following the delivery of an issue of Notes into Euroclear and/or Clearstream, Luxembourg (the "**Relevant Clearing Systems**" and each a "**Relevant Clearing System**"), investors may also hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**") issued, held, settled and transferred through CREST, representing interests in the relevant Notes underlying the CDIs (the "**Underlying Notes**"). CREST Depository Interests are independent securities distinct from the Notes, constituted under, and governed by, English law and transferred through CREST and will be issued by CREST Depository Limited (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**").

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the "**CREST Nominee**") in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by the common depository or common safekeeper may be settled through

CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities distinct from the Notes, constituted under English law, and may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with a Relevant Clearing System and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs ("**CDI Holders**") any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holders. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of a Relevant Clearing System will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with a Relevant Clearing System.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Section 3 (Crest International Manual) of the CREST Manual issued by Euroclear UK & Ireland (including the CREST International Manual dated 14 April 2008) as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, the Relevant Clearing Systems and the Issuer including the CREST Deed Poll (in the form contained in Section 3 of the CREST Manual) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

1. CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
2. The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a Relevant Clearing System. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate Relevant Clearing Systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the Relevant Clearing System in or through which the Underlying Notes are held.
3. Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The

rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in Relevant Clearing Systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

4. The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules (the "CREST Rules") (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
5. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
6. CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from the CREST website at www.euroclear.com/site/public/EUI.
7. Potential investors should note that CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.
8. Potential investors should note that none of the Issuer, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Potential investors should note that Bearer Notes represented upon issue by a Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note will not be immediately eligible for CREST settlement as CDIs. In such case, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such Temporary Bearer Global Note is exchanged for a Permanent Bearer Global Note, which could take up to 40 days after the issue of the Notes. It is anticipated that Notes eligible for CREST settlement as CDIs will be issued (i) (in the case of Bearer Notes) directly in permanent global form or (ii) in registered global form.

The following is a general description of certain United Kingdom and European tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

UNITED KINGDOM

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs ("**HMRC**") practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retroactive effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. Notes will be treated as listed on the Irish Stock Exchange if they are included in the Official List and admitted to trading on the Irish Stock Exchange. Notes to be traded on any other recognised stock exchange will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

Interest on the Notes may also be paid without deduction of or withholding on account of United Kingdom tax where, at the time the payment of interest is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner of the interest is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without deduction of or withholding on account of United Kingdom tax where the maturity of the Notes is less than 365 days from the date of issue and those

Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes should not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in the paragraph headed "*Interest on Notes*" above, but may be subject to reporting requirements as outlined under the paragraphs headed "*Provision of Information*" and "*EU Savings Directive*" below.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom for United Kingdom tax purposes may be able to recover all or part of the tax deducted subject to an appropriate provision in any applicable double taxation treaty and the laws of the jurisdiction in which the Noteholder is resident for tax purposes.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

Provision of Information

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2016/2017 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

IRELAND

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Irish Source Income

Any interest, discount or premium on Notes issued in Ireland may be Irish source income. Such income may be within the charge to Irish tax, except for interest paid by the Issuer on Notes which are quoted Eurobonds (within the meaning of Section 64 Taxes Consolidation Act ("**TCA**") 1997, see below), unless that interest income is connected with a trade carried on by an Irish agency or branch of the recipient and the recipient is either:

- (A) a person resident in a Member State of the EU (except for Ireland), or is a resident of a territory with which Ireland has signed a double taxation agreement; or
- (B) a company which is not resident in Ireland that is controlled, either directly or indirectly, by persons resident in a Member State of the EU (except for Ireland), or a territory with which Ireland has signed a double taxation agreement, and who are not under the control, whether directly or indirectly, of a person who is, or persons who are not so resident; or
- (C) a company that is not resident in Ireland, the principal class of shares of which is substantially and regularly traded on a recognised stock exchange;

Ireland operates a self-assessment system in respect of income and corporation taxes and any person, including a person who is neither resident nor ordinarily resident in Ireland for tax purposes, with Irish source income chargeable to tax comes within its scope.

Irish Interest Withholding Tax

Irish interest withholding tax, where applicable under section 246 TCA 1997, is withheld at the standard rate of income tax in Ireland, currently 20 per cent.

Discount and premium

Notes may be issued at a discount or be redeemable at a premium, whether or not periodic interest payments are due on the Notes. Payments of discount or premium are not within the scope of Irish interest withholding tax.

Yearly interest

Irish interest withholding tax applies only to payments of "yearly interest". In general, "yearly interest" can be taken to be interest on a loan which runs, or is capable of running, for a period of one year or longer. Therefore, payments of interest in respect of the Notes may be made without withholding Irish interest withholding tax where the stated maturity of the Notes is less than one year and the Notes are not issued consecutively to the Noteholder such that the Notes would have an aggregate maturity of one year or longer.

Quoted Eurobonds

Payments of interest may be made without withholding Irish interest withholding tax where the Notes meet the requirements of section 64 TCA 1997 (the "quoted Eurobond" exemption). The conditions of section 64 require the Notes to be quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchanges for this purpose) and to carry a right to interest.

For so long as Notes continue to be "quoted Eurobonds" and are held in a recognised clearing system, payments of interest on such Notes may be made by any Paying Agent acting on behalf of the Issuer without withholding Irish interest withholding tax.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a Relevant Territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above and the recipient is not a resident of Ireland, or (iii) if the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

In addition, provided that the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more

recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minister for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes are used or held. The rate of Capital Gains Tax is currently 33 per cent.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor. The rate of Capital Acquisitions Tax is currently 33 per cent.

Stamp Duty

Irish stamp duty will not be payable on the transfer of legal title by delivery of Notes.

In the case of the transfer of legal title to Notes by an instrument in writing, no charge to Irish stamp duty will arise (by virtue of section 85 of the Stamp Duties Consolidation Act "**SDCA**") 1999) provided that the relevant Notes:

- (i) do not carry a right of conversion into stocks or marketable securities (other than loan capital within the meaning of section 85 SDCA 1999) of a company having a register in Ireland or into loan capital having such a right;

- (ii) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;
- (iii) are issued for a price which is not less than 90 per cent. of its nominal value; and
- (iv) do not carry a right to a sum in respect of payment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities) specified in any instrument or other document relating to the Notes.

Where the above exemption or another exemption does not apply, the instrument of transfer (whether executed in Ireland or elsewhere) is liable to Irish stamp duty at the rate of one per cent. of the consideration.

Anti-avoidance

In all cases, holders of Notes may be subject to Irish taxation on their disposal. The nature of the tax charge would depend on the terms of the Notes in question and the particular circumstances of the holder. In particular, holders should have regard, where appropriate, to the provisions relating to the taxation of income deemed to arise on certain sales of securities and other provisions contained in the Taxes Acts of Ireland relating to the purchase and sale of securities.

Reporting

Persons in Ireland paying interest to or receiving interest on behalf of another person may be required to provide certain information to the Irish Revenue regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income (the "Directive") each member state of the European Union ("Member State") was required to provide to the tax authorities of another Member State with details of payments of interest (and other similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual, or certain types of entity established, in that other Member State, except that Austria chose to impose a withholding system for a transitional period unless the recipient opted for information exchange. A number of non-EU countries and certain dependent or associated territories of Member States adopted similar measures.

On 10 November 2015, the Council of the European Union approved Council Directive 2015/2060/EU which has repealed the Directive from 1 January 2017 in the case of Austria, and from 1 January 2016 in relation to all other Member States, subject to ongoing requirements to fulfil administrative obligations (such as the reporting and exchange of information relating to, and accounting for tax withheld from, payments made before those dates). Repeal was needed to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Co-operation in the field of Taxation (as amended by Council

Directive 2014/107/EU). Council Directive 2011/16/EU (as amended), which effectively implements the Organization for Economic Co-operation and Development's common reporting standard on automatic exchange of financial account information in tax matters, requires governments to obtain detailed account information from financial institutions and exchange that information automatically with other jurisdictions annually. Council Directive 2011/16/EU (as amended) is, generally, broader in scope than the Directive but does not impose withholding taxes.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer does not expect to be a foreign financial institution for these purposes, but no assurances can be given that the Issuer will not be treated as a foreign financial institution for purposes of FATCA. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

XX(V)4.13
XX(V)5.2.1(i)
XX(XIII)4.14

Notes may be sold from time to time by the Issuer to any entity appointed from time to time as a dealer (the "**Dealers**").

If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers, as applicable, and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s), the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription and whether or not the issue of the Notes is underwritten by the Dealer(s).

United States of America: TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has agreed that it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period

relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

1. Approved prospectus: if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes 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, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
2. Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
3. Fewer than 100 offerees: at any time 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 Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
4. Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

SELLING RESTRICTIONS ADDRESSING ADDITIONAL UNITED KINGDOM SECURITIES LAWS

Each Dealer has represented, warranted and agreed that:

1. **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (b) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
2. **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
3. **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

GENERAL

Each Dealer has represented, warranted and agreed that (to the best of its knowledge and belief) it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense. The Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

GENERAL INFORMATION

AUTHORISATION

The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 11 April 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

LEGAL AND ARBITRATION PROCEEDINGS

There are not, and have not been, any governmental, legal or arbitration proceedings, (including any VII 8.3 such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.

SIGNIFICANT/MATERIAL CHANGE

There has been no material adverse change in the financial position or prospects of the Issuer since VII 8.4 the date of its incorporation.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected physically in hard copy during normal business hours at the offices of Issuer at 35 Great St. Helen's, London EC3A 6AP for 12 months from the date of this Base Prospectus:

1. the constitutive documents of the Issuer; VII 10.1
2. the Agency Agreement; and XX(V)4.10
3. the Trust Deed. XX(XII)4.11

MATERIAL CONTRACTS

There are no contracts having been entered into outside the ordinary course of any of the Issuer's businesses, which are, or may be, material and contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

CLEARING OF THE NOTES

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. XX(V)4.3(ii)
XX(XIII)4.4(ii)

If so specified in the applicable Final Terms, interests in the Notes may also be held through CREST through the issuance of CDIs representing Underlying Notes. The address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

NOTES HAVING A MATURITY OF LESS THAN ONE YEAR

Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

ISSUE PRICE AND YIELD

XX(V)4.9(ii)
XX(V)5.3.1(ii)

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

DEALERS TRANSACTING WITH THE ISSUER

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

TRUSTEE'S ACTION

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

POST-ISSUANCE REPORTING

XX(VIII)4.1

The Issuer does not intend to provide post-issuance transaction information regarding any issues of Notes or regarding the Issuer Security.

INDEX OF DEFINED TERMS

2010 PD Amending Directive, 109, 110, 120, 143
30/360, 77
30E/360, 78
30E/360 (ISDA), 78
Account Bank, 14, 56, 73
Account Bank and Cash Management Agreement, 14, 56, 74
Accountholder, 129
Accrual Yield, 75
Actual/360, 77
Actual/365 (Fixed), 77
Actual/365 (Sterling), 77
Actual/Actual (ICMA), 76
Actual/Actual (ISDA), 77
Additional Business Centre(s), 75
Additional Financial Centre(s), 75
Agency Agreement, 55, 73
Agent, 74
All Moneys Security, 13, 22, 34, 50
Associated Debt, 13, 22, 34, 50, 57
Authorised Offeror, 2
Authorised Offeror Contract, 5
Authorised Offeror Terms, 3
Base Prospectus, 1, 110, 120
Bearer Notes, 65, 74
Borrower, 12, 42, 57
Borrower Deed of Charge, 13, 49
Borrower Legal Mortgage, 75
Borrower Loan, 12, 42, 57
Borrower Loan Agreement, 12, 42, 75
Borrower Loan Eligibility Criteria, 14, 62
Borrower Loans, 11
Borrower Security, 13, 49, 57
Borrower Security Trustee, 13, 49, 57, 75
Business Day, 75
Business Day Convention, 75
Calculation Agent, 55, 76
Calculation Amount, 76
Calculation Period, 76
Cash Manager, 14, 56, 74
CDI Holders, 132
CDIs, 131
Central Bank, 1
Clearing System Business Day, 130
Clearing Systems, 131
Clearstream, Luxembourg, 65
Code, 98, 100
Conditions, 2, 73, 110, 120
Corporate Services Agreement, 56, 74
Corporate Services Provider, 11, 12, 56, 74
Coupon Sheet, 76
Couponholder, 86
Couponholders, 75
Coupons, 75
CRA Regulation, 7
Credit Committee, 46
CREST, 131
CREST Deed Poll, 131
CREST Depository, 131
CREST Depository Interests, 131
CREST International Settlement Links Service, 132
CREST Manual, 132

CREST Nominee, 131
 CREST Rules, 133
 Day Count Fraction, 76
 Dealers, 1, 141
 Declaration of Trust, 11, 60
 Definitive Notes, 67
 Directive, 37, 139
 Drawdown Prospectus, 2
 Early Redemption Amount, 79
 Early Termination Amount, 79
 ECB, 65
 EEA, 7
 EURIBOR, 79
 euro, 79
 Eurobond Basis, 78
 Euroclear, 65
 Eurosystem, 65, 70
 Expenses Facility Agreement, 74
 Expenses Facility Provider, 74
 Extraordinary Resolution, 79
 FCA, 3, 48
 Final Redemption Amount, 79
 Final Terms, 2, 3, 73
 First Interest Payment Date, 79
 Fitch, 79
 Fixed Coupon Amount, 80
 Floating Rate Convention, 76
 Following Business Day Convention, 76
 FRN Convention, 76
 FSCS, 36
 FSMA, 2
 Global Note, 65
 Global Registered Note, 70
 HMRC, 134
 Holder, 80, 86
 Indebtedness, 80
 Individual Note Certificates, 70
 Insolvency Act, 80
 Interest Amount, 80
 Interest Commencement Date, 80
 Interest Determination Date, 80
 Interest Payment Date, 80
 Interest Period, 81
 Investor, 2
 Investor's Currency, 39
 Irish Listed Bonds, 45
 ISDA Definitions, 81
 Issue Date, 81
 Issuer, 2, 3, 11, 57, 60, 73
 Issuer Collateral Account, 14, 51, 81
 Issuer Collateral Accounts, 14, 51
 Issuer Deed of Charge, 14, 51, 73
 Issuer Expenses Account, 14, 52
 Issuer Secured Creditors, 14, 51, 81
 LIBOR, 81
 LOA, 48
 Loan Origination Agreement, 74
 Loan Originator, 2, 17, 44, 57, 74
 Loan Servicer, 52, 74
 Loan Servicing Agreement, 74
 LSA, 52
 Main Securities Market, 1
 Margin, 81
 Maturity Date, 81
 Maximum Redemption Amount, 81
 Member State, 7, 37, 139
 Mini Bonds, 45
 Minimum Redemption Amount, 81
 Moody's, 7, 81
 New Safekeeping Structure, 70

NGN, 65
 No Adjustment, 76
 Non-exempt Offer, 142
 Note Certificate, 86
 Noteholder, 81, 86
 Notes, 1, 3, 11, 73
 NSS, 70
 Offer Period, 2
 Official List, 1
 Optional Redemption Amount (Call), 82
 Optional Redemption Amount (Put), 82
 Optional Redemption Date (Call), 82
 Optional Redemption Date (Put), 82
 Paying Agents, 73
 Payment Business Day, 82
 Permanent Global Note, 65
 Person, 82
 Placing Agency Agreement, 54, 74
 Placing Agent, 54, 74
 Preceding Business Day Convention, 76
 Principal Financial Centre, 82
 Principal Paying Agent, 55, 73
 Programme, 1, 73
 Prospectus Directive, 1, 109, 110, 120, 143
 Public Offer, 2, 3
 Public Offer Jurisdiction, 2
 Put Option Notice, 82
 Put Option Receipt, 82
 Quotation Time, 82
 Rate of Interest, 83
 Receiver, 83
 Record Date, 100, 130
 Redemption Amount, 83
 Redemption Margin, 83
 Reference Banks, 83
 Reference Date, 83
 Reference Price, 83
 Reference Rate, 83
 Register, 83
 Registered Notes, 74
 Registrar, 55, 73
 Regular Period, 83
 Relevant Clearing Systems, 131
 Relevant Coupons, 98
 Relevant Date, 84
 Relevant Financial Centre, 84
 Relevant Implementation Date, 142
 Relevant Member State, 109, 110, 142
 Relevant Screen Page, 84
 Relevant Sums, 107
 Relevant Time, 84
 Reserved Matter, 84
 Rules, 3
 Secured Liabilities, 84
 Secured Loan, 15, 62
 Securities Act, 7
 Security, 84
 Security Interest, 84
 Security Trust Agreement, 13, 50
 Series, 11, 73
 Share Trustee, 11, 60
 Specified Currency, 84
 Specified Denomination(s), 84
 Specified Office, 84
 Specified Period, 84
 Standard & Poor's, 7, 84
 Subordinated Loan Agreement, 12, 15, 43, 51, 62, 74
 Subsidiary, 84
 Talon, 85

TARGET Settlement Day, 85
TARGET2, 85
TEFRA C Rules, 65
TEFRA D Rules, 65
Temporary Global Note, 65
Tranche, 73
Transaction Documents, 85
Transfer Agent, 55

Transfer Agents, 73
Treaty, 85
Trust Deed, 56, 73
Trustee, 14, 21, 51, 56, 73
Underlying Notes, 131
Variable Servicing Fee, 85
Wellesley Security Trust Agreement, 74
Zero Coupon Note, 85

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