

BASE PROSPECTUS DATED 12 JULY 2022



**LENDINVEST SECURED INCOME II PLC**

**£1,000,000,000**

**Euro Medium Term Note Programme**

**Notes issued pursuant to the Programme will have the benefit of a partial 20%  
guarantee by LendInvest plc**

***Arranger and Dealer***

**Allia C&C**

**(a trading name of City & Continental Ltd)**

**AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN PART I (RISK FACTORS) OF THIS DOCUMENT. YOU SHOULD ALSO READ CAREFULLY PART XIV (IMPORTANT LEGAL INFORMATION) OF THIS DOCUMENT.**

## ABOUT THIS DOCUMENT

### What is this document?

This document (the “**Base Prospectus**”) constitutes a base prospectus prepared in accordance with Regulation (EU) 2017/1129 as it forms part of United Kingdom (the “**UK**” or the “**United Kingdom**”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK Prospectus Regulation**”) and relates to LendInvest Secured Income II plc’s £1,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), under which LendInvest Secured Income II plc (the “**Issuer**”) may from time to time issue secured notes (the “**Notes**”).

Payments of principal and interest in respect of each Series of Notes will be partially guaranteed by LendInvest plc (the “**Guarantor**”). Although there is no limit on the number of claims that can be made under this partial guarantee (the “**Partial 20% Guarantee**”) in respect of any arrears of interest and principal outstanding, the maximum aggregate amount that can be claimed in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of the Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) at the time at which any such claim under the Partial 20% Guarantee is made by the Trustee, for example, following a payment default by the Issuer. The Notes will be secured by way of a first floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer as described in this Base Prospectus (the “**Security**”). The Partial 20% Guarantee will apply in the same manner in respect of each Series of Notes issued pursuant to the Programme, and for so long as any Notes are outstanding the terms of the Partial 20% Guarantee will remain the same (and, in particular, the percentage of the redemption amount of the Notes (i.e. the nominal amount repayable to Noteholders pursuant to the Terms and Conditions of the Notes) that is guaranteed will not be increased or decreased).

This Base Prospectus has been approved as a base prospectus by the United Kingdom Financial Conduct Authority (the “**FCA**”), as the competent authority under the UK Prospectus Regulation. The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Investors should be aware that the UK Prospectus Regulation only applies where Notes are admitted to trading on a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**” and a “**UK Regulated Market**”) situated or operating within the United Kingdom and/or an offer of Notes is made to the public (within the meaning provided for the purposes of the Prospectus Regulation Rules that form part of the FCA Handbook) in the United Kingdom.

This Base Prospectus is valid for one year from the date of this Base Prospectus and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

The Issuer does not intend to issue any Notes under this Base Prospectus which fall within an exemption from the requirement to publish a prospectus under the UK Prospectus Regulation.

### What types of Notes does this document relate to?

This Base Prospectus relates to the issuance of three different types of Notes: Fixed Rate Notes, on which the Issuer will pay interest at a fixed rate; Floating Rate Notes, on which the Issuer will pay interest at a variable rate (referred to in this Base Prospectus as a “**floating rate**”); and Zero Coupon Notes, which do not bear interest. Notes may be issued with a combination of these features.

### What other documents should I read?

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the Guarantor, the rights attaching to the Notes and the Partial 20% Guarantee, the reason for any issuance under the Programme and the impact of any such issuance on the Issuer. Some of this information is completed in the Final Terms.

**Before making any investment decision in respect of any Notes, you should read this Base Prospectus as well as the Final Terms which will be prepared in respect of such Notes and will be substantially in the form set out in Part X of this Base Prospectus (the “Final Terms”).**

This Base Prospectus and the Final Terms relating to any Notes will be published at: [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

### **What if I have any questions relating to this document or the Programme?**

If you are unclear in relation to any matter, or uncertain if the Notes issued under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant, tax or other independent financial adviser before deciding whether to invest.

## **IMPORTANT INFORMATION**

### **Each of the Issuer and the Guarantor is responsible for the information contained in this Base Prospectus**

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus and, in relation to each specific issuance of Notes (a “**Tranche**”), the applicable Final Terms for such Tranche of Notes. To the best of the knowledge of the Issuer and the Guarantor the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import. Where information has been sourced from a third party, this information has been accurately reproduced and, as far as each of the Issuer and the Guarantor is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information is identified where used.

### **Important background information for prospective investors relating to the Issuer, the Guarantor and the Partial 20% Guarantee**

The Guarantor is the holding company of the Group, and the parent company of the Issuer (which has been established by the Guarantor to serve as a funding vehicle for the Group). Under the terms of the Partial 20% Guarantee, payments of principal and interest in respect of each Series of Notes will be partially guaranteed by the Guarantor. Although there is no limit on the number of claims that can be made under the Partial 20% Guarantee in respect of any arrears of interest and principal outstanding, the maximum aggregate amount that can be claimed under the Partial 20% Guarantee in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of such Series of Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) at the time at which any such claim under the Partial 20% Guarantee is made by the Trustee (for example, following a payment default by the Issuer). Therefore, if the Issuer fails to make payments (in part or at all) under a Series of Notes then the amount that the Trustee (on behalf of the Noteholders of the relevant Series) is able to claim under the Partial 20% Guarantee may not be sufficient to cover the outstanding amount owing to holders of that Series of Notes. In this situation, if the combination of (i) the proceeds of enforcement of the Security granted by the Issuer in respect of the Notes, and (ii) the total amount available under the Partial 20% Guarantee amount to less than the amount owing in respect of the relevant Series of Notes, then investors will not receive the full amount owing to them.

Prospective investors should consider all of the information in this Base Prospectus, including the risks set out in Part I (*Risk Factors*) in light of this relationship between the Issuer and the Guarantor, the nature of the Issuer as a funding vehicle for the Group and the limited nature of the Partial 20% Guarantee.

### **Use of defined terms in this document**

Certain terms or phrases in this document are defined in double quotation marks and references to those terms elsewhere in this document are designated with initial capital letters.

In this document, references to:

- (i) the “**Issuer**” are to LendInvest Secured Income II plc, which is the issuer of the Notes under the Programme;

- (ii) the “**Guarantor**” are to LendInvest plc, which is providing a partial 20% guarantee of the Issuer’s obligations under each Series of Notes issued under the Programme;
- (iii) the “**Group**” are to the Guarantor and its consolidated subsidiaries (including the Issuer), together with the Funding Entities, taken as a whole;
- (iv) “**Funding Entities**” are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager (as at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities);
- (v) “**sterling**” and “**£**” refer to pounds sterling;
- (vi) “**U.S. dollars**”, “**USD**” and “**U.S.\$**” refer to United States dollars; and
- (vii) “**Euro**”, “**EUR**” and “**€**” are to the single currency of those Member States participating in the third stage of European economic and monetary union from time to time.

The Guarantor changed its name from “LendInvest Limited” to “LendInvest plc” at the time of the initial public offering of its ordinary shares and admission of its ordinary shares to trading on the AIM market of the London Stock Exchange in July 2021. Consequently, any references in this document to LendInvest Limited are references to the Guarantor.

See also Part XVI (*Definitions and Glossary*) of this Base Prospectus for a glossary of certain defined terms and other technical terms used in this Base Prospectus.

### **Terms used in the description of the loan portfolio of the Group**

As at the date of this Base Prospectus, the Group offered bridging loans, development loans, buy-to-let loans and regulated mortgages.

Bridging loans are short-term loans secured by real estate, which are generally less than 12 months but may be up to 24 months in duration and which are made to property investors, landlords and developers for a range of purposes including opportunistic residential and commercial property purchases, chain breaks (a “chain” is a sequence of linked house purchases, where the property professional in the chain must rely on the sale of one property or properties before proceeding with the next; a break occurs if a property takes longer than expected to complete and a short-term property loan therefore enables the professional to continue with their purchases), property refurbishment (such as renovations or refits), auction purchases (where the property may have to be paid for within 30 days) and short-term liquidity for businesses (such as working capital requirements). Bridging loans are often required at short notice.

Development loans, which have a term which is generally greater than 12 months but less than 24 months in duration, are loans secured by real estate and which are generally made to experienced property developers for the purposes of developing or converting a large building or site into a number of residential units and comprehensive renovations, or made to professional landlords and investors for the purposes of holding pending planning approval or purchasing and refinancing letting property to achieve rental income. These development loans are often paid back through the sale of units during the term of the loan or through refinancing with long-term property loans.

Buy-to-let loans are generally made to experienced property landlords for the purposes of building an investment portfolio and/or refinancing existing loans. Buy-to-let properties afford property investors the opportunity to achieve rental income and realise capital growth over a period of time and can generally be up to 30 years in duration.

The Group has recently started to offer regulated bridging loans (being short-term loans which have a maximum loan term of 12 months, and which are typically used to facilitate quick purchases of property). The minimum and maximum loan sizes generally are £75,000 and £3 million respectively.

Loan-to-value ratio (“**LTV**”) is a ratio (expressed as a percentage) of the aggregate of (i) the principal amount of a loan, and (ii) the anticipated interest and fees thereon (after suspended income), compared to the appraised value of the property securing the loan on the assumption that the development has completed. The appraised value of a property means the assessed value in the opinion of a qualified appraiser or valuer during the mortgage origination process, or the reappraised valuation of the property if a later valuation has been undertaken.

Loan-to-gross-development-value ratio (“**LTGDV**”), in the case of a development loan, is a ratio (reflected as a percentage) of the aggregate of:

(a) in the case of a loan which is secured by a first-ranking legal charge, (i) the principal amount of the loan and (ii) the accrued interest and fees thereon (after suspended income), compared to the appraised value of the property securing the loan on the assumption that the development has completed; and

(b) in the case of a loan which is secured by a second-ranking legal charge, a ratio (expressed as a percentage) of (i) the principal amount of the loan; (ii) the accrued interest and fees thereon (after suspended income) and (iii) the other loans secured over the same property by a first-ranking legal charge, compared to the appraised value of the property securing the loan on the assumption that the development has completed.

Development loans granted by Funding Entities (other than the Issuer) are usually secured by first-ranking legal charges.

In this Base Prospectus, the average LTV of the bridging and buy-to-let loan portfolios and the average LTGDV of the development loan portfolio for the Group and each Funding Entity are calculated on a “weighted average basis”. The weighted average LTV (or LTGDV) is calculated by dividing each principal loan by the principal balance of the portfolio and multiplying it by the origination LTV (or LTGDV) of that loan and then adding all of those balances together.

The risk and quality of the Group’s buy-to-let loan portfolio can also be presented on an “indexed basis”, pursuant to which the value of the properties securing the Group’s buy-to-let loans are reviewed quarterly and adjusted for movements in property prices since the latest appraised valuation in accordance with the relevant regional property indices. Such indices include the Halifax house price index or the UK House Price Index (“**HPI**”) provided by the Land Registry. The HPI uses house sales data from the Land Registry, the Registers of Scotland and Land and Property Services Northern Ireland and is calculated by the Office of National Statistics.

Using weighted average LTVs and LTGDVs is a standard measure for analysing the risk and quality of a loan portfolio.

A first-ranking legal charge, which is registered at Land Registry in the name of the lender (or a security trustee on behalf of the lender(s)), gives the lender (or the security trustee on its behalf) the ability to sell the particular property and use the proceeds of sale to repay the loan in question, in priority to any other creditor.

A second-ranking legal charge, which is registered at Land Registry in the name of the lender (or a security trustee on behalf of the lender(s)), means that another creditor has a first ranking legal charge and the second ranking legal charge sits behind it in terms of priority. If the property was sold in order to repay the debt, the proceeds of sale would first be applied in repayment of the debt owing to the first-ranking legal charge holder and secondly, in repayment of the debt owing to the second-ranking legal charge holder.

For some borrowers, loans which are secured by second-ranking legal charges may be a more cost-effective form of capital relative to other forms of borrowing, such as unsecured loans or overdrafts. Loans which are secured by second-ranking legal charges are repaid only after the obligations under loans secured by prior ranking legal charges have been satisfied or discharged. Consequently, loans secured by second-ranking legal charges are riskier from the perspective of a lender compared to loans secured by first-ranking legal charges, especially if properties are devalued. As a result, loans secured by second-ranking legal charges have lower LTV thresholds than loans secured by first-ranking legal charges. Enforcement rights for loans which are secured by second-ranking legal charges are generally the same as those for loans which are secured by prior ranking legal charges.

## **No Financial Services Compensation Scheme (“FSCS”) Protection**

**The Notes issued under the Programme are not protected by the FSCS.** As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Guarantor. If the Issuer or Guarantor goes out of business or becomes insolvent, you may lose all or part of your investment in the Notes.

## **No offer of Notes**

This Base Prospectus alone does not constitute an offer to subscribe for any Notes. Any offer to subscribe for Notes will only occur when the Issuer publishes Final Terms setting out the specific terms of the relevant offer. See Part XIV (*Important Legal Information*) of this Base Prospectus for details on how any public offers of Notes will be made.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as each of those terms is defined in Regulation S under the Securities Act).

## **Green Bonds**

The Issuer may issue Notes which are referred to as “**Green Bonds**” in this Base Prospectus. If this is the case, it will be indicated as such in the applicable Final Terms. Green Bonds are designed to enable capital-raising and investment for new and existing projects with environmental benefits.

Prior to issuing any Green Bonds, the Guarantor will publish a green bond framework which is expected to follow, among other things, the guidelines specified in the 2021 edition of the Green Bond Principles published by the International Capital Market Association (“**ICMA**”) (as amended from time to time, the “**Green Bond Framework**”). The Green Bond Principles published by ICMA seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. Following publication of the Green Bond Framework the Guarantor may subsequently update the Green Bond Framework in line with developments in the market.

It is expected that, under the Green Bond Framework, the Issuer (and other members of the Group) will be able to issue Green Bonds to fund loans, secured on property in England, Scotland or Wales, that promote energy efficiency (“**Green Loans**”) in accordance with the Green Bond Framework. It is expected that details of what will constitute an eligible Green Loan will be specified in the Green Bond Framework. The Issuer will appoint an independent party with appropriate expertise to conduct an external review of the Green Bond Framework and provide a second party opinion (the “**Second Party Opinion**”), commenting on the alignment of the Green Bond Framework with the four components of the 2021 Green Bond Principles, which are:

1. Use of Proceeds (i.e. that the net proceeds of issuance of the Green Bonds should be used for eligible “green” projects, providing clear environmental benefits);
2. Process for Project Evaluation and Selection (i.e. that (i) clear information should be provided by the issuer of the bonds on the environmental sustainability objectives of the eligible green projects; (ii) the process by which the issuer determines how the projects fit within the eligible green projects categories should be clearly specified; and (iii) complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant projects should be clearly communicated);
3. Management of Proceeds (i.e. that the net proceeds of the issue of the Green Bonds, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible green projects); and
4. Reporting (i.e. that the issuer of the Green Bonds should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments).

Where the Issuer issues Notes which are designated as Green Bonds, this means that an amount equal to the net proceeds from each such issue of Green Bonds will be applied by the Issuer for the purpose of originating and purchasing loans which fulfil the criteria for Green Loans in accordance with the Group's Green Bond Framework.

None of the Arranger, any Dealer, the Trustee or any Agent makes any representation as to the suitability of any Notes issued as Green Bonds (as indicated in the applicable Final Terms), including the listing or admission to trading thereof on any dedicated "green" or other equivalently labelled segment of any stock exchange or securities market, to fulfil any green criteria required by any prospective investors. The Arranger, the Dealer(s), the Trustee and the Agents have not undertaken and will not undertake, nor are they or will they be responsible for, any assessment of the eligibility criteria for Green Loans, any verification of whether the relevant Green Loans meet such criteria or the monitoring of the use of proceeds of any Green Bonds (or amounts equal thereto). Investors should refer to the Green Bond Framework (as defined herein), when published, and any further green bond framework which the Issuer may publish from time to time, the Second Party Opinion, when published, and any further second party opinion delivered in respect of a green bond framework and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Bonds for further information. Any such green bond framework and/or second party opinion and/or public reporting will not be incorporated by reference into this Base Prospectus and none of the Arranger, any Dealer, the Trustee or any Agent makes any representation as to the suitability or contents thereof.

### **MiFID II product governance / target market**

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **UK MiFIR product governance / target market**

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

### **EEA Retail Investors**

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", such Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**EU Prospectus Regulation**”).

Consequently, no key information document (a “**KID**”) required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the relevant Notes or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. If a KID has been prepared and made available by the Issuer in respect of any Notes, the relevant Final Terms will specify that a KID has been made available.

### **UK Retail Investors**

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, such Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a “retail investor” means a person who is one (or more) of:

1. a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
2. a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of UK MiFIR; or
3. not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

Consequently, no key information document (a “**UK KID**”) required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the relevant Notes or otherwise making them available to retail investors in the UK will be prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. If a UK KID has been prepared and made available by the Issuer in respect of any Notes, the relevant Final Terms will specify that a UK KID has been made available.

### **Benchmarks Regulation**

Amounts payable under the Notes may be calculated by reference to the Euro-zone inter-bank offered rate (“**EURIBOR**”) or the Sterling Overnight Index Average rate (“**SONIA**”), which are respectively provided by the European Money Markets Institute (“**EMMI**”) and the Bank of England (“**BoE**”). As at the date of this Base Prospectus, the EMMI appears on the register of administrators and benchmarks (the “**EU Benchmarks Register**”) established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) but not the register of administrators and benchmarks (the “**UK Benchmarks Register**”) established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”). As at the date of this Base Prospectus, the BoE does not appear on the EU Benchmarks Register or the UK Benchmarks Register as benchmarks set by central banks and certain public authorities are subject to certain exemptions pursuant to Article 2 of the EU Benchmarks Regulation and Article 2 of the UK Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply such that the EMMI is not currently required to obtain authorisation/registration (or recognition, endorsement or equivalence) under the UK Benchmarks Regulation. The registration status of any administrator under one or both of the EU Benchmarks Regulation and the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of an administrator.

### **Singapore Securities and Futures Act product classification**



Notification under Section 309B of the Securities and Futures Act 2001 of Singapore – unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be ‘prescribed capital markets products’ (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ‘Excluded Investment Products’ (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## HOW DO I USE THIS DOCUMENT?

You should read and understand fully the contents of this document and the applicable Final Terms before making any investment decisions relating to any Notes. This Base Prospectus contains important information about LendInvest Secured Income II plc (the “**Issuer**”), LendInvest plc (the “**Guarantor**”), the Guarantor and its subsidiaries (including the Issuer), together with the Funding Entities, taken as a whole (the “**Group**”) and the terms of the Notes and the Security, and describes certain risks relevant to the Issuer, the Guarantor and the Group and its business and also other risks relating to an investment in the Notes generally.

For the purposes of this document, references to “**Funding Entities**” are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities.

An overview of the various parts comprising this Base Prospectus is set out below:

Part I (*Risk Factors*) provides a description of the principal risks and uncertainties which may affect the Issuer’s and the Guarantor’s respective abilities to fulfil their obligations under the Notes, as well as certain other risks relating to an investment in the Notes generally. Risk factors are presented in categories and in each category the most material risks are mentioned first.

Part II (*Information About the Programme*) provides a synopsis of the Programme in order to assist the reader.

Part III (*How the Return on your Investment is Calculated*) sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect Notes that may be issued under the Programme.

Part IV (*Taxation*) provides a brief outline of certain taxation implications regarding Notes that may be issued under the Programme.

Part V (*Business of the Issuer*) describes certain information relating to the Issuer.

Part VI (*Business of the Guarantor and the Group*) describes certain information relating to the Guarantor and the Group, as well as the business that the Group conducts and its group structure.

Part VII (*Terms and Conditions of the Notes*) sets out the terms and conditions which apply to any Notes that may be issued under the Programme. The applicable Final Terms relating to any offer of Notes will complete the terms and conditions of those Notes.

Part VIII (*Summary of Provisions Relating to the Notes while in Global Form in the Clearing Systems*) is a summary of certain parts of those provisions of the Global Notes and Global Certificates which apply to the Notes while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Notes as set out in this Base Prospectus.

Part IX: (*Use of Proceeds*) describes the manner in which the Issuer intends to use the proceeds from issues of Notes under the Programme.

Part X (*Form of Final Terms*) sets out the respective forms of Final Terms that the Issuer will publish if it offers any Notes under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer of Notes, adjusted to be relevant only to the specific Notes being offered.

Part XI (*Clearing and Settlement*) is a summary of clearing and settlement when interests in the Notes are held and settled in CREST.

Part XII (*Subscription and Sale*) contains a description of the material provisions of the Dealer Agreement entered into between the Issuer, the Guarantor and Allia C&C (a trading name of City & Continental Ltd) (as may be amended, modified or replaced from time to time), which includes the principal selling restrictions applicable to any Notes that may be offered under the Programme.

Part XIII (*Additional Information*) sets out further information on the Issuer, the Guarantor and the Programme which the Issuer and Guarantor are required to include under applicable rules. These include the availability of certain relevant documents for inspection, certain confirmations from the Issuer and the Guarantor and details relating to the listing of the Notes.

Part XIV (*Important Legal Information*) contains some important legal information regarding the basis on which this Base Prospectus may be used for the purposes of making any public offers of Notes issued under the Programme, forward-looking statements and other important matters.

Part XV (*Documents Incorporated by Reference*) sets out the information that is deemed to be incorporated by reference into this Base Prospectus. This Base Prospectus should be read together with all information which is deemed to be incorporated into this Base Prospectus by reference.

Part XVI (*Definitions and Glossary*) sets out a description of certain defined terms and technical terms used in this Base Prospectus.

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## PART I: RISK FACTORS

*You should carefully consider the risks described below and all other information contained in this Base Prospectus and reach your own view before making an investment decision. The Issuer and the Guarantor believe that the factors described below represent the principal risks and uncertainties which may affect their respective abilities to fulfil their obligations under the Notes, but the Group may face other risks that may not be considered significant risks by the Issuer or the Guarantor based upon information available to it at the date of this Base Prospectus or that it may not be able to anticipate. Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes are also described below. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Issuer and the Guarantor think are immaterial at the date of this Base Prospectus, actually occur, then these could have a material adverse effect on the Issuer's and the Guarantor's respective abilities to fulfil their obligations to pay interest, principal or other amounts in connection with the Notes.*

*For the purposes of this Base Prospectus, references to Funding Entities are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes**

#### ***The Issuer is exposed to similar risks as the Guarantor and the Group.***

The Issuer is a recently incorporated wholly-owned subsidiary of the Guarantor, established in order to undertake various activities relating to the issuance of Notes under this Programme. The Issuer's activities are limited to issuing Notes under this Programme (and undertaking various related activities to the issuance of Notes), originating and purchasing loans from other Funding Entities which fulfil the "Eligibility Criteria" contained in Condition 20 of the Terms and Conditions of the Notes set out in Part VII (*Terms and Conditions of the Notes*) ("**Eligible Loans**") (see pages 111 to 113) and lending to other subsidiaries of the Guarantor (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto). Given the nature of the Issuer as a wholly-owned funding vehicle for the Group, and the fact that the Issuer is wholly managed by the Group, the ability of the Issuer to pay interest and repay principal on Notes will be subject to all the risks to which the Guarantor and the Group are subject, and the Issuer will have a similar risk profile to the rest of the Group. Should any of the risks faced by the Guarantor and/or the Group materialise, the Issuer is likely to be affected by the same risk and it may have a material adverse effect on the prospects and financial condition of the Issuer and consequently affect its ability to fulfil the obligations under or in connection with the Notes (see "*Factors that may affect the Guarantor's ability to fulfil its obligations under or in connection with the Notes*" for further information).

#### ***The Issuer is a newly incorporated company which is yet to prepare any financial information or commence operations, and there can be no assurance as to the future financial or operational performance of the Issuer.***

The Issuer is a recently incorporated wholly-owned subsidiary of the Guarantor, and is yet to prepare any financial information or commence operations. As such, this Base Prospectus does not contain any separate financial information for the Issuer or information on the past performance of the Issuer to assist investors in making their investment decision. The Issuer's ability to pay interest and repay principal in respect of the Notes issued by it will depend on its success in originating or purchasing Eligible Loans and in undertaking the other limited activities which it is permitted to undertake, and there can be no assurance that it will be successful in any of these activities (for example, as a result of unfavourable market conditions affecting levels of activity in the property market, as a consequence of competition in the market resulting in a loss of market share for the Group, or due to other factors that may adversely affect its ability to originate or purchase Eligible Loans or undertake other activities and which it is not currently able to anticipate). If the Issuer is not successful in these activities this may have a material adverse effect on the

prospects and financial condition of the Issuer and consequently affect its ability to fulfil its obligations under or in connection with the Notes.

***The Issuer may fail to originate or purchase Eligible Loans, which may have a material adverse effect on the Issuer's ability to satisfy its obligations to make payments of interest and principal under Notes issued under the Programme.***

The Issuer is required pursuant to Condition 5(a) of the Terms and Conditions of the Notes (set out on page 86 in Part VII (*Terms and Conditions of the Notes*)) to apply the net proceeds from each issuance of Notes to the origination and purchase of Eligible Loans. Eligible Loans are defined in Condition 20 of the Terms and Conditions of the Notes as debt obligations satisfying the "Eligibility Criteria" set out in that Condition (see pages 111 to 113) (the "**Eligibility Criteria**"). It is expected that the origination and purchase of Eligible Loans by the Issuer will generate income for the Issuer, thereby giving it the means to pay interest and principal on the Notes issued under the Programme. The Issuer will only be able to purchase Eligible Loans from other Funding Entities to the extent that the Eligibility Criteria are satisfied. Failure to originate further Eligible Loans or purchase Eligible Loans from other Funding Entities may have a material adverse effect on the Issuer's ability to satisfy its obligations to make payments of interest and principal under Notes issued under the Programme.

***The existence of the Partial 20% Guarantee and the Security may not remove all risk of non-payment of the Notes by the Issuer.***

The Issuer's obligations to Noteholders in respect of payments of principal and interest in respect of each Series the Notes will be supported by the Partial 20% Guarantee to be given by the Guarantor, as well as the Security. Although there is no limit on the number of claims that can be made under the Partial 20% Guarantee in respect of any arrears of interest and principal outstanding, the maximum aggregate amount that can be claimed in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of the relevant Series of Notes (such redemption amount being the nominal amount repayable to Noteholders pursuant to the Terms and Conditions of the Notes) at the time of any such claim under the Partial 20% Guarantee, and therefore may not be sufficient to satisfy all claims for principal and interest under the Notes.

The Trustee is entitled to bring a claim under the Partial 20% Guarantee at any time in the event of non-payment by the Issuer. The Security Trustee is entitled to enforce the Security following the occurrence of an Event of Default and the delivery by the Trustee of an "Acceleration Notice" pursuant to the Terms and Conditions of the Notes. There is no requirement that the Trustee bring a claim under the Partial 20% Guarantee prior to the Security Trustee enforcing the Security (or that the Security Trustee enforce the Security prior to the Trustee bringing a claim under the Partial 20% Guarantee).

The ability of the Guarantor to make payments under the Partial 20% Guarantee will depend upon resources being available to it to do so. The ability of the Guarantor to make payments under the Partial 20% Guarantee may be affected by the risk factors described in the sections of this Base Prospectus entitled "*Factors that may affect the Guarantor's ability to fulfil its obligations under or in connection with the Notes*". In addition, the claims of Noteholders under the Partial 20% Guarantee will rank as senior unsecured obligations of the Guarantor on the winding-up or liquidation of the Guarantor. Consequently, the claims of Noteholders under the Partial 20% Guarantee will (i) be subordinated to (i.e. rank behind) the claims of all secured creditors of the Guarantor and any creditors which are preferred by law and (ii) rank alongside all other senior unsecured obligations of the Guarantor (see also Part II (*Information about the Programme*) for further information). As a result, there can be no assurance that the Trustee or the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy all or any part of the claims of Noteholders on the enforcement of the Partial 20% Guarantee following the winding-up or liquidation of the Guarantor as the claims of all secured creditors will need to be satisfied first. As at the date of this Base Prospectus, the secured creditors of the Group were GCP Asset Backed Home (UK) Limited ("**Gravis**") and the holders of the Listed Bonds (see below for further details).

In addition, the Guarantor's assets include its holding of shares in its subsidiaries and, accordingly, the right to participate in a distribution of any of its subsidiaries' assets as a shareholder upon their liquidation, re-organisation or insolvency will be subordinated to (i.e. rank behind) any claims made against such subsidiaries, including their creditors such as any lending bank and trade creditors. The obligations of the Guarantor under the Partial 20% Guarantee are therefore structurally subordinated to any liabilities of the Guarantor's subsidiaries. Structural subordination in this context means that, in the event of a winding-up or

insolvency of any of the Guarantor's subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor (i.e. including Noteholders).

For example, the following security has been granted in favour of Gravis in connection with £31.5 million of financing obtained in 2017 and 2018: (1) LendInvest Loan Holdings Limited has granted a first ranking charge over its holding of shares in LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No. 6 Limited; and (2) each of LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No. 6 Limited has granted a first ranking charge over all of its assets.

The assets of other subsidiaries within the Group are and may be secured in favour of certain creditors of those subsidiaries in the future, which as stated above, may affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee.

The Notes will be secured by the Security. Consequently, the ability of the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) to recover sufficient sums to satisfy payments to Noteholders upon enforcement of the Security will depend, among other things, on the quality of the Issuer's assets and any claims from preferential creditors (i.e. creditors whose claims against the Issuer rank ahead of claims of Noteholders against the Issuer, and therefore who would be able to recover sums before payment is made to Noteholders). The Issuer's assets are only likely to be the Eligible Loans it originates or purchases from other Funding Entities and the net proceeds from any issuances of Notes (less such sums which are lent as Eligible Loans (indirectly through other Funding Entities)) and there can be no assurance that (i) the Issuer will be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities, (ii) borrowers will not default on Eligible Loans or (iii) the Issuer will be able to recover sufficient sums following enforcement of the security relating to a defaulted Eligible Loan to satisfy, on a timely basis, the obligations of the borrower. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders either in full or in part on the enforcement of the Security. See *"Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme — Risks related to the structure of a particular issue of Notes — The Issuer may face risks relating to taking security by floating charge as the statutory requirements in respect of a qualifying floating charge may not be satisfied and the Trustee's ability to appoint a receiver may not be effective."* for further information. **For the avoidance of doubt, the Security Trustee will have no rights to enforce security over any property or properties in respect of which an Eligible Loan has been granted.**

In addition, upon an enforcement of the Security by the Security Trustee pursuant to the Terms and Conditions of the Notes, the Noteholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Security Trustee and the Trustee, including costs incurred by them (or any receiver appointed by them) in the enforcement of the Security and, secondly, remuneration, costs, expenses and liabilities due and payable to the Paying Agents, Transfer Agents and Calculation Agents appointed in respect of the Notes. Any such payments may result in Noteholders not receiving all (or any) amounts outstanding under the Notes in the event that the Issuer has insufficient remaining cash and assets to satisfy their claims.

If the surplus proceeds from the sale of assets following enforcement of the Security proved to be insufficient to cover all amounts due and payable to Noteholders in respect of the Notes, then Noteholders would be solely dependent on being able to receive any shortfall in money from the Guarantor (pursuant to and subject to the limits of the Partial 20% Guarantee) for satisfaction of any outstanding amounts, which would be subject to the risks described above. Following the enforcement of the Security, the sale of assets and a claim being brought under the Partial 20% Guarantee there can be no assurance that Noteholders will recover all or any of their investment in the Notes in such circumstances.

#### **Factors that may affect the Guarantor's ability to fulfil its obligations under or in connection with the Notes**

Risks relating to the Guarantor's ability to fulfil its obligations under or in connection with the Notes are classified into and set out in the following three categories:

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## 1. ***Risks relating to the Group's Business and Industry***

***The Group faces liquidity risk which may affect the ability of the Issuer and/or the Guarantor to make payments in respect of the Notes.***

The Group is exposed to two types of liquidity risk:

The first type of liquidity risk arises where the Group is unable to meet all of its present and future financial obligations as they become due. The Group currently relies on bank and financial facilities (i.e. committed lines of credit from major financial institutions), equity or venture capital investments in the Guarantor and (if issued) Notes issued under the Programme. Any failure by lenders to fulfil their obligations to the relevant Funding Entity as well as the inability of the Group to access new funding in the longer term may impact the Group's cash flow and liquidity, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The second type of liquidity risk arises from mismatches between the maturities of the Group's assets and liabilities, which may result in the Group having surplus cash. Whilst surplus cash may (from time to time) mitigate the first type of liquidity risk described above and the Group will generate surplus cash as it transfers its exposure to the loans it makes to investors who invest in those loans, the primary goal of the Guarantor's liquidity risk management is to secure stable growth in the Group's loan portfolio and manage liquidity efficiently by ensuring that borrowed funds are utilised as loans and any surplus cash is kept to a minimum. Failure to manage surplus cash appropriately may lead to a slowdown in the growth of the Group's loan portfolio which could have a material adverse effect on the Group's business, results of operations and financial condition, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal on the Notes.

***If the Group is unable to increase or maintain the level of its funds under management ("FuM"), or if it is unable to meet the expectations of its Investors and Financial Partners in terms of the return from new capital raises, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.***

As at the date of this Base Prospectus, the Group's FuM (being the aggregate sum available to the Group under each of its funding lines with its Investors and Financial Partners) comprises capital raised from:

- Financial Partners (i.e. actual or prospective financial institutions that partner with the Group to finance a portion of the loans that are originated by the Group);
- the Real Estate Opportunity Fund (a fund managed by the Group that offers Investors the opportunity to participate in a portfolio of UK property finance assets originated and managed by the Group);
- Separate Accounts (which are separate account arrangements entered into between the Group and Financial Partners);
- the Self-Select Portal (an online portal hosted by the Group, through which loans are originated and allocated to investors who choose to invest via the Group's "self-select" product which allows investors to customise their investment);
- the issuance of Listed Bonds under the Existing EMTN Programme (which is a euro medium term note programme established by the Group under which another member of the Group, LendInvest Secured Income plc, was able to issue listed securities similar to the Notes (though this programme has expired and is not expected to be used again)); and



- the issuance of residential mortgage-backed securities by members of the Group (not including the Issuer),

channeled, in each case, through either: (i) Off-Balance Sheet entities, being funding vehicles affiliated with the Group and for which a member of the Group acts as investment adviser or manager; or (ii) On-Balance Sheet entities, being funding vehicles that are subsidiaries of the Group, or other consolidated undertakings of the Group, which grant or make loans to Borrowers.

The Group's ability to increase (and maintain) its FuM is predicated on, among other things, its ability to continue to deliver attractive returns to Investors and Financial Partners (and therefore its ability to accurately assess credit risk), its ability to originate property finance assets, its reputation, and its ability to maintain the security of the Group's platform and the confidentiality of information provided to the Group by its Investors and Financial Partners. The Group's access to funding may also be adversely affected by a number of factors that are outside of its control, such as liquidity constraints, general economic conditions, regulatory requirements and the level of confidence in the UK financial services and real estate sectors, among other factors. A loss of, or adverse impact to, one or more of its capital sources, including its ability to refinance existing capital sources at the same or a materially similar economic level, or an inability to establish new capital sources, could limit its ability to maintain or grow the Group's assets. This could in turn have a material adverse effect on its business, results of operations, financial condition and prospects.

The Real Estate Opportunity Fund is an open-ended vehicle, meaning Investors can request to redeem their capital subject to three months' notice prior to the relevant valuation date, with funds from the redeemed capital payable within 90 business days following this date. The Real Estate Opportunity Fund is therefore subject to the risk that if too many Investors seek to redeem their interests at the same time, the Real Estate Opportunity Fund could be required to dispose of some or all of its assets. The disposal of those assets may need to be made at a discount to meet the redemption calls, meaning that Investors would suffer a loss. For example, during the beginning of the COVID-19 pandemic in the second quarter of 2020, there was widespread economic and political uncertainty and instability which led to a number of Investors seeking to redeem their positions in the Real Estate Opportunity Fund. While the Real Estate Opportunity Fund was sufficiently liquid to withstand these redemption calls, there is a risk that in the event that a significant number of Investors sought to redeem their holdings in the fund, the Group would not be able to satisfy such redemptions and this could have an adverse impact on, among other things, its reputation which in turn may impact its ability to attract other Investors and may ultimately have a material adverse effect on its financial condition.

Under the Listed Bonds, RMBS Transactions and on other balance sheet funding arrangements with institutional capital, the Group is subject to covenants that, among other things, impose certain financial limits and ratios that must be complied with, restrict it from undertaking certain activities, require it to comply with certain investment criteria and require it to obtain consent before undertaking certain corporate events. Furthermore, while many of such arrangements are ring-fenced, certain instruments and arrangements include or will include customary cross-default or cross-acceleration provisions, pursuant to which any breach or default under any of them may lead to an event of default or acceleration under certain others. Each of the relevant parties of the Group also makes representations and warranties and enters into covenants under certain funding and servicing agreements, including, among other things, compliance with lending policies, laws and regulations (including, but not limited to, applicable laws and regulations in relation to anti-money laundering and know-your-customer ("KYC") requirements), asset eligibility requirements, and various portfolio covenants. If the Group is unable to service its obligations, comply with covenants or it defaults under the terms of the relevant instrument or arrangement, it may face increased financing charges, including having to indemnify the relevant counterparties (which in several of its financing arrangements, are uncapped), an acceleration of its repayment obligations or an inability to secure new funding on acceptable terms or at all. Furthermore, pursuant to certain arrangements, it is required to provide the relevant counterparties with regular reports setting out various information on the respective portfolios. Any errors in these reports, whether as a result of human error or otherwise, could result in loss of confidence of the relevant Financial Partners or Investors, termination of servicing agreements, regulatory intervention and damage to its reputation, and could subject any members of the Group to claims for damages.

If the Group is unable to refinance or renew financing arrangements or obtain additional financing arrangements from other Investors or Financial Partners on commercially acceptable terms, its business, financial condition and prospects would be materially adversely affected.

In addition, a considerable portion of the Group's funding sources have in the past and are likely in the future to come from bespoke vehicles and arrangements that it forms, enters into or helps establish, with the aim of securing funding for the loans it originates. For example, the LendInvest Secured Income plc euro medium term note programme was launched in August 2017; the Group completed four RMBS Transactions in June 2019, March 2020, June 2021 and April 2022; and in January 2021 the Group entered into a Separate Account with J.P. Morgan. These transactions are time-consuming and involve significant operational resources and costs, whether or not they proceed to completion. Failure to form or participate in the establishment of similar bespoke vehicles and arrangements in the future could adversely affect the Group's ability to maintain or increase its FuM in the longer term.

If the Group is unable to have sufficient FuM on reasonable terms for a prolonged period of time, it may not be able to execute its growth strategy. A continued inability to increase its FuM in the longer term, that is, in the period beyond the date that is 12 months from the date of this Base Prospectus, could have a negative impact on its business and financial condition, including its failure to meet its financial obligations as they fall due and to fulfil its commitments. If it is unable to maintain or increase its FuM, or if Investor and/or Financial Partner returns decrease, its business, results of operations, financial condition and prospects could be materially adversely affected, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***If the Group is unable to maintain or increase its Platform AuM (i.e. its assets, primarily comprised of loans and advances it makes), its business, results of operations, financial condition and prospects could be materially adversely affected.***

The Group has experienced rapid growth in Platform AuM, which grew from £1,573 million in the financial year ended 31 March 2021 to £2,146 million in the financial year ended 31 March 2022. The Group's Platform AuM refers to the overall assets of the Group through its operations, and is comprised in particular of the loans and advances made to Borrowers from which the Group derives its revenue. The rapid growth in Platform AuM has led to a significant growth in the Group's revenue. To continue to grow its business, it must continue to increase its Platform AuM by attracting new and retaining existing Borrowers who meet its lending standards. Its Platform AuM could decrease or increase at a slower rate than historical growth rates if the number or rate of new Borrowers declines, the number or rate of repeat Borrowers decreases, or the average size of new or repeat loans decreases if existing Borrowers refinance with other lenders.

The Group's ability to attract and retain Borrowers depends on, among other things, its ability to continue to provide attractive property finance products and prices, the satisfaction level of its Borrowers, its reputation, its marketing efforts and its ability to maintain the security of its platform and the confidentiality of information provided by Borrowers. The Group also operates in a highly competitive environment which is a further challenge for attracting and retaining Borrowers (see "*The Group's business is conducted in a competitive environment and increased acquisition costs for Investors, Financial Partners and Borrowers would reduce its market share and revenue*" below).

Borrower demand also depends on factors that are beyond the Group's control, including general and local economic conditions, the competitive, political and environmental environment, demographic trends, property prices, property supply, interest rates, changes in consumer sentiment and spending or borrowing patterns, or changes in the personal financial circumstances of potential Borrowers, among other factors.

In addition, the Group heavily relies on Intermediaries to attract Borrowers. For example, in the financial year ended 31 March 2022, 61.4 per cent. of its short-term originations and 100 per cent. of its Buy-to-Let originations were generated through Intermediaries. The Group's agreements with its Intermediaries do not generally contain exclusivity provisions that would prevent them from referring leads to the Group's competitors, and it also does not require such Intermediaries to refer any minimum number of potential Borrowers to it. In addition, these agreements generally contain termination provisions that, if exercised, would terminate the agreements, whether with or without cause. As such, if the Group is unable to maintain or expand its relationships with Intermediaries, if the number of potential Borrowers referred to it by Intermediaries decreases, or if such Intermediaries terminate their relationships with it, the Group's Platform AuM could be adversely affected.

The Group may also face risks arising from the relationship between the demand for its loans from Borrowers, Investors and Financial Partners. If the Group cannot match demand for its loans across Borrowers and Investors and Financial Partners over time, it may be required to reduce its Platform AuM to the extent that it is unable to fund such loans through alternative funding sources.

If the Group is unable to maintain or increase its Platform AuM, its business, results of operations, financial condition and prospects could be materially adversely affected, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group's business is conducted in a competitive environment and increased acquisition costs for Investors, Financial Partners and Borrowers would reduce its market share and revenue.***

The Group operates in highly competitive markets and its financial performance depends on its ability to maintain existing, and capture additional, market share.

With respect to Investors and Financial Partners, the Group competes with a wide variety of investment vehicles, asset classes offered by a large number of financial and other institutions and alternative asset managers. These competitors may have stronger reputations with Investors and Financial Partners or offer more attractive rates of return, better liquidity or otherwise have more favourable terms and conditions, which may reduce the amount of Investor and Financial Partner funding available. If sufficient Investors or Financial Partners determine that the Group's investments or asset classes are less attractive than those of other alternative asset managers, whether within the property finance sector or another alternative asset class, the Group may have difficulty raising additional funds in the future, which could have a material adverse effect on its business, results of operations, financial condition or prospects.

Increased competition may also adversely affect the interest rates the Group offers on loans, the rates of return offered to Investors and Financial Partners, and the margin it makes between the two, and could lead to a loosening of its lending criteria or a greater credit risk appetite. Fluctuations in interest rates and general economic conditions may also affect its competitive position. During periods of declining interest rates, competitors may solicit the Group's Borrowers to refinance their loans. Furthermore, a cyclical decline in the level of property finance loan originations, or decreased demand for such loans due to a higher interest rate environment, may lead to increased competition.

With respect to Borrowers, the Group primarily competes with building societies, medium-sized banks, specialist banks, non-bank lenders and other alternative asset managers. Competition for Borrowers can be affected by many factors, including the number and size of competitors, as well as competitors' product and service offerings, reputation, risk appetite, marketing efforts and strategies, distribution and sales channels and the level of interest rate and other fees they charge.

Some of the Group's current or future competitors have, or may in the future have, significantly more financial, technical, marketing and other resources, and may be able to devote greater resources to the development, promotion, sale and support of their products. Current or future competitors may also have longer operating histories, more extensive customer bases, a richer product offering, and greater brand recognition and loyalty. Additionally, many of its competitors operate with different business models or cost structures, and may ultimately prove more successful, or more adaptable to new regulatory and other developments. If the Group is unable to compete successfully in these markets and identify new trends to take advantage of, its ability to maintain existing or capture additional market share could be adversely affected. Furthermore, in recent years traditional banks have increasingly been focusing on digitisation with a view to enhancing efficiency and customer experience, potentially eroding the competitive advantage that the Group has traditionally enjoyed, as a technology-driven business.

If the Group is unable to compete successfully against any or all of its competitors, it could lose or otherwise fail to increase market share, and its revenue could decline. Any such changes in competition could have a material adverse effect on its business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group may fail to execute its strategy successfully.***

The Group's strategy is to grow and expand its business. In the medium-term, its ambition is to: (a) triple its Platform AuM; (b) double its overall revenue; (c) grow its Adjusted EBITDA (which is a measure of profit and loss) by a multiple of between three and five times; (d) double the margin it makes on its Adjusted EBITDA; and (e) double loans processed per operational head. The Group intends to pursue these ambitions through the following strategic objectives: (i) grow its FuM; (ii) continue to optimise its FuM; (iii)

expand its Platform AuM through adjacent markets and geographies; and (iv) invest in its technology infrastructure.

There can be no guarantee the Group will be able to deliver all or any of its strategic priorities within the targeted timeframes or that their implementation will not give rise to unexpected costs. In addition, its strategy may be based on assumptions that prove to be incorrect.

Furthermore, the Group's strategy could require the commitment of significant additional management, operational and financial resources to assess the opportunity adequately and support any resulting build-out of operations. This could strain its existing management resources and operations and/or negatively impact its ability to evaluate future opportunities. The Group's strategy also requires a dedicated team of skilled employees, including employees with experience working in a regulated environment and there can be no guarantee it will, in order to pursue its strategy, be able to hire new employees with appropriate skills and experience or reallocate existing employees without material disruption to its existing business (see also "*If the Group fails to retain key personnel and highly-skilled employees, or to continue to attract highly-skilled employees in the future, it may not be able to achieve its anticipated level of growth and its business could suffer*").

A failure to manage any of these risks adequately could have a material adverse effect on its business, results of operations, financial condition and prospects, which may, in turn, have a material adverse impact on the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group's rapid growth may strain its resources or affect its ability to maintain performance levels.***

The Group has experienced rapid growth in its business in recent years, as illustrated by the significant growth in Platform AuM (from £1,573 million in the year ending 31 March 2021 to £2,146 million in the year ending 31 March 2022) and its FuM (from £2,486 million in the year ending 31 March 2021 to £2,937 million in the year ending 31 March 2022). This rapid growth has placed, and is likely to continue to place, significant pressure on its management and operating and financial resources.

The execution of the Group's business plan and its future success will depend on the ability to (i) manage current and planned growth and expansion; (ii) implement and improve its operational risk management procedures and financial and management information systems; (iii) satisfy all applicable regulatory requirements; and (iv) attract, train and retain talent.

In expanding the Group's asset management business and developing new property finance products it is also likely to become subject to more laws, rules and regulations that apply to markets it seeks to enter. If the Group is unable to, or fails to, comply with any such laws, rules and regulations then the Group could be subject to regulatory actions or sanctions, as well as litigation, which could have a material adverse impact on the Group's business, results of operations, financial condition and prospects and its ability to continue or to manage its rapid growth. In entering such markets, or launching new property finance products, there is a demand for the Group's business to acquire, retain and develop the appropriate employees who have the relevant expertise to support its business execution for these products, and any failure to do so could have a material adverse effect on the ability of the Group to continue or to manage its rapid growth.

There is a risk that if it continues to grow the business at the rates that it has experienced, the Group will outpace the resources that its employees currently have, and this could have adverse consequences for its business. Additionally, the fast rate of growth means there is a risk that the pressures already existing on the Group's management and employees could be exacerbated where it is seeking to undertake transformational corporate actions, particularly where it is undertaking more than one such action at the same time. It further means that there is an execution risk to the implementation of policies, procedures and guidance that it implements, and will continue to implement, as it increasingly enters more regulated markets and develops new financial products. See "*Risks relating to Compliance and Regulation — Any failure by the Group to comply with applicable laws, rules and regulations could result in investigations and enforcement actions being brought against it, financial redress having to be made, authorisations or registrations not being issued or being amended or revoked, fines or the suspension or termination of its senior management or its ability to do regulated business.*"; "*Risks relating to Compliance and Regulation — Changes in laws, rules, regulations, policies, fines or other penalties, or the way existing laws, rules or*

*regulations are administered, interpreted or enforced could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.”; and “Risks relating to Compliance and Regulation — The Group may fail to detect or prevent money laundering and other financial crime activities if they are not correctly identified and effective controls to mitigate those risks are not implemented.” for more information in relation to certain risks faced by the Group relating to compliance and regulation.*

Additionally, the Group believes an important component of its success is its corporate culture. The Group's core values are focused on promoting a culture of innovation, collaboration and engagement, in which all employees are motivated, incentivised and supported to do their best work in a fast-paced, ambitious environment. As the Group continues to grow and mature, offering an array of complex financial product offerings, it may find it difficult to maintain its corporate culture, which could adversely affect its ability to attract and retain talent with the appropriate expertise required, and encourage creativity, teamwork, passion and transparency, as well as its ability to effectively focus on and pursue its mission and growth plans.

Any failure to manage current and planned growth (and the associated risks caused by the growth) may have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***If the Group fails to retain key personnel and highly-skilled employees, or to continue to attract highly-skilled employees in the future, it may not be able to achieve its anticipated level of growth and its business could suffer.***

The Group is dependent on the efforts and abilities of certain key employees, in particular its co-founder and Executive Chair, Christian Faes, Chief Executive Officer, Roderick Lockhart, co-founder and Chief Investment Officer, Ian Thomas, Chief Financial Officer, Michael Evans, and Chief Operating Officer, Arman Tahmassebi, as well as the senior management team, for the implementation of its strategy and the operation of its day-to-day activities. The departure of all or some of these individuals could have a material adverse effect on the Group's business, business continuity and ability to grow if suitable replacements could not be found in a timely manner, or at all, or if, following the expiry of non-compete periods, these individuals are subsequently employed by its competitors.

In addition, the success of the Group's business is dependent on recruiting, retaining and developing appropriately skilled, competent people at all levels of the organisation. Competition for highly-skilled personnel, in particular for technology personnel, is extremely intense and the Group's reliance on such personnel is likely to intensify as it continues to expand its business, digital functions and technology infrastructure. Furthermore, as the Group develops further complex financial property products, it will have a growing demand for persons with regulatory expertise to support its growth and there is a risk that it will not be able to attract or retain these individuals.

If the Group is unable to attract and retain such personnel or ensure that the experience and knowledge of key management is not lost from the business during the succession of personnel, it may not be able to maintain its standards of service, effectively comply with its regulatory obligations and/or continue to grow the business as anticipated. The loss of such personnel, inability to attract and retain suitable talent in a timely manner or failure to plan succession effectively could have a material adverse effect on its business.

***Any failure of current or future operational processes, IT and related communication systems could materially adversely affect the Group's business, results of operations, financial condition and prospects.***

The Group relies on operational processes, IT and related communication systems to conduct business. These systems are essential for its loan allocations, originating, servicing and other activities, including the pricing and sales of products, assessing risk exposure, setting required levels of provisions, providing and maintaining customer service, developing and maintaining its technologies and meeting regulatory requirements. It also depends on certain third-party suppliers and service providers for IT-related products and services that are essential to its business, including AWS, Pepper and Salesforce, which have been licensed to or developed for it. The Group also relies on service providers for other aspects of its business, including for loan servicing, certain operational and treasury systems, payment networks, data analytics, politically exposed persons and sanctions screening, fraud screening, biometric verification, open banking connectivity, internet connectivity, file storage, document generation, risk management, compliance, human

resources management, credit bureau, business accounting, web hosting, cyber security and other support services. Furthermore, the Group uses cloud-based technology platforms and relies on multinational IT companies to host its key systems and processes, including customer data.

These processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, cyber-attacks, computer viruses, physical or electronic break-ins, power loss, natural hazards, disasters, or similar disruptive events. Any failure of IT systems, ability to integrate new platforms (including in connection with the transfer of data and customer information) or third-party processes, infrastructure and services on which the Group relies, could lead to significant costs and disruptions that could adversely affect overall operational and financial performance, cause reputational damage and attract increased regulatory scrutiny. Although these IT systems have been developed to allow the Group to scale its business, it cannot be assured that these IT systems are or will continue to be able to support a significant increase in business, or online traffic as its customer base grows. In addition, the Group intends to introduce new IT systems and upgrades as its business expands, but there is no certainty that these changes will be implemented efficiently or in a cost-effective manner.

Moreover, any failure by suppliers or third-party service providers to renew their licence or maintenance agreements with it, any termination of such agreements or licences, or any failure by such suppliers or third-party service providers to maintain the quality and consistency of their products and services, could lead to significant disruptions in the operational performance of the Group's business. Such failures may cause the Group to terminate product offerings, resulting in lost customers and adversely affecting the results of operations. Similar effects may result if those suppliers and service providers cannot modify or develop the systems in response to requirements associated with operational, commercial or regulatory changes and the Group is unable to find alternative suppliers or third-party service providers in a timely and cost-effective basis, or at all.

While the Group has established business continuity plans and strategies, these are subject to inherent limitations, including the possibility that certain risks have not been identified or that new cyber-security threats emerge. Furthermore, the Group cannot control the business continuity plans or strategies put in place by suppliers and third-party service providers. Because techniques used to sabotage or obtain unauthorised access to systems change frequently and generally are not recognised until they are launched against a target, the Group and its suppliers and third-party service providers may be unable to anticipate these threats or implement adequate preventative measures in time.

Any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***If new property finance products the Group launches or platform enhancements it makes do not achieve sufficient market acceptance, its financial condition and competitive position could be harmed.***

The Group's future growth is partly dependent on its ability to develop and market new property finance products, as well as its ability to continue to enhance its platform to incorporate additional features and improve functionality. New property finance products or platform enhancements must achieve high levels of market acceptance in order for the Group to recoup the related investments. The Group's property finance products can be complicated offerings, and there is a risk that new products or technologies (i) do not adequately provide the service for which they were intended; (ii) are not implemented effectively; or (iii) are not sufficiently adopted by market participants or are adopted below its expectations. The Group could fail to attain sufficient market acceptance for many reasons, including failing to predict market demand accurately, delays in releasing new property finance products or platform enhancements, and defects, errors or failures in any such platform enhancements. If new property finance products or platform enhancements do not achieve adequate acceptance in the market, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group's Platform AuM is exposed to credit risk and any material increases in non-performing loans or a shortfall on enforcement and/or realisation of security could materially adversely affect its business and, in particular, its ability to increase FuM.***

The Group's Platform AuM is exposed to credit risk and may therefore experience material increases in non-performing loans. The quality of its Platform AuM depends primarily on the creditworthiness of its Borrowers and their ability to service and repay their loans on time. The creditworthiness of its Borrowers is affected by a range of factors, many of which are outside of its control, such as deteriorating economic conditions and negative developments in the financial markets.

Investors and Financial Partners continually assess the performance of the Group's Platform AuM, and its ability to increase its FuM in the future will depend on existing performance. Any material increase in non-performing loans in the Group's Platform AuM may cause reputational damage to the Group and deter future Investors or Financial Partners from maintaining or expanding their funding lines which could result in the Group receiving reduced income which, in each case, could materially adversely affect its business, results of operations, financial condition and prospects. Poor performance by the Group's Platform AuM could also make it more difficult to increase or maintain its FuM in line with its strategy, require it to purchase non-performing loans and assume the liability of these on its balance-sheet, and result in a direct loss for its interests held in the Off-Balance Sheet Entities through its exposure under any RMBS Transactions.

The Group's lending operations are predominantly based in the UK and the loans it originates are made almost entirely to Borrowers in the UK, in particular in England and, to a lesser extent, Wales and Scotland. Furthermore, the majority of the loans it originates are made to Borrowers in London (representing 38.7 per cent. of its AuM as at 31 March 2022). If a disruption to the credit markets or an adverse change in economic or political conditions were to have a disproportionate effect on England generally, and London in particular, the Group, its Investors and Financial Partners, could be exposed to disproportionate potential losses compared to its competitors. While the Group regularly monitors its Platform AuM to assess potential concentration risks, its efforts to diversify and manage these risks may not always be successful, which could have a material adverse effect on its business, results of operations, financial condition and prospects, including its ability to increase Platform AuM and FuM.

This risk would be increased in the event there was a shortfall on enforcement and/or realisation of security. As at the date of this Base Prospectus, all of the loans the Group originates are secured against the property of the relevant Borrower or through third-party security. In some circumstances, the Group may also secure personal guarantees from the relevant Borrowers. In most cases, the charge against the property will be a first-ranking legal charge in the form of a fixed charge. However, on a case-by-case basis, second-ranking legal charges on investment properties may be accepted. As at 31 March 2022, 100 per cent. of the Group's Platform AuM was secured by first-ranking legal charges in the form of fixed charges and none of the Platform AuM was secured by second-ranking legal charges (in the form of either fixed or floating charges). A first-ranking legal charge, which is registered at Land Registry in the name of the lender (or a security trustee on behalf of the lender(s)), gives the lender (or the security trustee on its behalf) the ability to sell the particular property and use the proceeds of sale to repay the loan in question, in priority to any other creditor. A second-ranking legal charge, which is registered at Land Registry in the name of the lender (or a security trustee on behalf of the lender(s)), means that another creditor has a first ranking legal charge and the second ranking legal charge sits behind it in terms of priority. If the property was sold in order to repay the debt, the proceeds of sale would first be applied in repayment of the debt owing to the first-ranking legal charge holder and secondly, in repayment of the debt owing to the second-ranking legal charge holder. A floating charge "floats" over the pool of assets subject to the charge but enables the relevant company granting the security to deal with the assets until the occurrence of certain events which cause the charge to fix (or, 'crystallise') on to the assets. A floating charge is less advantageous than a fixed charge, as a claim to the assets made by a floating charge holder ranks behind that of a fixed charge holder in such cases, and also behind certain preferential creditors.

For the avoidance of doubt, the Issuer (as beneficial owner of any Eligible Loans to be purchased by it) will benefit from the same security and personal guarantee that another Funding Entity would have benefitted from as the originator of such Eligible Loans prior to such purchase.

Loans secured by second-ranking legal charges are generally repaid only after the obligations under loans secured by prior-ranking legal charges have been satisfied or discharged. Furthermore, depending on the commercial agreement between the parties, the consent of the first-ranking security holder may be required before any enforcement action can be taken to enforce second-ranking legal charges. Accordingly, loans secured by second-ranking legal charges are generally riskier from the perspective of a lender compared to loans secured by first-ranking legal charges, especially if properties are devalued, and consequently have higher LTV ratios. Risks to security can be furthered where the property to be secured is not registered, or where Borrowers' insurance coverage may not be adequate at all times or obtained at all. In these

circumstances, any insurance proceeds received (if any) may be insufficient to repay all or part of the relevant loan. There may also be situations where the Group is not able to enforce personal guarantees that it has against relevant Borrowers, including where it is unable to trace the guarantor, the guarantor resides in a jurisdiction which makes enforcement of an English-law governed guarantee difficult or impossible, or where the guarantor does not have sufficient assets in order to meet the liabilities owed to the Group under the guarantee. It is not certain that the Group (or, where relevant, its funding vehicles) will be able to recover sufficient sums following enforcement of security or any guarantee to satisfy, on a timely basis, the obligations of the relevant Borrower under the underlying loan, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Furthermore, since March 2020, schemes have been initiated by HM Government to provide financial support to parts of the UK economy and individuals most impacted by the COVID-19 pandemic. These include payment holidays in relation to mortgages and other consumer credit, a repossession moratorium, the Coronavirus Job Retention Scheme (and subsequent replacement schemes), and lending schemes initiated to support businesses through the pandemic, such as the CBILS.

The Group received an allocation of £48 million as a CBILS accredited lender and, as at 31 March 2021, the majority of that allocation had been drawn. As at 31 March 2022, the Group's balance of CBILS loans decreased to £16.1 million and, although the loans the Group has made under the CBILS are subject to certain guarantees by HM Government, there is a risk that it may be unable to successfully claim under these guarantees if, for example, it is discovered that all terms and conditions under the guarantee scheme were not met by the Group at the time of origination of the lending. Any adverse changes in the credit risk of the Group's Borrowers could lead to increased defaults, provisions and impairments over time which could have a material adverse impact on its financial position.

The uncertainty about the pace and strength of economic recovery and particularly recent elevated inflation levels could have a negative impact on household budgets. A sustained period of higher inflation will lead to increased cost of living for the Borrowers and may result in interest rate rises as central banks seek to control it. These may have a negative impact to the housing market causing loan-to-value and equity challenges in relation to the mortgage book. A sustained period of higher inflation and interest rates may change customer behaviour and affordability, which may lead to potential higher arrears rates.

In respect of the loans that the Group originates and holds on its balance sheet (including loans that are held by the On-Balance Sheet Entities), estimated provisions for credit risk are built in as part of the ordinary course of operations. This process, which directly impacts the results of operations and financial condition, requires expert judgments, including forecasts of how changing economic conditions might impair the ability of Borrowers to repay their loans. The Group may fail to adequately identify the relevant factors, estimate the impact or magnitude of identified factors or unforeseen events (such as new variants of COVID-19 virus) that may occur.

The Group's impairment allowances for the loans that are on its balance sheet are determined based upon an assessment of future cash flows for individually significant loans, prior loss experiences, the results of its scoring and indebtedness models, the volume and type of loans, security type, the volume of past due loans, economic conditions and other factors related to the collectability of such loans. Any increase in impairment allowances, any loan losses in excess of such allowances, or any potential changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans may have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***If the Group's credit framework or credit processes fail to assess credit risk accurately, or if the Group fails to efficiently allocate loans to appropriate funding lines, its business, results of operations, financial condition and prospects could be materially adversely affected.***

Failure to assess credit risk accurately or allocate loans to appropriate funding lines may mean that the Group and its Investors and Financial Partners suffer losses or do not receive the expected returns on investment. If Investors or Financial Partners experience such losses or perceive the Group's credit processes and allocation procedures to be deficient, it may be unable to grow its FuM and its business, results of operations, financial condition and prospects could be materially adversely affected.



The Group employs a credit approval process to evaluate loan applications and loan extension requests. This process is designed with multiple controls to mitigate the risk of error. Despite these controls, the credit approval process may be ineffective and may not accurately assess actual creditworthiness of Borrowers for various reasons, including as a result of:

- errors (whether human or otherwise) in constructing, interpreting or using the models and techniques used in the evaluation process;
- the use of inaccurate information (including as a result of human error in data input, inaccurate information received from Borrowers and third parties (such as solicitors, credit reference agencies, fraud databases, valuers and accountants), and fraudulent data input by Investors, Financial Partners, Borrowers, Intermediaries, employees or third-party service providers). See also — *“Misconduct and errors by Investors, Financial Partners, Borrowers, Intermediaries, employees and third parties could harm the Group’s business and reputation.”*;
- the creation and use of models based on incorrect assumptions or inadequate data; and
- incorrect judgment and decisions by employees.

Further, the Group relies on a number of third-party service providers whose products are integrated within its credit assessment processes. Should these products fail or not be maintained to ensure their quality, accuracy and consistency, the Group’s ability to assess creditworthiness of Borrowers may be adversely affected.

For example, as part of the credit assessment process the Group requires property valuations for all loans it has originated. Property valuations will generally only be an estimate of the value of a property at the time the valuation is completed. The Group relies on property valuations to determine the applicable LTV or LTGDV ratio, which informs underwriting decisions and these are occasionally undertaken, such as during the national lockdowns due to COVID-19, with valuers never physically inspecting the property. As property values in the UK continue to experience volatility, particularly as a consequence of COVID-19 and its impact on demographic distributions in the UK as working patterns change and wider macroeconomic uncertainty and volatility, there can be no assurance that property valuations are always accurate when they are completed or that they will remain accurate in the future.

As at 31 March 2022, 82 per cent. of Platform AuM was exposed to residential properties, and the impact on the above demographic distributions in the UK as described above is therefore potentially particularly acute. Furthermore, valuations are inherently subjective and may overvalue the property on which loans are secured. This risk is exacerbated following the events at the Grenfell Tower in June 2017. There is now a requirement for a valuer to obtain the issue of an EWS1 Cladding External Wall System form, providing an opinion on the safety of any property that is 18 meters or more above ground level. There can be no guarantee that the certification is accurate, and it is now therefore usual practice for valuers to exclude any liability or responsibility to lenders who rely upon a valuation provided in reliance on a form EWS1. This uncertainty, and the exclusion of liability by valuers the Group relies upon, means that it, together with its Investors and Financial Partners, bear the risk where the form EWS1 is inaccurate consequentially impacting the true valuation.

In addition, although the Group’s models and techniques attempt to take into account the external environment that might impact Borrowers’ ability to service their loans, such as macroeconomic, interest rate and political environments, they may not accurately predict the actual credit risk for various reasons, including as a result of inaccurate assumptions or failure to update such assumptions appropriately or in a timely manner. Moreover, if future performance of loans differs from past experience, which informs the development of the Group’s credit scoring and indebtedness models, insolvency and default rates could increase. If valuations overvalue the properties securing the loans, the LTVs or LTGDVs of those loans may actually be higher than its records reflect, which could negatively impact the Group’s ability to mitigate credit losses in the future and in turn materially adversely affect its business, results of operations, financial condition and prospects.

Any failure to assess credit risk and valuations accurately could result in, among other things, mispriced loans, losses under those loans, incorrect approvals or denials of loans or loan extensions, regulatory intervention and damage to the Group’s reputation. See also *“The Group’s Platform AuM is exposed to credit risk and any material increases in non-performing loans or a shortfall on enforcement and/or*

*realisation of security could materially adversely affect its business and, in particular, its ability to increase FuM” above.*

Furthermore, any failure to properly allocate loans to the various Group’s funding lines, considering various factors including investment eligibility, return expectations, portfolio covenants and limits, and any regulatory requirements, as well as any failure of the Loan Engine could lead to disruptions in the Group’s operational performance or result in less efficient loan allocation, both of which could adversely affect its business. See also “*Any failure of current or future operational processes, IT and related communication systems could materially adversely affect the Group’s business, results of operations, financial condition and prospects*” above.

Any of these events could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor’s ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group relies upon third-party data hosting and transmission services in carrying out its business.***

The Group’s business depends on third-party data hosting and transmission services provided by AWS and others, whose data centres are located within the European Union. The Group’s operations depend, in part, on these third-party providers’ protection of their facilities from power or telecommunications failures, damage to the facilities from natural disasters, criminal acts or similar events and its operations are vulnerable to service interruptions at these third-party providers’ locations and to such providers’ ability to store its customer data safely and securely. Pursuant to the terms and conditions of its arrangement with AWS, the Group also provides to AWS an uncapped indemnity for, among other things, any liabilities incurred by AWS from a third-party claim in connection with (i) the services that AWS provides to the Group or breaches by the Group; (ii) a breach of applicable law or regulation; and (iii) any dispute between the Group and a customer that uses its platform. If any third-party services arrangement is terminated, or its service is interrupted or lapses due to unexpected events, the Group would be required to expend time and effort to find alternative service providers and the Group could experience interruptions or delays in access to its platform and products and services. Any damage to, or failure of, the systems of the Group’s third-party providers could also result in the loss of data relating to its Investors, Financial Partners, Borrowers and/or Intermediaries and the Group’s business could be materially adversely affected if its data recovery infrastructure is not sufficient to protect this data.

A portion of the Group’s operating costs are from third-party data hosting and transmission services. If the costs for such services were to increase due to vendor consolidation, regulation, contract renegotiation or termination by a third-party service provider or otherwise, the Group may not be able to increase the fees for its financial products to cover the increases in costs. In addition, any failure by the Group to achieve or maintain sufficient data transmission capacity could significantly reduce demand for its products and services and it also could incur additional expenses in arranging for alternative data hosting or transmission services. As a result, the Group’s business, results of operations, financial condition and prospects could be materially adversely affected, which may, in turn, affect the Guarantor’s ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group’s existing security measures may not prevent a security breach or hack.***

Substantial or ongoing security breaches on the Group’s platform or systems, whether instigated internally or externally, could significantly harm its reputation, brand and business. Like most technology companies, the Group has experienced attempted phishing, malware and denial-of-service attacks in the ordinary course of its operations. While the Group has not to date experienced any material security breaches, it has incurred, and expects to continue to incur, substantial expense in protecting itself and its Investors, Financial Partners, Intermediaries and Borrowers against security breaches and their consequences.

Despite the Group’s investment in protective measures against security breaches, it is possible that computer circumvention capabilities, new discoveries or advances in technology or other developments, or its own acts or omissions (or acts or omissions by its Investors, Financial Partners, Borrowers, Intermediaries or third-party suppliers), could result in an internal or external party compromising or circumventing the security systems of the Group and accessing customer data on its customers, Financial Partners, Investors and Borrowers or causing significant interruptions to its business and operations. This risk is compounded when the Group’s employees work remotely, which provides opportunities for security

breaches or hacks targeted through internet routers or connections that its employees may use either at home or in remote working locations, which may be less robust or sophisticated than those employed as a business by the Group.

Although the Group has taken measures to protect all critical elements of its systems and data, such measures may not be successful. A loss or leak of customer data, or a publicised breach of security, could inhibit the willingness of its Investors, Financial Partners, Borrowers or Intermediaries to engage with its platform, which could result in a material adverse impact on its business, operations and prospects. These may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group faces risks associated with its hedging strategy.***

The Group uses derivative instruments, including interest rate swaps (which are contracts entered into with financial institutions to exchange one stream of payments for another, over a set period of time – for example by exchanging exposure to a floating rate of interest with exposure to a fixed rate of interest), to “hedge” its exposure to fluctuations in interest rates (hedging being a risk management process used to offset exposures in investments, such as interest rates). In particular, the Group enters into interest rate swaps to hedge mismatches between its liability to pay interest on certain funding lines that bear interest at variable rates (including interest rates that are or may become linked to SONIA), and income generated from loans that bear interest at fixed rates.

Should a significant number of loans be repaid early, the Group could be “over-hedged” (meaning that the Group has undertaken more hedging than it actually requires – the opposite being “under-hedged”, where the Group undertakes less hedging than it requires) if it does not unwind the associated hedges (i.e. cancel them with the relevant counterpart) or could otherwise suffer significant losses on those hedges if it unwinds them at a time when the cost to unwind them is high. As at 31 March 2022, the Group was over-hedged across its Buy-to-Let Financial Partnerships (with Citibank and NAB) and RMBS Transactions that closed between 2019 and 2022. In a number of Financial Partnerships there are restrictions on the extent to which the funding vehicle may be under or over-hedged. In addition, while the Group is currently contractually obliged to hedge its exposure to Buy-to-Let assets to fluctuations in interest rates, there is no assurance that it will continue to do so in the future and therefore be able to protect itself if in future the income it generates through interest that it receives is less than the amount it has to pay out to counterparties. Furthermore, it is not guaranteed that hedging will continue to be available on commercially reasonable terms. If the Group is unable to manage its hedging strategy successfully then this may result in a material adverse impact on its business, operations and prospects which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

While all of the Group's assets and liabilities are denominated in GBP and are therefore not directly exposed to fluctuations in exchange rates, the Real Estate Opportunity Fund raises some of its funds into USD and EUR share classes. The Real Estate Opportunity Fund invests into GBP based assets. To hedge the risk from currency fluctuations the Real Estate Opportunity Fund enters into hedging arrangements for its USD and EUR share classes.

If the USD or EUR share classes are under or over-hedged or incorrectly hedged, investors in those share classes could suffer loss on account of an adverse movement in exchange rates. Should this occur on a material scale, this could have a negative impact on the reputation of the Group's business, making it more difficult to attract Investors, and consequently on its financial performance and prospects. This may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal on the Notes, which may result in Noteholders losing all or part of their investment.

***Misconduct and errors by Investors, Financial Partners, Borrowers, Intermediaries, employees and third parties could harm the Group's business and reputation.***

As the operator of an asset management platform for property finance, the Group is exposed to possible misconduct and errors by Investors, Financial Partners, Borrowers, Intermediaries and their respective professional advisers, as well as the Group's employees and third-party service providers.

For example, as part of the Group's loan origination process, it relies on information (including employment, income and other financial information) provided by Borrowers, Intermediaries and other third parties, such as solicitors, credit reference agencies, fraud databases, valuers and accountants. It also relies on representations of Borrowers as to the accuracy and completeness of that information. Borrowers, whether acting alone or in concert with professional advisers and other third parties, could seek to obtain funds by providing false information, adopting a false identity, using a false, inflated property valuation, purporting to own a property or seeking a release of security without redeeming the underlying loan. Borrowers could also wrongly claim reimbursement under direct debit indemnity arrangements of instalments previously paid by them and solicitors could abscond with completion monies.

Although the Group has fraud detection controls and processes in place to aid in identifying misrepresented information, there is no guarantee that these processes have detected, or will detect, all misrepresented information. The Group also uses a number of third-party data providers, such as Equifax, Creditsafe, Credit Kudos, and Rightmove, while assessing the credit quality of Borrowers (such as credit score data) and the nature and value of the underlying property. The Group uses such data both in the underwriting assessment and for portfolio performance analysis. It does not independently review the accuracy of such third-party data which, if inaccurate, could affect underwriting decisions and portfolio performance analysis.

Furthermore, the Group depends on its employees, professional advisers and third-party service providers to process a large number of increasingly complex transactions, including payment processing transactions and loan transactions that involve the processing, use, disclosure and evaluation of significant amounts of personal customer data, among other things.

The Group could be materially adversely impacted if it was subject to fraudulent or erroneous loan applications by Borrowers or Intermediaries, if Borrowers or Intermediaries were not appropriately identified, if payments were redirected or misappropriated (or transactions were otherwise improperly executed), if personal customer data was disclosed to unintended recipients or otherwise used for illegal activities, or if an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error, a purposeful sabotage or fraudulent manipulation of its operations or systems, or otherwise. In addition, the manner in which the Group stores and uses certain personal customer data and interacts with Investors, Financial Partners, Borrowers, Intermediaries and other third parties is governed by various data protection and privacy laws and regulations, the breach of which may lead to liability and investigative or enforcement action. See also "*Failure to comply with data protection and privacy laws and regulations may lead to liability and investigative or enforcement action*" in sub-section 3 below.

If employees, third-party service providers or other third parties take, convert or misuse funds, documents, data or intellectual property (including source code, credit scores and indebtedness models, historical credit data and employee records or other valuable intellectual property), or if the Group's employees or third-party service providers fail to follow protocol when interacting with Investors, Financial Partners, Borrowers and Intermediaries, the Group could be liable for damages and subject to regulatory actions and penalties. The Group could also be perceived to have facilitated or participated in illegal misappropriation of funds, documents or data, or the failure to follow protocol, and could therefore be subject to civil or criminal liability. Any of these occurrences could result in a diminished ability to operate the business as well as potential liability to existing Investors, Financial Partners, Borrowers and Intermediaries, an inability to attract future Investors, Financial Partners, Borrowers and Intermediaries, reputational damage, regulatory intervention and financial harm, any of which could materially adversely affect the Group's business, results of operations, financial condition, reputation and prospects.

Although the Group has in place insurance providing an indemnity against losses arising from dishonest, fraudulent or malicious acts committed by its employees, outside valuers, outside solicitors, and certain third-party service providers, as well as established operational guidelines, procedures and training programmes aimed at improving the quality of operations, there is no guarantee that these insurance policies, guidelines, procedures and training programmes are adequate or that they have been or will be properly implemented. Any inadequacy of these insurance policies, guidelines, procedures and training programmes could result in a material adverse impact on its business, operations and prospects. These may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***Negative publicity due to customer complaints, litigation or other factors, or a negative public perception about the business or industry, could impact the business, results of operations, financial condition and prospects of the Group.***

The Group depends on the integrity of its brand and reputation for quality of service, which it believes is essential in maintaining the trust and confidence of Investors, Financial Partners, Borrowers and Intermediaries. Nevertheless, factors affecting brand recognition and reputation are often outside of the Group's control, and efforts to enhance its brand recognition and reputation may not always have the desired effects. For example, as a result of the reputation and actions of its business partners or one or more of its competitors, press speculation and negative publicity or public perception about the Group's business or industry, whether or not founded, could damage its brand and reputation. The Group is also exposed to possible brand and reputational damage from poor customer service, product dissatisfaction, misconduct of its employees, agents and service providers, and IT failures or cybersecurity breaches, among other things, which could lead to customer complaints, litigation, regulatory fines, adverse publicity, or other investigations or actions.

In addition, given the nature of the property finance industry generally and the Group's hybrid funding model specifically, it is subject to numerous potential, actual or perceived conflicts of interest. Conflicts can arise, for example, if the Group chooses to fund certain loans but not others when funding is limited, and it could be perceived to offer preferential or detrimental loan allocations or re-allocations (in terms of risk profile or potential return) between funding lines. While the Group has adopted various policies, controls and procedures to address or limit actual or perceived conflicts, these policies and procedures may not be adequate or may not be adhered to. Dealing with actual or perceived conflicts of interest appropriately is complex and difficult, and it may cause reputational damage if the Group fails, or appears to fail, to identify, disclose and manage potential conflicts of interest, which may in turn adversely affect its business, results of operations, financial condition and prospects.

A decline in the Group's brand awareness and reputation could also impact its ability to attract or retain Investors, Financial Partners, Borrowers and Intermediaries, as well as its ability to recruit and retain talent.

Any of these risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***Any failure to protect the Group's intellectual property rights, or any actual or alleged infringement of third parties' intellectual property rights, could harm its business and reputation.***

The Group's success and ability to compete depend in part on protecting its intellectual property, including the Loan Engine, Genesys and its Investor asset management platform. It relies on a combination of copyright, trade secret, trademark and other rights, as well as contractual provisions to protect its proprietary technology, processes and other intellectual property. However, it may be unsuccessful in obtaining the desired registrations or protections, and the steps it takes to protect its intellectual property rights may be inadequate.

In addition, claims may be made or alleged by third parties for any actual or alleged infringement of their proprietary rights. Although the Group is not currently aware of any claims to its proprietary intellectual property, its competitors or other entities and individuals may claim that the Group is infringing on their intellectual property rights and it may be found to be infringing on such rights. Any claims or litigation could lead to incurring significant expenses and, if successful, could require the Group to pay substantial damages or ongoing royalty payments, limiting its ability to operate the platform or obligating compliance with other unfavourable terms. Even if the Group is successful in defending a dispute, any litigation regarding intellectual property could be costly and time consuming and divert the attention of its management from business operations.

Any of these events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***Insurance coverage may be insufficient to cover the Group's losses.***

The Group maintains insurance policies covering a range of risks, including those related to physical damage to, and loss of, equipment and property, injury to employees, cyber and business interruption, fraud and crime, terrorism, and contingent buildings insurance, as well as coverage against claims and general liabilities which may arise through the course of normal business operations. While it seeks to maintain appropriate levels of insurance, not all claims are insurable and there is no guarantee that the

insurance coverage will be sufficient or effective in all circumstances and against all liabilities to which the Group may be subject. It may also not be able to continue to maintain its current insurance coverage or do so at a reasonable cost. Liabilities that are not covered by insurance, or an inability to maintain its current insurance coverage, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor in satisfying obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

## **2. Risks relating to the Property Finance Asset Management Sector**

***Volatility in the UK property finance market may reduce the demand from Investors and Financial Partners for exposure to property finance and the number of loans the Group originates and may increase delinquency and default rates, any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.***

Demand from Investors, Financial Partners and Borrowers for property finance products is subject to various risks, such as the cyclical nature of property values, risks related to general and local economic conditions, overbuilding, increased competition, increases in property taxes and operational expenses, demographic trends, variations in rental income, changes in zonings, casualty or condemnation losses, political and environmental risks, regulatory limitations to rents, changing neighbourhood values, increases in interest rates and other real estate market influences. Any of these risks could result in, among other things, a general decline in the net worth of property owners and property values, a decrease in the number of new loans the Group originates and an increase in insolvency and default rates. Each of these would have a consequential impact on the demand from the Group's Investors and Financial Partners for exposure to this sector through its products. Conversely, these risks could also result in a significant increase in house prices over a short period of time, which could have a negative impact on demand for new loans and result in increased competition to lend. Sustained volatility in property prices could discourage new or existing Investors and/or Financial Partners from investing in the Group's products, thereby limiting its ability to grow or fund its Platform AuM and FuM, or potential Borrowers from committing to a loan.

In recent years, property prices in parts of the UK, in particular in parts of London, have declined after extended periods of significant appreciation. As part of support from HM Government following the COVID-19 pandemic, there were periods of monthly appreciation on property prices, increased volatility in certain geographies and significant increases to property demand in others. In the absence of such support from HM Government, and if economic conditions in the UK deteriorate, there is a risk that there may be a decline in activity in the property market and/or a reduction on property prices.

Falling property prices result in lower equity, higher LTVs or LTGDVs, lower recoveries in repossessions and an increase in loss severities. It also means that owners may have less equity in their properties, which is the amount by which the market value of a property exceeds the balance of the outstanding property finance loan or loans on such property, and therefore may have a reduced ability to use their properties to secure new financing. A reduction in successful loan applications could reduce the number of loans that the Group originates and therefore its ability to grow the Platform AuM. This could similarly have a negative impact on appetite from Investors and Financial Partners in the Group's financial products, which would adversely impact its FuM. Moreover, if the amount of equity that Borrowers hold in their properties decreases, Borrowers would become less likely or able to redeem their loans and may also, where equity is minimal, have an incentive to default on their loans. A decrease in property prices would adversely affect in particular the portion of the Platform AuM with higher LTVs or LTGDVs, which could increase the risk of credit losses for the Group, its Investors and Financial Partners and adversely affect its results of operations and profitability. This may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group, its Investors and Financial Partners face risks associated with interest rate levels and volatility.***

Interest rates affect the Group's results and profitability, and are impacted by factors outside the control of the Group, its Investors and Financial Partners, including the fiscal and monetary policies of governments and central banks, as well as UK and international political and economic conditions.

The interest rate environment throughout the Group's operating history has been characterised by relatively low interest rates by historical standards, which has encouraged investors to consider alternative

investment strategies (including investing in the Group's business). As interest rates rise, there is a risk that investors will return to more conventional savings and other investment vehicles, which may reduce Investor and Financial Partner demand for loans originated from the Group.

Interest rates on the loans that are offered are either fixed-rate, linked to base rates or linked to certain interest rate indices, including SONIA. In addition, interest rates on certain loans to Buy-to-Let Borrowers are initially fixed-rate and convert into variable rate (linked to the Bank Base Rate) after a specified period of time (usually two or five years), unless refinanced at the end of the fixed interest rate period. As at 31 March 2022, 69.8 per cent. of the Group's Platform AuM comprised loans with a fixed interest rate due to be converted to a variable rate, although this may increase in the future as it expands its business and product range. Increases in those base rates may result in larger monthly repayments for Borrowers, which may in turn lead to an increase in delinquency and default rates. Any such increase may also negatively affect the Group's new origination opportunities by reducing Borrower demand, which in turn could adversely impact the appetite of Investors and Financial Partners to invest, thereby increasing its costs of funds or affecting its FuM as the Group would have to find other sources of investment which may be at less attractive rates and could result in lower FuM if such investment is not forthcoming. If the difference between the interest rates payable by the Borrowers and the rates at which the Group accesses liquidity decreases, its profitability could be adversely affected as the amounts received by the Group from Borrowers will exceed the costs incurred by the Group in extending loans to Borrowers by a smaller margin.

Any changes or volatility in the interest rate environment could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The future impact of the COVID-19 pandemic on the UK economy may materially adversely affect the Group's business, results of operations, financial condition and prospects.***

The COVID-19 pandemic and associated measures taken by HM Government (most of which have expired) to mitigate its effects have had volatile effects on business activity, employment levels, consumer confidence and spending, investment levels, asset values, insolvency rates, conditions in the housing market and real estate sector, and the cost and availability of credit and liquidity in the capital markets, among other things.

The future impact of COVID-19 is inherently uncertain for the property sector and the wider economy more generally and the Group believes that volatility in the market may continue for some time. Any future volatility in the market may (depending on the extent of the volatility and any resurgence in levels of COVID-19 infection) affect business activity, employment levels, consumer confidence and spending, investment levels, asset values, insolvency rates, conditions in the housing market and real estate sector, and the cost and availability of credit and liquidity in the capital markets, among other things (in the same way that the COVID-19 pandemic has already had such an impact), all of which may decrease the level of activity in the property sector and may therefore adversely affect the Group's business and profitability.

There remains significant uncertainty as to the long-term impact of the COVID-19 pandemic on the Group's business, results of operations, financial condition and prospects, and any mitigation efforts may not be effective. For example, with an increasing number of businesses announcing their intention to allow more flexible working policies (e.g. working remotely), this could have unpredictable effects on the property sector. Demand for properties, and as a consequence, property finance products, in heavily populated areas, such as London, could fall while a converse increase in demand could occur in more disparate geographies, which may in turn have an impact on the Group's business and products in the medium and longer term. Additionally, the Group expects that a wider impact of the COVID-19 pandemic will be to complicate the credit histories of many self-employed and contract worker Borrowers (who may be subject to greater fluctuations in their income when compared to Borrowers who are full-time employees and therefore have a more predictable regular income stream) given that they may have been subject to periods of reduced employment during the COVID-19 pandemic and also may not have been able to access HM Government support schemes to the same extent as full-time employees (particularly of larger businesses which may have found it easier to benefit from such schemes), which could lead to increased underwriting complexity and a demand from Institutional Investors for more enhanced or diversified forms of credit risk assessment. This could require the Group to incur material expenditures on its technology infrastructure.

These additional material expenditures could affect the results of operations, profitability and prospects of the Group which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***Difficult conditions or volatility in the global economy generally and the UK economy specifically could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.***

The Group's business performance is significantly influenced by the economic condition of its Investors, Financial Partners and Borrowers, which in turn is subject to conditions in the global economy generally and the UK economy in particular.

Economic downturns lead to higher levels of unemployment, lower household income, lower corporate earnings, lower consumer spending and increased personal or corporate insolvency rates, which have historically resulted in a decrease in new property finance borrowing, as well as an increase in insolvency and default rates. Similarly, worsening economic and market conditions, or the experience of increased credit losses, may also lead to lower levels of Investor, Financial Partner and Borrower demand for the Group's products, and in turn may adversely impact its ability to fund new Platform AuM. Further, consumer sentiment regarding the future prospects of the economy could reduce demand from Investors, Financial Partners and Borrowers for its products.

Deterioration in the economic conditions globally, including instability in financial markets, may pose a risk to the Group's business generally and, in particular, its ability to access international funding. In recent years, the UK financial markets have been at times negatively impacted by a number of global macroeconomic events, including ongoing concerns surrounding the large sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the potential exit of Member States from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the UK economy and the UK financial services sector in particular, and it has placed strains on funding markets at times. These events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

### ***3. Risks relating to Compliance and Regulation***

***Any failure by the Group to comply with applicable laws, rules and regulations could result in investigations and enforcement actions being brought against it, financial redress having to be made, authorisations or registrations not being issued or being amended or revoked, fines or the suspension or termination of its senior management or its ability to do regulated business.***

LLL and LFML are authorised and supervised by the FCA. As a result, LLL and LFML are subject to certain rules as set out in the FCA Handbook. The FCA can apply a wide range of sanctions to firms (and individuals working for firms) found to be operating in breach of its regulations or in a manner deemed to pose a significant risk to their statutory objectives, and a private person who suffers loss as a result of an authorised person's contravention of an FCA rule may be entitled to claim damages. In addition, LLL, as a firm providing lending services, is further subject to certain provisions of the Money Laundering Regulations.

Investigating and dealing with regulatory proceedings, providing redress and the cost of any regulatory sanctions may involve significant expense and/or cause delays to the provision of services. The use of product intervention powers by the FCA may restrict LLL's and LFML's operations or ability to offer new products to customers. In any case, adverse publicity relating to regulator action could undermine customer confidence in the business and reduce demand for the Group's products and services, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Certain categories of customers can refer complaints to the Financial Ombudsman Service (the "FOS"). Recent years have seen an increase in the number of cases referred to the FOS, the categories of eligible complainants entitled to bring claims and general public awareness regarding the ability to challenge firms. Decisions of the FOS on complaints referred to it could lead to fines or other directions that the FOS considers just and appropriate.

As part of the Group's growth strategy it intends to increase the number of regulated financial products that it offers. Increasing the variety of regulated financial products offering will require the Group to develop policies and procedures to support these products in compliance with the relevant laws, rules and



regulations governing the regulated financial products. A failure to do so could have a material adverse effect on the Group's business and potentially leave it liable to enforcement actions by the FCA.

The Group has recently entered into the regulated bridging loan market in England and Wales. In relation to contracts with consumers that any entity of the Group would enter into as part of these businesses, the Consumer Rights Act 2015 (the "**CRA**") provides that a consumer may challenge a term in an agreement on the basis that it is "unfair" and therefore not binding on the consumer. The rest of the agreement would remain enforceable if it is capable of continuing in existence without the unfair term. The CRA also provides that a regulator may take action to stop the use of terms which are considered unfair. In addition, the Group intends to outsource certain aspects of the servicing of regulated mortgage contracts to a third-party service provider, Pepper. Under these arrangements, LLL would remain responsible from a regulatory perspective for any regulated activities which it outsources to another member of the Group or to Pepper. Although the Group has policies and procedures in place to monitor its outsourced activities, it may be more difficult for LLL to effectively monitor third-party compliance with regulatory requirements.

Any failure to comply with applicable laws, rules and regulations could result in investigations and enforcement actions being brought against the Group, financial redress having to be made, authorisations or registrations not being issued or being amended or revoked, fines or the suspension or termination of the FCA's approval of its senior management or ability to do regulated business. Any of these consequences could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***Changes in laws, rules, regulations, policies, fines or other penalties, or the way existing laws, rules or regulations are administered, interpreted or enforced could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.***

It is not always possible to predict the nature, scope or effect of future regulatory requirements to which the Group might be subject or the manner in which existing laws might be administered, interpreted or enforced. The Group operates a risk-based compliance monitoring programme, has a dedicated compliance team that monitors on an ongoing basis developments announced by relevant regulatory bodies, and uses tools such as weekly updates and training seminars provided by third-party providers to stay abreast of relevant changes. It also engages external counsel to advise on regulatory matters.

In addition to ongoing compliance with applicable law and regulations, the FCA has broad powers to intervene and impose further requirements where doing so meets its objectives of protecting consumers and market integrity.

On 29 April 2021, the Financial Services Act 2021 (the "**FS Act**") was enacted. The FS Act is the first major piece of UK primary legislation intended to address issues relating to financial services and financial regulation arising from Brexit. It makes extensive reforms affecting a variety of sectors and regulatory frameworks, and among these is the potential for increasing the delegated authority of the FCA to expand the scope of its regulatory powers. There is a risk, therefore, that previously unregulated parts of the Group's business become subject to rules and regulations in the future and/or that the rules and regulations that affect the elements of its business that are already regulated, change in unforeseen or potentially adversely impactful ways.

The FCA also has a number of new initiatives in place in respect of ESG, an area which it sees as a shared priority across public and private sectors. The FCA's recently published Regulatory Initiatives Grid sets out some anticipated timings for a number of these ESG-related initiatives from the FCA, PRA, HM Treasury and other UK bodies.

These include work in respect of:

- the FCA's initiative on Climate-related disclosure for asset managers, life insurers, and FCA-regulated pension schemes;
- the joint FCA/PRA Diversity in Financial Services initiative;
- the FCA/PRA Climate Financial Risk Forum; and

- HM Government's UK Green Taxonomy workstream.

HM Government has confirmed that it will be developing its own ESG reporting regime in line with the recommendations of the Task Force on Climate-related Financial Disclosures. The intention is for there to be mandatory reporting of climate-related financial information across the economy by 2025 and for a significant portion of these requirements to be in place by 2023.

Changes in laws, rules, regulations and policies may result in the Group incurring expense to ensure its compliance with the laws, rules, regulations and policies to which it is subject, and could thereby have a material adverse effect on its business, financial condition, results of operations and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal (see "*Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes — The Issuer is exposed to similar risks as the Guarantor and the Group*" for further information).

***Failure to comply with data protection and privacy laws and regulations may lead to liability and investigative or enforcement action.***

The Group processes personal data as part of its business, some of which may be special categories of personal data. The Group must therefore comply with strict data protection and privacy laws and regulations. Such laws restrict its ability to collect and use personal information relating to existing and potential Investors and customers, including the use of that information for marketing purposes and prescribing periods for how long it can hold data. A major data security breach could lead to significant reputational damage and result in regulatory fines, particularly under the UK version of the General Data Protection Regulation (Regulation (EU) 2016/679) regarding the protection of natural persons with respect to the processing of personal data and on the free movement of such data.

Although the Group seeks to ensure that procedures are in place to ensure that all employees and third-party service providers comply with relevant data protection and privacy law and regulations and has implemented security measures to help prevent cyber incidents and unlawful transfers of personal customer data to a third party or overseas, there is a risk that this data could be wrongfully appropriated, lost, disclosed, stolen, processed or held for longer than it should, in breach of data protection and privacy laws and regulations, including as a result of cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions or faults with IT systems.

If the Group or any of its suppliers or third-party service providers fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Group could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations, including fines. Furthermore, a breach of data protection and privacy laws and regulations, or the perception thereof, could result in the loss of goodwill and deter new customers and Investors and damage its relations with existing Financial Partners, Investors, and Borrowers.

Any of these events could have a material adverse effect on the Group's business, financial condition, results of operation and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

***The Group may fail to detect or prevent money laundering and other financial crime activities if they are not correctly identified and effective controls to mitigate those risks are not implemented.***

The Group is required to comply with applicable regulations concerning anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud and anti-bribery and anti-corruption, as well as other laws and regulations in the United Kingdom, including the UK Bribery Act 2010, the UK Criminal Finances Act 2017 and the Money Laundering Regulations, and the extra-jurisdictional reach of international laws such as the US Foreign Corrupt Practices Act. These laws and regulations require the Group to conduct customer due diligence regarding fiscal evasion, anti-money laundering, sanctions and politically exposed persons screening, to keep customer and supplier account and transaction information up to date and to implement effective financial crime policies and procedures, among other things. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals identified on lists maintained by the US government, the European Union, various Member States and other governments.

Financial crime has become the subject of enhanced scrutiny and supervision by regulators. Anti-money laundering, anti-bribery and anti-corruption and economic sanctions laws and regulations are becoming increasingly complex and detailed and, in recent years, enforcement of these laws and regulations against financial institutions has become more aggressive, resulting in several landmark fines against UK financial institutions. This requires the Group to be similarly proactive and adaptable so that it can effectively deter threats and criminality. Even known threats can never be fully eliminated, and there may in the future be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. Furthermore, since the start of the COVID-19 pandemic the Group has seen an increased proliferation in attempted financial crime on its business and it expects that, as the business grows and its reputation increases, it will become more of a target of financial crime. In addition, the Group relies on its employees, external administrators and certain other third parties to identify and report such activities. There is a risk that they will fail to do so or otherwise fail to comply with or implement the Group's policies and procedures relating to financial crime.

If the Group is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. The reputational damage to the business and brand could be severe if the Group was found to have breached anti-money laundering or sanctions requirements. The financial position and reputation of the Group could also suffer if it is unable to protect customers or prevent its business from being used by other parties for illegal or improper purposes.

The Group cannot guarantee that its current policies and procedures are sufficient to completely prevent situations of fiscal evasion, money laundering, bribery, fraud or corruption, including actions by employees, for which it might be held responsible. Any such event may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, which may, in turn, affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee and the ability of the Issuer to pay interest and repay principal.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

Market risks and other risks associated with Notes issued under the Programme can be classified into and set out in the following categories:

|    |   |    |
|----|---|----|
| 1. | Risks related to the structure of a particular issue of Notes | 23 |
| 2. | Risks related to the change of a benchmark                    | 25 |
| 3. | Other risks related to Notes generally                        | 29 |
| 4. | Risks related to the market generally                         | 33 |

**1. Risks related to the structure of a particular issue of Notes**

A wide range of 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:

***The Issuer may face risks relating to taking security by floating charge as the statutory requirements in respect of a qualifying floating charge may not be satisfied and the Trustee's ability to appoint a receiver may not be effective.***

Notes issued under the Programme will be secured by way of a floating charge over the assets of the Issuer. A floating charge "floats" over the pool of assets subject to the charge but enables the relevant company granting the security to deal with the assets until the occurrence of certain events which cause the charge to fix (or, 'crystallise') on to the assets. A floating charge is less advantageous than a fixed charge, as a claim to the assets made by a floating charge holder ranks behind that of a fixed charge holder in such cases, and behind certain preferential creditors, as described below (but still ahead of any unsecured senior creditors and also ahead of the shareholders of the relevant company). As a consequence, if the

security over the Issuer's assets were to be enforced following an event of default under the Terms and Conditions of the Notes, any such assets may first be applied in payment to "preferential" creditors of the relevant company who are deemed under the provisions of English law to have higher priority to repayment prior to payment to holders of a mere floating charge. Preferential creditors (i.e. preferential to floating charge holders) include employee salaries, certain claims in respect of contributions to pension schemes and the costs and expenses of an administration and/or liquidation. Any such payments may result in Noteholders not receiving all amounts outstanding under their Notes if there are insufficient funds remaining available for distribution following payments to any preferential creditors on a winding-up of the Issuer.

In addition, there can be no assurance that the floating charge granted by the Issuer will fulfil the requirements in respect of a qualifying floating charge for the purposes of Section 72B of the Insolvency Act 1986. If the floating charge granted by the Issuer does not meet the requirements of Section 72B of the Insolvency Act 1986, the Security Trustee will not be able to appoint an administrative receiver in respect of the Issuer, however this alone will not preclude the Security Trustee from appointing an administrator in respect of the Issuer in the event that the floating charge becomes enforceable. If the Security Trustee is unable to appoint an administrative receiver in respect of the Issuer and instead appoints an administrator, this may lead to a less beneficial outcome for Noteholders as an administrator is required to pay regard to the interests of parties other than the Noteholders and a statutory moratorium will be triggered whereby creditors of the Issuer will be prevented from enforcing their rights against the Issuer so that the administrator can attempt to rescue the business of the Issuer.

Should any of these events occur, this may result in Noteholders losing all or part of their investment.

***Noteholders may not receive all amounts outstanding under the Notes due to priority of claims of the Security Trustee, Trustee and the Paying Agents.***

Upon an enforcement of the Security by the Security Trustee pursuant to the Terms and Conditions of the Notes, the Noteholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Security Trustee and the Trustee, including costs incurred by them (or any receiver appointed by them) in the enforcement of the Security and, secondly, remuneration, costs, expenses and liabilities due and payable to the paying agents in respect of the Notes. Any such payments may result in Noteholders not receiving all amounts outstanding under the Notes, in the event that the Issuer has insufficient remaining cash and assets to satisfy their claims.

***The Notes may be subject to optional repayment by the Issuer and the Noteholders may not be able to reinvest the repayment proceeds at an effective interest rate as high as the interest rate on the Notes being repaid.***

The Final Terms applicable to a Series of Notes may permit the Issuer to redeem the Notes at its option prior to the relevant maturity date. An optional repayment feature is likely to limit the market value of Notes. During any period when the Issuer may elect to repay Notes, the market value of those Notes generally will not rise substantially above the price at which they can be repaid. This also may be true prior to any repayment period.

The Issuer may be expected to repay Notes when its cost of borrowing is lower than the interest rate on the Notes. Upon repayment of the Notes, you may not be able to reinvest the repayment proceeds at an effective interest rate as high as the interest rate on the Notes being repaid and may only be able to do so at a significantly lower rate. You should consider investment risk in light of other investments available at that time.

***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.***

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 difference in the interest rates on the Fixed/Floating Rate Notes may be less favourable than then prevailing interest rates 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 then prevailing rates on its Notes (i.e. it will lead to lower investment return).

***The market price of Notes issued at a substantial discount or premium may experience greater fluctuations in certain circumstances.***

The market values of securities issued at a substantial discount 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. Investors should consider this potential investment risk and consult with their independent advisers, as volatility in the market value of securities could result in a loss of all or part of their investment.

**2. *Risks related to the change of a benchmark***

***Future changes or uncertainty with respect to EURIBOR and/or other relevant benchmarks may adversely affect the value of Floating Rate Notes which reference EURIBOR and/or other relevant benchmarks.***

Reference rates and indices, including interest rate benchmarks used to determine the amounts payable under financial instruments or the value of such financial instruments such as EURIBOR, have in recent years been the subject of political and regulatory scrutiny as to how they are created and operated. Following the implementation of any potential reforms, the manner of administration of such benchmarks, including (but not limited to) EURIBOR, may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

In March 2017, the EMMI published a position paper setting out the legal grounds for the proposed reforms to EURIBOR, which aims to clarify the EURIBOR specification, to continue to work towards a transaction-based methodology for EURIBOR and to align the methodology with the EU Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a “change in market activity as a result of the current regulatory requirements and a negative interest rate environment” and “under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path”. The EMMI’s current intention is to develop a hybrid methodology. Accordingly, EURIBOR calculation and publication could be altered, suspended or discontinued.

These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or contribute to certain benchmarks or have other consequences which cannot be predicted.

In addition, pursuant to Article 20 of the EU Benchmarks Regulation and to Regulation (EU) 2016/1368, EURIBOR has been considered a critical benchmark, and is therefore subject to mandatory administration in accordance with Article 21 of the EU Benchmarks Regulation. The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-European Union based, to be subject to an equivalent regime or otherwise recognised or endorsed), (ii) prevent certain uses by European Union supervised entities of benchmarks of administrators that are not authorised (or, if non-European Union based, deemed equivalent or recognised or endorsed) and (iii) to comply with extensive requirements in relation to the administration of benchmarks. The UK Benchmarks Regulation became fully applicable in the UK at the end of the transitional period following the UK’s exit from the EU and, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly to the EU Benchmarks Regulation, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). Both the EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on Floating Rate Notes linked to a benchmark rate as, for example, it may have the effect of discouraging market participants from continuing to administer or participate in certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks, which may have a material adverse effect on the value of and the amount payable under the

Notes as compared to the situation where such factors would be absent. It is not possible to predict the effect of any changes in the methods pursuant to which EURIBOR and/or other relevant benchmark rates are determined, or any other reforms to or other proposals affecting EURIBOR and/or other relevant benchmarks that will be enacted in the United Kingdom, the European Union or elsewhere, each of which may adversely affect the trading market for EURIBOR and/or other relevant benchmark based Notes, which could:

- result in a sudden or prolonged increase or decrease or volatility in the reported benchmark rates or a delay in the publication of any such benchmark rates;
- trigger changes in the rules or methodologies in certain benchmarks, thereby discouraging market participants from continuing to administer or participate in such benchmarks; and
- in certain situations, result in a benchmark rate no longer being determined and published.

Accordingly, in respect of a Note referencing EURIBOR and/or other relevant benchmarks, such proposals for reform and changes in applicable regulation could have a material adverse effect on the market value of and return on such a Note (including potential rates of interest thereon).

Investors should also be aware that, if EURIBOR and/or other relevant benchmarks were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference EURIBOR and/or other relevant benchmarks, as applicable, will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the EURIBOR and/or other relevant benchmark rate is to be determined under the Terms and Conditions of the Notes, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the EURIBOR and/or other relevant benchmark rate, as applicable, which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the EURIBOR and/or other relevant benchmark rate, as applicable, was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference EURIBOR and/or other relevant benchmarks.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the benchmark reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

#### *Notes linked to a benchmark – benchmark discontinuation*

##### Screen Rate Determination:

Where Screen Rate Determination – Applicable (Term Rate) (as defined in the Terms and Conditions of the Notes) specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions provide that the Rate of Interest (as defined in the Terms and Conditions of the Notes) shall be determined by reference to the Relevant Screen Page (or its successor or replacement) (as defined in the Terms and Conditions of the Notes). In circumstances where such Original Reference Rate (as defined in the Terms and Conditions of the Notes) is discontinued, neither the Relevant Screen Page, nor any successor or replacement, may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date (as defined in the Terms and Conditions of the Notes) before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

##### Benchmark Events:

Benchmark Events (as defined in the Terms and Conditions of the Notes) include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in the Terms and Conditions of the Notes). The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate (each as defined in the Terms and Conditions of the Notes) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions provide that the Issuer may vary the Terms and Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread (as defined in the Terms and Conditions of the Notes) is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Potential for a fixed rate return:

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser, or the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming Fixed Rate Notes.

#### ISDA Determination:

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the risk of benchmark discontinuation in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes which may reduce liquidity, increase volatility and affect market price of Notes and the adoption of SONIA may be different in different markets.***

The debt capital markets have recently adopted "risk free rates" as reference rates for newly-issued floating rate debt securities in place of screen rates (such as LIBOR). In the case of sterling, the market has moved to the use of SONIA as a replacement for sterling LIBOR. SONIA (like other risk free rates) differs from LIBOR (and other screen rates) in a number of material respects. In addition, investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term reference rates (which seek to measure the market's forward expectation of an average rate over a designated term).

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the terms and conditions of the Notes and used in relation to Floating Rate Notes that reference a SONIA rate issued under the Programme. The Issuer may in the future also issue Floating Rate Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous Floating Rate Notes referencing SONIA issued under the Programme.

As SONIA is published and calculated by the BoE based on data received from other sources, the Group has no control over SONIA's ongoing calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Investors in Floating Rate Notes linked to or which reference a SONIA rate (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions will provide a rate which is economically equivalent for Investors). The BoE does not have an obligation to consider the interests of Investors in calculating, adjusting, converting, revising or discontinuing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction in the amount of interest payable on such Floating Rate Notes, which may result in a fall in the trading prices of such Floating Rate Notes in the secondary market. Furthermore, the interest payable on Floating Rate Notes which reference a SONIA rate is only capable of being determined at the end of the relevant observation period and shortly prior to the relevant Interest Payment Date (as defined in the Terms and Conditions of the Notes). It may therefore be difficult for investors in Floating Rate Notes which reference a SONIA rate to estimate reliably the amount of interest which will be payable on such Floating Rate Notes.

Further, in contrast to LIBOR-based debt instruments, if Floating Rate Notes referencing SONIA become due and payable as a result of an Event of Default (as defined in the Terms and Conditions of the Notes) under Condition 11 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final interest payable in respect of such Floating Rate Notes will only be determined on or immediately prior to the date on which the Floating Rate Notes become due and payable and will not be reset thereafter.



Investors should also be aware that the manner of adoption or application of SONIA as a reference rate in the international debt capital markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA as reference rates across these markets may impact any hedging or other arrangements which investors may put in place in connection with any acquisition, holding or disposal of Notes linked to or which reference a SONIA rate.

Since SONIA is a relatively new rate in the debt capital markets, Floating Rate Notes linked to or which reference a SONIA rate may have no, or a limited, established secondary market when issued and an established secondary market may never develop or may not be very liquid. You should consider this potential investment risk and consult with your independent advisers.

### **3. Other risks related to Notes generally**

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

***The nature of the Partial 20% Guarantee means that there can be no assurance that investors will recover all amounts owing to them in the event of non-payment by the Issuer under the Notes.***

Under the terms of the Partial 20% Guarantee payments of principal and interest in respect of each Series of Notes will be partially guaranteed by the Guarantor. Although there is no limit on the number of claims that can be made under the Partial 20% Guarantee in respect of any arrears of interest and principal outstanding, the maximum aggregate amount that can be claimed in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of such Series of Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) at the time at which any such claim under the Partial 20% Guarantee is made by the Trustee. Therefore, if the Issuer fails to make payments under a Series of Notes then the Trustee (on behalf of the Noteholders of the relevant Series) may not be able to claim under the Partial 20% Guarantee for the full amount which has not been paid by the Issuer in respect of that Series of Notes. In this situation, if the combination of (i) the proceeds of enforcement of the Security granted by the Issuer in respect of the Notes, and (ii) the total amount available under the Partial 20% Guarantee (which, in respect of any arrears of interest and principal outstanding, shall not exceed 20 per cent. of the redemption amount of the relevant Series of Notes (i.e. the nominal amount repayable to Noteholders pursuant to the Terms and Conditions of the Notes)) amount to less than the amount owing in respect of the relevant Series of Notes, then investors will not receive the full amount owing to them.

***The claims of Noteholders under the Partial 20% Guarantee will rank as senior unsecured obligations of the Guarantor on the winding-up or liquidation of the Guarantor, which may affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee.***

The claims of Noteholders under the Partial 20% Guarantee will rank as senior unsecured obligations of the Guarantor on the winding-up or liquidation of the Guarantor. Consequently, the claims of Noteholders under the Partial 20% Guarantee will (i) be subordinated to (i.e. rank behind) the claims of all secured creditors of the Guarantor and any creditors which are preferred by law and (ii) rank alongside all other senior unsecured obligations of the Guarantor (see also Part II (*Information about the Programme*) for further information). As a result, there can be no assurance that the Trustee or the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy all or any part of the claims of Noteholders on the enforcement of the Partial 20% Guarantee following the winding-up or liquidation of the Guarantor as the claims of all secured creditors will need to be satisfied first. As at the date of this Base Prospectus, the secured creditors of the Group were Gravis and the holders of the Listed Bonds (see below for further details).

In addition, the Guarantor's assets include its holding of shares in its subsidiaries and, accordingly, the right to participate in a distribution of any of its subsidiaries' assets as a shareholder upon their liquidation, re-organisation or insolvency will be subordinated to (i.e. rank behind) any claims made against such subsidiaries, including their creditors such as any lending bank and trade creditors. The obligations of the Guarantor under the Partial 20% Guarantee are therefore structurally subordinated to any liabilities of the Guarantor's subsidiaries. Structural subordination in this context means that, in the event of a winding-up or insolvency of any of the Guarantor's subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor (i.e. including Noteholders).

For example, the following security has been granted in favour of Gravis in connection with £31.5 million of financing obtained in 2017 and 2018: (1) LendInvest Loan Holdings Limited has granted a first ranking charge over its holding of shares in LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No. 6 Limited; and (2) each of LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No. 6 Limited has granted a first ranking charge over all of its assets.

The assets of other subsidiaries within the Group are and may be secured in favour of certain creditors of those subsidiaries in the future, which as stated above, may affect the Guarantor's ability to satisfy its obligations under the Partial 20% Guarantee.

***The Notes are not protected by the FSCS and accordingly investors may lose all or part of their investment in Notes issued under the Programme.***

Unlike a bank deposit, Notes issued under the Programme are not protected by the FSCS. As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Guarantor. If the Issuer or the Guarantor goes out of business or becomes insolvent, investors may lose all or part of their investment in Notes issued under the Programme.

***Decisions passed by defined voting majorities at meetings of Noteholders will bind all Noteholders.***

The Terms and 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 contrary to the decision of the deciding group. As a result, decisions may be taken by the holders of such defined percentages of the Notes that are contrary to the preferences of any particular Noteholder.

***There may be conflict between Noteholders of different Series of Notes and the Trustee shall be required to have regard only to the interests as a class of the Noteholders of each individual Series of Notes.***

If, in opinion of Trustee, there is or may be a conflict between the interests of the holders of different Series of Notes, the Trustee is not required to have regard to the interests of the combined Noteholders of the different series (which interests may differ as between different Series of Noteholders); nor is the Trustee required to have regard to interests of individual Noteholders or Couponholders. This is the case notwithstanding the fact that the holders of all Series of Notes issued by the Issuer (regardless of which Series of Notes they hold) share in the same security (in each case by way of the same floating charge over all assets and undertaking from time to time of the Issuer). In the event of such a conflict or potential conflict, the Trustee shall be required to have regard only to the interests as a class of the Noteholders of each individual series.

Furthermore, if an Acceleration Notice (as defined in the Terms and Conditions of the Notes) is given in respect of any one or more Series of Notes outstanding or any steps are taken to enforce the Security (as defined in the Terms and Conditions of the Notes) pursuant to any individual Series of Notes, this may trigger enforcement action in respect of all assets and undertaking of the Issuer at the relevant time, with the likely effect of forcing an acceleration of all of the Issuer's obligations at such time. In such a scenario, holders who may otherwise have preferred to delay enforcement action for any reason (for example, because they were of the view that recoveries would be maximised by delaying enforcement action) may be compelled to seek acceleration of their Notes earlier than they might have otherwise preferred. There can be no assurance that any acceleration of the Notes and/or enforcement of the Security will result in all Noteholders receiving repayment in full of all amounts payable in respect of the Notes in a timely manner, or at all.

***If no satisfactory indemnity or security is provided to the Trustee, it may not take any action in respect of the Notes and such inaction will not entitle Noteholders to take action directly against the Issuer or the Guarantor.***

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of the Notes, in particular if the Notes become due and repayable following the occurrence of an Event of Default. 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 such 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 or the Guarantor to pursue remedies for any breach by any of them of terms of the Trust Deed or the Notes unless the Trustee having become bound to act has failed within a reasonable time to do so and such failure is continuing.

***If Definitive Notes are issued, such Notes may be illiquid and difficult to trade.***

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination (as defined in the Terms and Conditions of the Notes) plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations. In such a case, if you, as a result of trading such amounts, hold a nominal amount of less than the minimum Specified Denomination in your account with the relevant clearing system at the relevant time, you will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and you would need to purchase a nominal amount of Notes such that you hold an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, you 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.

***The Issuer and Guarantor rely on other third parties in relation to the performance of services in relation to the Notes.***

The Issuer and the Guarantor are, and may in the future be, party to contracts with one or more third parties in relation to the performance of services in relation to the Notes that may be issued under the Programme. For example, the Issuing and Paying Agent and the Registrar have agreed to provide services with respect to the Notes pursuant to the Agency Agreement. If any third party service provider were to fail to perform its obligations under the respective agreements to which it is a party and/or is removed or if such a party resigns without a sufficiently experienced substitute or any substitute being appointed in their place promptly thereafter, this could have a material adverse effect on the ability of the Issuer and the Guarantor to fulfil its obligations in respect of the Notes and the Partial 20% Guarantee, respectively.

***The Issuer, the Guarantor, the Dealer(s), the Trustee, the Paying Agents or the Transfer Agents will not 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 relating to CREST depository interests.***

Investors may hold interests in the Notes through CREST through the issuance of dematerialised depository interests (i.e. securities without any physical document of title which are distinct from the Notes), held, settled and transferred through CREST (“**CDIs**”), representing the interests in the relevant Notes underlying the CDIs (the “**Underlying Notes**”). Holders of CDIs (the “**CDI Holders**”) will hold or have an interest in a separate legal instrument and not be the legal owners of the Underlying Notes. The rights of CDI Holders to the Underlying Notes are represented by the relevant entitlements against CREST Depository Limited (the “**CREST Depository**”) which through CREST International Nominees Limited (the “**CREST Nominee**”) holds interests in the Underlying Notes. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians. The enforcement of rights under the Underlying 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 Underlying Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying 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, Clearstream, Luxembourg, Euroclear and the Issuer, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the “**CREST Deed Poll**”). You should note that the provisions of

the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the “**CREST Manual**”) and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the “**CREST Rules**”) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. 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 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.

Investors should note that none of the Issuer, the Guarantor, the Dealer(s), the Trustee or any of the 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.

You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Base Prospectus.

***The Notes may not be a suitable investment for all investors seeking exposure to green assets.***

As described in “Use of Proceeds” below, the Issuer may, after the Group has published its Green Bond Framework, issue Notes as Green Bonds (as indicated in the applicable Final Terms) and in the case of such Notes, an amount equal to the net proceeds from the issue of any Tranche of Notes will be allocated to fund loans, secured on property in England, Scotland or Wales, that promote energy efficiency (“**Green Loans**”) in accordance with the Green Bond Framework. A prospective investor should have regard to the information set out in “Use of Proceeds” and the applicable Final Terms regarding such use of proceeds and must determine for itself the relevance of such information for the purpose of an investment in such Notes, together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Arranger, the Guarantor any Dealer, the Trustee or any Agent that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental impact of any project or uses, the subject of or related to, the Group's Green Bond Framework.

No assurance can be given that Green Loans will meet investor expectations or requirements regarding such “green” or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate green investment (the so called EU Taxonomy) or Regulation (EU) 2020/852 as it forms part of domestic law by virtue of the EUWA). Each prospective investor should have regard to the factors that will be described in the Group's Green Bond Framework and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest. None of the Arranger, any Dealer, the Trustee or any Agent shall be responsible for (i) any assessment of the Green Loans, (ii) any verification of whether any Green Loan falls within an investor's requirements or expectations of a “green” or equivalently labelled project or (iii) the ongoing monitoring of the use of proceeds in respect of the Notes.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular any Green Loans financed, refinanced or purchased, indirectly or directly, by funds with an amount equivalent to the net proceeds of such Notes to fulfil any environmental and/or other criteria. For the avoidance of doubt, any such opinion or certification is not incorporated in this Base Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Arranger, the Guarantor, the Dealer(s) or any other person to buy, sell or hold any such Notes. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is only current as at the date that opinion was

initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on any dedicated “green” or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Guarantor, the Dealer(s), the Trustee, any Agent or any other person that such admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for such admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Guarantor, the Dealer(s), the Trustee, any Agent or any other person that such admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Notes so specified to Green Loans and to report on the use of proceeds for Green Bonds as described in “Use of Proceeds” below, there is no contractual obligation to do so. There can be no assurance that any such Green Loans will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Green Loans as intended. In addition, there can be no assurance that Green Loans will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. Any failure by the Issuer to allocate the proceeds of the Notes or to report on the use of proceeds or Green Loans as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with any such Notes or the failure of any such Notes to meet investors’ expectations requirements regarding any “green” or similar labels will not give rise to any claim of a Noteholder against the Issuer or constitute an event of default, under the Notes.

Any such failure to apply an amount equal to the net proceeds of any issue of Green Bonds for any Green Loans and/or the failure to provide, or the withdrawal of, any third party opinion or certification and/or such Notes ceasing to be admitted to trading on any stock exchange or securities market as aforesaid and/or the failure by the Issuer to report on the use of proceeds for Green Loans as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell such Notes as a result of the Notes not falling within the investor’s investment criteria or mandate).

#### **4. 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:

##### ***There may not be a liquid secondary market for the Notes and their market price may be volatile.***

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, neither the Dealers nor any other person is under an obligation to maintain such a market for the life of the Notes and the market may not be liquid. Therefore, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary (i.e. after the Issue Date) market. The Notes are sensitive to interest rate, currency or market risks and are designed to meet the investment requirements of limited categories of investors. For these reasons, the Notes generally will have a limited secondary market. This lack of liquidity may have a severely adverse effect on the market value of Notes.

In the case of Notes issued under the Programme which have authorised denominations which are less than €100,000 (or its equivalent in other currencies) and are tradable on the London Stock Exchange plc’s order book for retail bonds, a registered market-maker on the order book for retail bonds will be appointed in respect of the relevant Notes from the date of admission of those Notes to trading. Market-making means that a person will quote prices for buying and selling securities during trading hours. However, the market-maker may not continue to act as a market-maker for the life of the relevant Notes. If a replacement market-maker was not appointed in such circumstances, this could have an adverse impact on your ability to sell the relevant Notes.

***Exchange rate fluctuations and exchange controls may adversely affect your return on your investments in the Notes and/or the market value of the Notes.***

The Issuer or the Guarantor, as the case may be, will pay principal and interest on the Notes in the currency specified as the “Specified Currency” in the applicable Final Terms. This presents certain risks relating to currency conversions if your 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 (a) the Investor’s Currency-equivalent yield on the Notes, (b) the Investor’s Currency equivalent value of the interest and principal payable on the Notes and (c) 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 or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, you may receive less interest or principal than expected, or no interest or principal.

***The Notes will not have any credit rating.***

As at the date of this Base Prospectus, independent credit rating agencies had not been asked to assign credit ratings to the Programme or any issue of Notes. Whilst credit ratings are not a recommendation to buy, sell or hold securities, and may be revised or withdrawn by a rating agency at any time, they do indicate the relevant rating agency’s opinion about the ability and willingness of an issuer to meet its financial obligations in accordance with the terms of those obligations and the credit quality of a particular issue of debt securities and the relative likelihood that the issuer may default.

Notwithstanding the foregoing, one or more independent credit rating agencies may assign credit ratings to the Notes in the future. Any such ratings may not reflect the potential impact of all risks relating to the market, additional factors discussed above and other factors that may affect the value of such Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time.

***Changes in interest rates or inflation rates may adversely affect the value of Fixed Rate Notes.***

Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, you should note that as interest rates rise, the income payable on the Fixed Rate Notes might become less attractive and the price that you could realise on a sale of the Fixed Rate Notes may fall. However, the market price of Notes issued under the Programme from time to time has no effect on the total income you receive on maturity of the Notes if you hold the Notes until the relevant maturity date.

Further, inflation will reduce the real value of the Fixed Rate Notes over time, which may affect what you could buy with your investment in the future and may make the fixed rate payable on the Fixed Rate Notes less attractive in the future, again affecting the price that you could realise on a sale of the Fixed Rate Notes.

***The yield of Notes stated in the Final Terms will not reflect your yield if you invest in the Notes at a price other than the issue price.***

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 (as specified in the applicable Final Terms). If you invest 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.

***The realisation from a sale of Notes could be less than the original invested amount.***

If you choose to sell Notes at any time prior to their maturity, the price received from such sale could be less than the original investment you made. Factors that will influence the price may include, but are not

limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of the Issuer or the Guarantor.

***The Notes are held by or on behalf of the clearing systems and you are subject to their procedures for transfer, payment and communication with the Issuer.***

Because the Global Note or Global Certificate, as the case may be, relating to each Series may be held by or on behalf of Euroclear and Clearstream, Luxembourg, you will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes in each Series will be represented by a temporary or permanent Global Note, or a Global Certificate. Such Global Note or Global Certificate may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Note or Global Certificate, you will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the relevant Global Note or Global Certificate. While any Notes issued under the Programme are represented by a Global Note or Global Certificate, you will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While Notes are represented by a Global Note or Global Certificate, the Issuer or the Guarantor, as the case may be, will discharge its payment obligations under such Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Note or Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, interests in any Global Note or Global Certificate.

Holders of interests in a Global Note or Global Certificate will not have a direct right to vote in respect of the Notes represented by such Global Note or Global Certificate. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

## PART II: INFORMATION ABOUT THE PROGRAMME

|   |  | Refer to   |
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| <p><b>What is the Programme?</b></p>                    | <p>The Programme is a debt issuance programme under which LendInvest Secured Income II plc as the Issuer may, from time to time, issue debt instruments which are referred to in this Base Prospectus as the Notes. Notes are also commonly referred to as bonds.</p> <p>The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by the Issuer to undertake any number of issues of Notes from time to time in the future, subject to a maximum limit of £1,000,000,000. These terms and conditions are set out in Part VII (<i>Terms and Conditions of the Notes</i>) of this Base Prospectus.</p> <p>The Programme was established on 12 July 2022.</p>   | <p>Part VII (<i>Terms and Conditions of the Notes</i>)</p>   |
| <p><b>How are Notes issued under the Programme?</b></p> | <p>Whenever the Issuer decides to issue Notes, it undertakes what is commonly referred to as a “drawdown”. On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents which you will need to be aware of when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Base Prospectus are: (a) any supplement to this Base Prospectus and (b) the applicable Final Terms.</p> <p>In the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion or removal from this Base Prospectus is required in order to ensure that this Base Prospectus contains the necessary information which is material to an investor to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, the Group and the Guarantor, and the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer, the Issuer will prepare and publish a supplement to this Base Prospectus or prepare and publish a new base prospectus, in each case, for use in connection with such Notes and any subsequent issue of Notes.</p> <p>Each Final Terms sets out the specific terms of each issue of Notes under the Programme. Each Final Terms is intended to be read alongside the Terms and Conditions of the Notes set out in Part VII (<i>Terms and Conditions of the Notes</i>) of this Base Prospectus, and the two together provide the specific terms of the Notes relevant to a specific drawdown.</p> <p>Each Final Terms will be submitted to the FCA and London Stock Exchange plc and published by the Issuer in accordance with the UK Prospectus Regulation.</p> <p>The Issuer does not intend to issue any Notes under this Base Prospectus which fall within an exemption from the requirement to publish a prospectus under the UK Prospectus Regulation.</p> | <p>Part VII (<i>Terms and Conditions of the Notes</i>) and Part X (<i>Form of Final Terms</i>)</p> |



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| <p><b>What types of Notes may be issued under the Programme?</b></p> | <p>Three types of Notes may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes. Notes may be issued with a combination of these features.</p> <p>Fixed Rate Notes are Notes where the interest rate payable by the Issuer on the notes is fixed as a set percentage at the time of issue.</p> <p>Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate will be the Euro Interbank Offered Rate (EURIBOR) or the Sterling Overnight Index Average rate (SONIA).</p> <p><b>Term Rate Floating Rate Notes</b></p> <p>The floating interest rate is calculated on or about the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates which are recalculated on or about the start of each new interest period. Although the floating interest rate will be based on the benchmark rate (in this case EURIBOR), it will typically also include a fixed percentage margin which is added to the benchmark rate.</p> <p><b>SONIA Floating Rate Notes</b></p> <p>SONIA is an overnight interest rate, whilst the interest periods for Floating Rate Notes (including those that reference SONIA) will typically be longer (by way of example only, three or six months). Therefore, for Floating Rate Notes that reference SONIA, the daily SONIA rate must be aggregated to determine the interest payable in respect of each interest period. This is achieved by compounding the daily SONIA rates over a period of time equivalent to the length of the relevant interest period. The relevant daily SONIA rates used in this calculation are the daily SONIA rates for a period that lags behind the relevant interest period by a set number of days that will be specified in the Final Terms. This mechanism means that investors and the Issuer will not know the relevant floating rate at the start of each interest period, but only after the end of the relevant observation period.</p> <p><b>Zero Coupon Notes</b></p> <p>Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount to their nominal amount. Zero Coupon Notes are generally repaid at their full amount. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the nominal amount of the Zero Coupon Notes paid on maturity. Alternatively, you might realise a return on Zero Coupon Notes through a sale prior to their maturity.</p> <p>The specific details of each Note issued will be specified in the applicable Final Terms.</p> | <p>Part VII (<i>Terms and Conditions of the Notes</i>) and Part X (<i>Form of Final Terms</i>)</p>                                     |
| <p><b>Who is guaranteeing the Notes?</b></p>                         | <p>The Issuer's parent company, LendInvest plc (i.e. the Guarantor), is providing a partial guarantee in respect of payments of principal and interest in respect of each Series of Notes issued under the Programme. Although there is no limit on the number of claims that can be made under this partial guarantee (the "<b>Partial 20% Guarantee</b>") in respect of any arrears of interest and principal outstanding, if the Issuer defaults in its payment obligations under any individual Series of Notes the maximum aggregate amount that</p>  | <p>Part VI (<i>Business of the Guarantor and the Group</i>) and Condition 3 of Part VII (<i>Terms and Conditions of the Notes</i>)</p> |

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|  | <p>can be claimed in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of such Series of Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) as calculated as at the time at which any such claim under the Partial 20% Guarantee is made by the Trustee in respect of such Series of Notes.</p> <p>By way of illustration, this means that if a Series of fixed interest paying Notes with a nominal value of £100 million are in issue and are due to be repaid at par (i.e. £100 million) on their final maturity date, the Guarantor will guarantee the obligations of the Issuer to Noteholders up to an aggregate sum of £20 million in the event that the Issuer defaults in its payment obligations under such Notes. The total nominal amount for which the Guarantor will be liable shall be calculated accordingly at the point in time that the Partial 20% Guarantee is called in respect of the relevant Notes. By way of further illustration, if interest accrued on such Notes at the rate of 5% per annum, and was payable annually on the anniversary of the relevant issue date, this means that if the Issuer failed to make the first payment of interest (equal to £5 million) then the Trustee could require the Guarantor to make this payment under the Partial 20% Guarantee. Following payment of this amount by the Guarantor under the Partial 20% Guarantee, this would then reduce the amount available in respect of subsequent claims under the Partial 20% Guarantee. If the Issuer subsequently complied with its obligation to pay all further interest due on the relevant Notes when due, but was only able to make a payment of £75 million of principal on the same Notes at a time when the nominal amount repayable to Noteholders was £100 million, then the maximum amount that could be claimed under the Partial 20% Guarantee in respect of this unpaid principal would be £15 million, leaving a shortfall of £10 million.</p> <p>Investors should note that, as well as the guaranteed amount in respect of each Series of Notes being limited as described above, there can be no assurance that, if the Partial 20% Guarantee is called upon, the Guarantor will have sufficient funds available to it to meet those limited payment obligations in respect of the Notes at the relevant time.</p> <p>The Partial 20% Guarantee will apply in the same manner in respect of each Series of Notes issued pursuant to the Programme, and for so long as any Notes are outstanding the terms of the Partial 20% Guarantee will remain the same (and in particular the percentage of the redemption amount of the Notes (i.e. the nominal amount repayable to Noteholders pursuant to the Terms and Conditions of the Notes) that is guaranteed will not be increased or decreased).</p> |  |
| <p><b>How will the Notes be secured?</b></p> | <p>The Notes will be secured by a first floating charge upon the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer.</p> <p>A “floating charge” enables a chargee (i.e. the Security Trustee) to take security over assets whilst at the same time enabling the chargor (i.e. the Issuer) to continue to operate its business without the restrictions that would follow from granting fixed charges over those assets and/or interests in them. The assets subject to a floating charge can generally be dealt with by the chargor company in the ordinary course of its business (including sale of such assets and/or interests in them from time to time as it may wish). A floating charge effectively “hovers” over a shifting pool of assets. However, on the occurrence of certain events (notably if a receiver or an administrator</p>   | <p>Part VII (<i>Terms and Conditions of the Notes</i>)</p> |

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|   | <p>is appointed to take enforcement action against the chargor company or if there is a default in the Issuer's obligations in relation to the Notes) the floating charge "crystallises" and will effectively be converted into a fixed charge with respect to the assets and/or interests in them which are at that point in time owned by the Issuer, and prohibit it from disposing of any assets and/or interests in it going forwards without the Security Trustee's prior consent.</p> <p>The Terms and Conditions of the Notes prohibit the Issuer from granting any further security, other than the floating charge which secures the Notes. As such, although the Issuer is a recently incorporated company with no other assets, the restrictions on its activities contained in the Terms and Conditions of the Notes (including this limitation on the granting of further security, and the requirement that the net proceeds of issuance of any Notes are solely used to originate and purchase Eligible Loans, mean that there should not be any other competing interests from other parties if the floating charge over the Issuer's assets is enforced.</p> <p>The ability of the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) to recover sufficient sums to satisfy payments to Noteholders upon enforcement of the Security will depend, among other things, on the quality of the Issuer's assets and any claims from preferential creditors. The Issuer's assets are only likely to be the Eligible Loans it originates or purchases from other Funding Entities and the net proceeds from any issuances of Notes (less such sums which are lent as Eligible Loans) and there can be no assurance that (i) the Issuer will be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities, (ii) borrowers will not default on Eligible Loans or (iii) the Issuer will be able to recover sufficient sums following enforcement of the security relating to a defaulted Eligible Loan to satisfy, on a timely basis, the obligations of the borrower. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders on the enforcement of the Security. <b>For the avoidance of doubt, the Security Trustee will have no rights to enforce security over any property or properties in respect of which an Eligible Loan has been granted.</b></p> |   |
| <p><b>What is the relationship between the Issuer, the Guarantor and the Group?</b></p> | <p>The Issuer is a wholly owned subsidiary of the Guarantor.</p> <p>The Guarantor is the ultimate holding company of the Group (with the exception of its affiliate LendInvest Capital S.à.r.l) and is responsible for the overall business strategy and performance of the Group (other than such affiliates).</p> <p>The <b>Group</b> is comprised of the Guarantor and its subsidiaries (including the Issuer), together with the Funding Entities, taken as a whole.</p> <p>In this Base Prospectus, references to "<b>Funding Entities</b>" are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and</p>  | <p>Part V (<i>Business of the Issuer</i>)</p> |

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|  | LendInvest Real Estate Opportunity Fund were Funding Entities.  |  |
| <b>Why has the Programme been established? What will the proceeds be used for?</b> | <p>The Programme has been established to provide an alternative funding source for the Group. The net proceeds from each issuance of Notes will be applied by the Issuer for the purpose of originating and purchasing loans which fulfil the eligibility criteria contained in Part VII (<i>Terms and Conditions of the Notes</i>).</p> <p>The Issuer may, following the publication by the Group of its Green Bond Framework (as defined below), issue Notes as Green Bonds (as indicated in the applicable Final Terms) and in the case of such Notes, an amount equal to the net proceeds from the issue of any Tranche of Notes will be allocated to fund loans, secured on property in England, Scotland or Wales, that promote energy efficiency (“<b>Green Loans</b>”) in accordance with its Green Bond Framework, as it may be amended or replaced from time to time.</p>   | Part X ( <i>Form of Final Terms</i> ), Part V ( <i>Business of the Issuer</i> ) and Part IX ( <i>Use of Proceeds</i> ) |
| <b>What financial covenants apply to the Issuer?</b>                               | <p>The Issuer and the Guarantor have, pursuant to covenants set out in the Terms and Conditions of the Notes, undertaken to ensure that they maintain certain ratios and comply with certain limitations in respect of the Eligible Loans they originate and purchase using the net proceeds of issuance of any Notes.</p> <p>These include:</p> <p>(i) an undertaking that the “Weighted Average LTV Ratio of the Portfolio” held by the Issuer at any time does not exceed 77.5 per cent. The Weighted Average LTV Ratio is a financial measure calculated by reference to the relative size of each Eligible Loan, the valuation of the property in respect of which the Eligible Loan is granted at or around the time it is granted, and the principal balance of all Eligible Loans held by the Issuer at the time the ratio is calculated. The broad purpose of this covenant is to prevent the Issuer originating or purchasing too many Eligible Loans which are too large relative to the value of the property to which they relate;</p> <p>(ii) an undertaking that the total value of the assets which together make up the security underlying the Notes (i.e. the value of Eligible Loans originated or purchased from other Funding Entities by the Issuer, and the cash held by the Issuer (such as cash received from the issue of Notes)) will be at least equal to a certain percentage of the nominal amount of all Notes which are outstanding. This percentage will be between 97.5 per cent. and 100 per cent. of the nominal amount of all Notes which are outstanding; the exact percentage will be determined based on the issue date of the Notes of each Series and the total amount of Notes issued, reflecting the requirement that for the first 15 months after a Series of Notes is issued the value of the notional underlying assets should correspond to at least 97.5 per cent. of the nominal amount of that Series, increasing to at least 100 per cent. thereafter. The purpose of this covenant is to ensure that, if ever the security underlying the Notes had to be enforced, the value of the security will be sufficient to ensure that Noteholders are repaid as much as possible (though this covenant does not mean that Noteholders are guaranteed to receive repayment in full in such a scenario as the Noteholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Security Trustee and the Trustee, including costs incurred by them (or any receiver appointed by them) in the enforcement of the Security and,</p> | Part VII ( <i>Terms and Conditions of the Notes</i> )  |

secondly, remuneration, costs, expenses and liabilities due and payable to the Paying Agents, Transfer Agents and Calculation Agents appointed in respect of the Notes); and

- (iii) an undertaking that the interest receivable by the Issuer on Eligible Loans (other than certain loans which are in arrears – meaning that the borrower has not kept up the payments it is required to make over a certain period), when combined with certain income (or earnings) of the Issuer exceeds the amount of interest payable to Noteholders (and holders of other Notes issued under the Programme) by a ratio of at least 1.2 : 1.0. This covenant will be tested every three months, starting from the first Quarter Date (a Quarter Date being 31 March, 30 June, 30 September and 31 December in each year) after the first anniversary of the Issue Date of any Notes. The purpose of this covenant is to ensure that the Issuer is in receipt of more interest on the Eligible Loans in its portfolio than the amount of interest it has to pay out to Noteholders (and holders of other Notes issued under the Programme).

Worked example of the undertaking described in (ii) above:

**The worked example presented below is for illustrative purposes only and is in no way representative of the Issuer's issuance plans. The worked example is intended to demonstrate how the undertaking described in paragraph (ii) above is designed to work.**

*On 31 July 2022, the Issuer issues £50 million in nominal amount of Notes ("Series 1 Notes"). On 1 October 2022, the Issuer issues a further £50 million in nominal amount of Notes ("Series 2 Notes"). On 31 March 2023, the Issuer issues a further £100 million in nominal amount of Notes ("Series 3 Notes").*

*Up until 15 months after the issue date of the Series 1 Notes (being 31 October 2023), the total value of the assets which make up the security underlying the Notes must be at least equal to 97.5 per cent. of the £200 million in nominal amount of Notes issued (£195 million).*

*Between 1 November 2023 and the date falling 15 months after the issue date of the Series 2 Notes (being 1 January 2024), the total value of the assets which make up the security underlying the Notes must be at least equal to 98.125 per cent. of the nominal amount of the Notes issued (this figure is calculated as 100 per cent. of £50 million plus 97.5 per cent. of £50 million plus 97.5 per cent. of £100 million which equals £196.25 million – this represents 98.125 per cent. of the £200 million in nominal amount of Notes issued).*

*Between 2 January 2024 and the date falling 15 months after the issue date of the Series 3 Notes (being 30 June 2024), the total value of the assets which make up the security underlying the Notes must be at least equal to 98.75 per cent. of the nominal amount of the Notes issued (this figure is calculated as 100 per cent. of £50 million plus 100 per cent. of £50 million plus 97.5 per cent. of £100 million which equals £197.50 million – this represents 98.75 per cent. of the £200 million in nominal amount of Notes issued).*

*From 1 July 2024 (assuming no other Notes have been issued since 31 March 2023), the total value of the assets which make up the security underlying the Notes must be at least equal to 100 per cent. of the £200 million in nominal amount of Notes issued.*

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| <b>Have any Notes been issued under the Programme to date?</b>         | <p>As at the date of this Base Prospectus, the Programme has been established and there have been no Notes issued by the Issuer under the Programme.</p> <p>The Group has in the past issued other notes having features similar to those of the Notes that may be issued under this Programme pursuant to a £500,000,000 euro medium term note programme with LendInvest Secured Income plc as issuer and LendInvest plc as guarantor. This Programme is intended to replace the Existing EMTN Programme and the Group will not issue any further notes under the Existing EMTN Programme.</p>   | N/A  |
| <b>How will the price of the Notes be determined?</b>                  | Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of “pricing” of the Notes in accordance with prevailing market conditions. The issue price for each Tranche will be specified in the applicable Final Terms.  | N/A  |
| <b>What is the yield on Fixed Rate Notes and Zero Coupon Notes?</b>    | The yield in respect of each issue of Fixed Rate Notes and Zero Coupon Notes will be calculated on the basis of the Issue Price and specified in the applicable Final Terms. Yield is not an indication of future price. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.  | N/A  |
| <b>Will the Notes issued under the Programme have a credit rating?</b> | A Series of Notes issued under the Programme may be rated by a credit rating agency or may be unrated. Such credit ratings will not necessarily be the same as the rating assigned to the Issuer, the Guarantor or to any other Series of Notes. 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.  | N/A  |
| <b>Will the Notes issued under the Programme have voting rights?</b>   | Holders of Notes issued under the Programme have certain rights to vote at meetings of Noteholders, but are not entitled to vote at any meeting of shareholders of the Issuer or the Guarantor or of any other member of the Group.   | Part VII ( <i>Terms and Conditions of the Notes – Meetings of Noteholders, modification, waiver and substitution</i> ) |
| <b>Will I be able to trade the Notes issued under the Programme?</b>   | <p>Application has been made to admit Notes issued during the period of 12 months from the date of this Base Prospectus to the Official List of the FCA and to admit them to trading on the London Stock Exchange plc’s main market (including through its order book for retail bonds (in the case of Notes where the authorised denominations are less than €100,000 (or its equivalent in other currencies))). References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List of the FCA and have been admitted to trading on the London Stock Exchange’s main market (where specified, through its order book for retail bonds).</p> <p>Once listed, the Notes may be purchased or sold through a broker. The market price of the Notes may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Notes, movements in interest rates and the financial</p> | Part XIII ( <i>Additional Information – Listing and admission to trading of the Notes</i> )                            |

|   |  |  |
|---|--|--|
|   | <p>performance of the Issuer, the Guarantor and the Group. See Part I (<i>Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Notes and their market price may be volatile</i>) of this Base Prospectus.</p>   |  |
| <p><b>What will Noteholders receive in a winding-up of the Issuer or the Guarantor?</b></p> | <p>In the event of the Issuer’s or the Guarantor’s insolvency, the Noteholders, acting through the Security Trustee, will have recourse to the secured assets, which are secured for the benefit of the Security Trustee as described above.</p> <p>The floating charge granted over the secured assets shall become enforceable by the Security Trustee for and on behalf of itself, the Paying Agents, Transfer Agents and Calculation Agents under the Notes and the Noteholders, at the Security Trustee’s discretion and in respect of all costs, claims and liabilities to or for which it may, in its opinion, thereby become liable upon an event of default occurring. As described above in the context of “floating charges”, if the security becomes enforceable, the Security Trustee would typically be entitled to take possession of the relevant assets or interest and/or procure their sale (or else the Security Trustee could appoint a receiver to do these things on its behalf). Any proceeds would be held on trust for distribution to the Security Trustee, the Paying Agents, Transfer Agents and Calculation Agents appointed with respect to the Notes and the Noteholders (in priority to claims of any other creditors of the Issuer and/or the Guarantor, as the case may be). Any cash remaining, after Noteholders had been paid in full, would be available to other unsecured creditors of the Group.</p> <p>The Terms and Conditions of the Notes prohibit the Issuer from granting any further security, other than the floating charge which secures the Notes. As such, although the Issuer is a recently incorporated company with no other assets, the restrictions on its activities contained in the Terms and Conditions of the Notes (including this limitation on the granting of further security, and the requirement that the net proceeds of issuance of any Notes are solely used to originate Eligible Loans and purchase Eligible Loans from other Funding Entities), mean that there should not be any other competing interests from other parties if the floating charge over the Issuer’s assets is enforced.</p> <p>The ability of the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) to recover sufficient sums to satisfy payments to Noteholders upon enforcement of the Security will depend, among other things, on the quality of the Issuer’s assets and any claims from preferential creditors. The Issuer’s assets are only likely to be the Eligible Loans it originates or purchases from other Funding Entities and the net proceeds from any issuances of Notes (less such sums which are lent as Eligible Loans) and there can be no assurance that borrowers will not default on Eligible Loans or that the Issuer will be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders on the enforcement of the Security.</p> <p>A simplified diagram illustrating the expected ranking of the Notes compared to the Issuer’s other creditors is set out below (<b>Noteholders claims in respect of the Notes will fall within the area shaded grey in this diagram</b>):</p> | <p>Part VI (<i>Business of the Guarantor and the Group</i>) and Part V (<i>Business of the Issuer</i>)</p> |

|                | Type of obligation   | Examples of obligations  |
|----------------|--|--|
| Higher ranking | Proceeds of fixed charged assets                               | Currently none   |
|                | Expenses of the liquidation/administration                     | Remuneration due to administrator, administrative receiver or liquidator, together with fees and expenses        |
|                | Preferential creditors   | Currently none   |
|                | Proceeds of floating charge assets                             | Issuer's obligations to make payment to the Security Trustee and the Noteholders in relation to the Notes        |
|                | Unsecured obligations, including guarantees in respect of them | For example, trade creditors and unsecured obligations, for instance any banking facilities and other financings |
| Lowest ranking | Shareholders   | Ordinary shareholders  |

However, if the surplus proceeds from the sale of assets following an enforcement event proved to be insufficient to cover all amounts due and payable to Noteholders in respect of the Notes, then Noteholders would be dependent on being able to receive any shortfall in money from the Guarantor (pursuant to and subject to the limit of the Partial 20% Guarantee, amounting to 20 per cent. of the redemption amount of the Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) at the time at which any claim under the Partial 20% Guarantee is made) for satisfaction of any outstanding amounts. Following the enforcement of the Security, the sale of assets and a claim being brought under the Partial 20% Guarantee, there can be no assurance that Noteholders will recover all or any of their investment in the Notes in such circumstances.

The claims of Noteholders under the Partial 20% Guarantee will rank as senior unsecured obligations of the Guarantor on the winding-up or liquidation of the Guarantor. Consequently, the claims of Noteholders under the Partial 20% Guarantee will (i) be subordinated to (i.e. rank behind) the claims of all secured creditors of the Guarantor and any creditors which are preferred by law and (ii) rank alongside all other senior unsecured obligations of the Guarantor. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders on the enforcement of the Partial 20% Guarantee on the winding-up or liquidation of the Guarantor as the claims of all secured creditors will need to be satisfied first.

As at the date of this Base Prospectus, the secured creditors of the Group were GCP Asset Backed Income (UK) Limited and the holders of the Listed Bonds. Separate charges were granted in favour of GCP Asset Backed Income (UK) Limited in connection with £50 million of financing obtained in 2017 and 2018.



A simplified diagram illustrating the expected ranking of the Notes compared to the Guarantor's other creditors is set out below (**Noteholders claims in respect of the Partial 20% Guarantee will fall within the area shaded grey in this diagram**):



|                | Type of obligation   | Examples of obligations   |
|----------------|--|---|
| Higher ranking | Proceeds of fixed charged assets                               | Secured loan facilities   |
|                | Expenses of the liquidation/administration                     | Remuneration due to administrator, administrative receiver or liquidator, together with fees and expenses |
|                | Preferential creditors   | Remuneration due to employees   |
|                | Proceeds of floating charge assets                             | Security granted to entities in respect of obligations owed by the Guarantor to such entities             |
|                | Unsecured obligations, including guarantees in respect of them | Guarantor's obligations to make payment to the Trustee and the Noteholders in relation to the Notes.      |
| Lowest ranking | Shareholders   | Ordinary shareholders   |

**Structural Subordination in the context of the Notes**

The Guarantor's assets include its holding of shares in its subsidiaries and, accordingly, the right to participate in a distribution of any of its subsidiaries' assets as a shareholder upon their liquidation, re-organisation or insolvency will be subordinated to (i.e. rank behind) any claims made against such subsidiaries, including their creditors such as any lending bank and trade creditors. The obligations of the Guarantor under the Partial 20% Guarantee are therefore structurally subordinated to any liabilities of the Guarantor's subsidiaries. Structural subordination in this context means that, in the event of a winding-up or insolvency of any of the Guarantor's subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor (i.e. including Noteholders).

A simplified diagram illustrating the structural subordination of the Guarantor's obligations under the Notes to any liabilities of the Guarantor's subsidiaries referred to above is set out below by way of example by reference to a subsidiary of the Guarantor (**Noteholders claims in respect of the Partial 20% Guarantee on the winding up or liquidation of the Guarantor will fall within the area shaded grey in this diagram**):

|                | Type of obligation                         | Examples of obligations   |
|----------------|--|---|
| Higher ranking | Proceeds of fixed charged assets           | Secured loan facilities   |
|                | Expenses of the liquidation/administration | Remuneration due to administrator, administrative receiver or liquidator, together with fees and expenses |

|   |  |  |   |  |
|---|--|--|---|--|
|  |  | Preferential creditors   | Remuneration due to employees   |                                     |
|   |  | Proceeds of floating charge assets                             | Secured loan facilities   |  |
|   |  | Unsecured obligations, including guarantees in respect of them | For example, trade creditors and unsecured obligations, for instance any banking facilities and other financings  |  |
|   | Lowest ranking   | Shareholders   | Ordinary shareholder(s), which would include the Guarantor (i.e. subsidiaries are 100 per cent. owned by the Guarantor). Therefore, claims of Noteholders under the Partial 20% Guarantee will be ranked at this level (through claims by the Guarantor). |  |
|   | <p>For example, the following security has been granted in favour of GCP Asset Backed Income (UK) Limited in connection with £31.5 million of financing obtained in 2017 and 2018: (1) LendInvest Loan Holdings Limited has granted a first ranking charge over its holding of shares in LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No.6 Limited; and (2) each of LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited and LendInvest Finance No.6 Limited has granted a first ranking charge over all of its assets.</p>   |  |   |  |
| <b>Who will represent the interests of the Noteholders?</b>                       | <p>The Trustee is appointed to act on behalf of the Noteholders as trustee appointed pursuant to the terms of the Trust Deed throughout the life of any Notes issued under the Programme. The main obligations of the Issuer (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Notes) and the Guarantor are owed to the Trustee. These obligations are, in the normal course, enforceable by the Trustee only, not the Noteholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer and the Guarantor, the Trustee's role is to protect the interests of the Noteholders as a class.</p>   |  |   | Part VII ( <i>Terms and Conditions of the Notes</i> )  |
| <b>Can the Terms and Conditions of the Notes be amended?</b>                      | <p>The Terms and Conditions of the Notes provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to: (a) any modification of any of the provisions of the Trust Deed or the Security Deed that is, in the opinion of the Trustee in each following case, of a formal, minor or technical nature or is made to correct a manifest error or is made to comply with mandatory requirements of law; or (b) waive, modify or authorise any other modification of the Trust Deed or the Security Deed or any proposed breach or breach of a provision of the Trust Deed or the Security Deed if, in the opinion of the Trustee, such modification, proposed breach or breach is not prejudicial to the interests of the Noteholders. Noteholders may also sanction a modification of the Terms and Conditions of the Notes by passing an Extraordinary Resolution. An “<b>Extraordinary Resolution</b>” is a resolution passed (a) at a duly convened and held meeting of Noteholders with a majority of at least 75 per cent. of the votes cast, (b) in writing signed by the holders of not less than 75 per cent. in nominal amount of the Notes outstanding or (c) by way of electronic consents communicated through the electronic communications</p> |  |   | Part VII ( <i>Terms and Conditions of the Notes – Meetings of Noteholders, modification, waiver and substitution</i> ) |

|  |   |     |
|--|---|-----|
|  | systems of the relevant clearing system(s) to the Issuing and Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding. |     |
| <b>What if I have further queries?</b> | If you are unclear in relation to any matter, or uncertain if the Notes issued under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.       | N/A |

## PART III: HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER NOTES IN DEFINITIVE FORM ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF YOUR NOTES AS SET OUT IN PART VII (*TERMS AND CONDITIONS OF THE NOTES*) OF THIS DOCUMENT AND THE FINAL TERMS RELATING TO THE NOTES.

### Types of Notes

Three types of Notes may be issued pursuant to this Base Prospectus: Fixed Rate Notes which bear periodic fixed rate interest; Floating Rate Notes which bear periodic floating rate interest; and Zero Coupon Notes, which do not bear interest (or any combination of these). Upon maturity, the Notes will pay the redemption amount. Notes may provide for early redemption at the option of the Issuer (a call option) or at your option (a put option). The Issuer may also elect to redeem the Notes early in certain circumstances for tax reasons.

For the purposes of the scenarios below, unless otherwise specified, it is assumed that (i) the nominal amount per Note is £1,000, (ii) the issue price is 100 per cent. of the aggregate nominal amount and (iii) the Notes will be redeemed at 100 per cent. of the aggregate nominal amount.

The examples below are intended to demonstrate how the return on your investment will be calculated depending on the interest type and the relevant redemption provisions specified to be applicable for your Notes.

#### **Fixed Rate Notes**

Fixed Rate Notes pay a periodic and predetermined fixed rate of interest over the life of the Notes.

Unless your Notes are redeemed early, you will receive an amount in respect of a Note on each interest payment date calculated by applying the relevant fixed rate of interest to each Calculation Amount in relation to the Notes, and then multiplying the resultant amount by the applicable Day Count Fraction set out in the applicable Final Terms.

#### **Worked Example: Fixed Rate Notes**

##### **Assumptions**

- the fixed rate is 3 per cent. per annum;
- the day count fraction is “Actual/365 (Fixed)”, being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
- the actual number of calendar days in the interest period is 183.

##### **Interest amount payable**

The interest amount payable on the interest payment date will be £15.04 (rounded to two decimal places). This figure is calculated as fixed interest of 3 per cent., or  $0.03 \times £1,000 \times \text{day count fraction of } 183/365$ , or 0.5013699.

#### **Floating Rate Notes**

Floating Rate Notes pay interest that is calculated by reference to a fluctuating benchmark rate, either (i) an interest rate benchmark, such as EURIBOR or SONIA or (ii) a rate of interest determined in accordance with market standard definitions, published by the International Swaps and Derivatives Association, Inc (i.e. the ISDA Definitions, and for this Programme, the 2006 ISDA Definitions), plus or minus, in each case, a

margin and subject, in certain cases, to a maximum or minimum rate of interest. Interest rate benchmarks reflect the rate at which banks are willing to lend funds to each other in a particular market (for EURIBOR this is the Euro-zone interbank market and for SONIA this is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors calculated by the BoE). Interest rates determined in accordance with the ISDA Definitions reference hypothetical derivative contracts to determine a rate of interest.

If the benchmark rate is, for example, EURIBOR, this will commonly be taken as the rate appearing at the relevant time on a specified screen service. This is referred to in the Terms and Conditions of the Notes and the Final Terms as “Screen Rate Determination” and, in the case of such an issue of Floating Rate Notes, the Final Terms will specify the relevant benchmark (referred to in the Final Terms as the “**Reference Rate**”), the date on which the benchmark rate will be determined for each interest period (the “**Interest Determination Date**”) and the screen from which the rate will be taken (the “**Relevant Screen Page**”). If the screen rate is temporarily unavailable, the Terms and Conditions of the Notes contain fallback provisions which allow the rate to be determined on the basis of the arithmetic mean of rates quoted by reference banks in the relevant market. If an event constituting a Benchmark Event (as defined in the Terms and Conditions of the Notes), in respect of such benchmark rate has occurred, the Terms and Conditions of the Notes provide that the relevant Issuer shall use its reasonable endeavours to appoint an independent financial institution of international repute or an independent financial adviser with appropriate expertise (an “**Independent Adviser**”) to determine a Successor Rate, failing which an Alternative Rate (each as defined in the Terms and Conditions of the Notes) for use in place of the original benchmark rate and to determine an Adjustment Spread (as defined in the Terms and Conditions of the Notes) (if any) and any Benchmark Amendments (as defined in the Terms and Conditions of the Notes). If the relevant Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate (as applicable), then the Rate of Interest shall be determined by reference to the original benchmark rate for the immediately preceding Interest Period and the fallback provisions set out in Condition 6(b)(iii).

If the interest rate is to be determined using the ISDA Definitions, this is referred to in the Terms and Conditions of the Notes and the Final Terms as “ISDA Determination”. In such a case, the interest rate will be equivalent to the floating rate which would be determined in a hypothetical interest rate swap transaction for which the Floating Rate Option, the Designated Maturity and the relevant Reset Date are specified in the Final Terms. In an interest rate swap, each counterparty agrees to pay either a fixed or floating rate of interest denominated in a particular currency to the other counterparty. The relevant ISDA Definitions on which the hypothetical swap transaction will be based will also be specified in the Final Terms.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the rate of interest for that interest period to each Calculation Amount, and then multiplying the resultant amount by the applicable Day Count Fraction as described above. The rate of interest for any interest period will be determined by adding the relevant margin to the level of the interest rate benchmark or rate determined using the ISDA Definitions, as applicable, for such interest period (or subtracting the relevant margin, if the margin is a negative number). The result may be subject to a maximum or minimum rate if so specified in the Final Terms.

#### **Worked Example: Floating Rate Notes – Screen Rate Determination**

##### **Assumptions**

- **the Reference Rate is 6 month € EURIBOR;**
- **the margin is “plus 2.00 per cent.”;**
- **the rate of interest is subject to a maximum rate of 7.00 per cent. per annum;**
- **the day count fraction is “Actual/360”, being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days); and**
- **the actual number of calendar days in the interest period is 181.**

##### **Interest amount payable**

- (i) If the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 2.10 per cent. (or 0.021), the interest amount payable on the corresponding interest payment date will be equal to €20.61 (rounded to two decimal places). This figure is calculated as  $€1,000 \times \text{rate of interest of } 4.10 \text{ per cent. (or } 0.041) \times \text{day count fraction of } 181/360$ . The rate of interest (4.10 per cent.) is calculated as the Reference Rate of 2.10 per cent. (or 0.021) plus 2.00 per cent. (or 0.02) margin, and, given the level of the rate, is not affected by the maximum rate of interest; and
- (ii) If the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 6.16 per cent. (or 0.0616), the interest amount payable on the corresponding interest payment date will be equal to €35.19 (rounded to two decimal places). This figure is calculated as  $€1,000 \times \text{rate of interest of } 7.00 \text{ per cent. (or } 0.07) \times \text{day count fraction of } 181/360$ . The rate of interest (7.00 per cent.) is set as the maximum rate of interest because the Reference Rate of 6.16 per cent. (or 0.0616) plus 2.00 per cent. (or 0.02) margin, results in a rate of 8.16 per cent. In this scenario, the rate of interest is capped at 7.00 per cent.

#### Worked Example: Floating Rate Notes – ISDA Determination

Assuming, for the purpose of this worked example only, that:

- the Floating Rate Option is EUR-EURIBOR-Reuters;
- the Designated Maturity is 6 months;
- the margin is “plus 1.50 per cent.”;
- the rate of interest is subject to a maximum rate of 6.00 per cent. per annum;
- the ISDA Definitions on which the hypothetical swap transaction will be based are the 2006 ISDA Definitions;
- the day count fraction is “Actual/360”, being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days); and
- the actual number of calendar days in the interest period is 181.

#### Interest amount payable

- (i) If the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 2.40 per cent. (or 0.024) on the basis of EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to €19.61 (rounded to two decimal places). This figure is calculated as  $€1,000 \times \text{rate of interest of } 3.90 \text{ per cent. (or } 0.039) \times \text{day count fraction of } 181/360$ . The rate of interest (3.90 per cent.) is calculated as the floating rate of 2.40 per cent. (or 0.024) plus 1.50 per cent. (or 0.015) margin, and, given the level of the rate, is not affected by the maximum rate of interest; and
- (ii) If the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 5.40 per cent. (or 0.054) on the basis of EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to €30.17 (rounded to two decimal places). This figure is calculated as  $€1,000 \times \text{rate of interest of } 6.00 \text{ per cent. (or } 0.06) \times \text{day count fraction of } 181/360$ . The rate of interest (6.00 per cent.) is set as the maximum rate of interest because the floating rate of 5.40 per cent. (or 0.054) plus 1.50 per cent. (or 0.015) margin, results in a rate of 6.90 per cent. In this scenario, the rate of interest is capped at 6.00 per cent.

## Zero Coupon Notes

No amount of interest will accrue or become payable on Zero Coupon Notes. In the case of Zero Coupon Notes, the Final Terms will specify the 'Interest Basis' to be 'Zero Coupon'. Zero Coupon Notes are generally issued at a discounted issue price (such as 95 per cent.) to their nominal amount and then repaid at their full amount (100 per cent.). Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the nominal amount of the Zero Coupon Notes paid on maturity.

### Worked Example: Zero Coupon Notes

#### Assumptions

- the nominal amount of the Note is £1,000;
- the Issue Price is 80 per cent. of the nominal amount of the Note;
- the Notes were due to mature five years after they were issued; and
- the Redemption Basis is 100 per cent. of the nominal amount of the Note.

#### Issue price

The amount payable per Note is 80 per cent. of the nominal amount = £800.

#### Interest amount payable

No interest will be payable.

#### Amount payable on redemption

The amount payable per Note will be 100 per cent. of the nominal amount = £1,000. This amount is 125 per cent. of the price per Note originally paid by the investor.

## Redemption

### *Redemption at maturity*

All of the Notes to be issued under the Programme are redeemable on their maturity date at not less than 100 per cent. This means that, provided you hold the Notes until maturity, the amount you receive when the Notes mature will equal your initial investment. Unless your Notes are redeemed early (as described below) or are purchased and cancelled or an Event of Default occurs in respect of the Notes (as described below), if you purchased £1,000 in nominal amount of the Notes, you will receive £1,000 from the Issuer on the maturity date of the Notes. This is known as redemption at par. In such circumstances, the "Final Redemption Amount" will be shown in the applicable Final Terms as "100 per cent. of the nominal amount of the Notes" or "£1,000 per Calculation Amount".

### *Call options*

A call option gives the Issuer the right to redeem the Notes before the final maturity date at a predetermined cash price on a specified date. If the Notes are redeemed, you will be paid the redemption amount specified in the Final Terms plus any accrued and unpaid interest. The Issuer is given the right to redeem all, but not some only, of the Notes in certain circumstances for tax reasons (as described in Condition 7(c)) and, if specified in the Final Terms, all, or some only, of the Notes on notice to holders of the Notes (as described in Condition 7(d)). The terms of any additional call options will be set out in the Final Terms.

Following the exercise by the Issuer of a call option, you will receive an amount equal to the Early

Redemption Amount specified in the Final Terms (in the case of a call for taxation reasons) or the Optional Redemption Amount specified in the Final Terms (in the case of any other call option) in respect of each Note, together with accrued (but unpaid) interest.

***Put options***

A put option gives you the right to require the Issuer to redeem all, or some only, of your Notes before the final maturity date at a predetermined cash price on a specified date(s). If you elect to exercise the put option in respect of one or more of your Notes, you will be paid the redemption amount specified in the Final Terms plus any accrued (but unpaid) interest up to (but excluding) the date of redemption of the relevant Notes. Notes that are not so redeemed shall continue until the final maturity date unless another event occurs at an earlier date requiring the redemption of the Notes or their purchase and cancellation (including the occurrence of an event of default in respect of the Notes).



## PART IV: TAXATION

### United Kingdom Taxation

*The following comments are a general summary of the Issuer's understanding of current United Kingdom tax law as applied in England and Wales and HMRC published practice (which may not be binding on HMRC) in the United Kingdom relating only to United Kingdom withholding tax on payments of principal and interest in respect of Notes as of the date of this Base Prospectus. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The comments apply only to persons who are the beneficial owners of Notes and may not apply to certain classes of persons such as dealers or certain professional investors. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes may affect the tax treatment.*

*The following is a general guide and is not intended to be exhaustive. Any 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 main market of the London Stock Exchange is a recognised stock exchange for these purposes. Notes will be treated as listed on the main market of the London Stock Exchange if they are listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange. Provided that the Notes are and remain listed on a recognised stock exchange, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid and, at the time the payment is made, the Issuer 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 that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days from the date of issue and where the Notes are not issued under arrangements the intention or effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for more than 364 days.

If Notes are issued at a discount to their nominal amount, any such discount element should not constitute interest and so should not be subject to any United Kingdom withholding tax. If Notes are repaid at a premium to their nominal amount (as opposed to being issued at a discount) then, depending on the circumstances, such a premium may constitute a payment of interest for United Kingdom tax purposes and hence, subject to the exemptions described above, may be subject to United Kingdom withholding tax as set out below.

Where no exemption applies, an amount must generally be withheld from any payments of United Kingdom source interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other reliefs under domestic law. 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 direction to the Issuer or the Guarantor 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).

### **Payments in respect of the Partial 20% Guarantee**

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Partial 20% Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the

repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

#### ***Other rules relating to United Kingdom withholding tax***

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

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.

The above description of the United Kingdom withholding tax position does not consider the tax consequences of any substitution of the relevant Issuer or Guarantor as provided for by Condition 12(c).

#### **FATCA**

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 may be a foreign financial institution for these purposes.

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 2023 and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer) and/or characterised as equity for U.S. tax purposes. However, if additional Notes (as described under Part VII (*Terms and Conditions of the Notes - Further Issues*) of this Base Prospectus) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of such withholding.

## PART V: BUSINESS OF THE ISSUER

### 1. Incorporation and Status of the Issuer

The Issuer was incorporated and registered in England and Wales on 26 April 2022 under the Companies Act 2006 as a public limited company with registered number 14068186. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer's registered address is 8 Mortimer Street, London W1T 3JJ, United Kingdom and its telephone number is +44 20 7118 1900.

The Issuer's legal entity identifier is 213800ELFI7VXYLEIV74.

The total allotted, issued share capital of the Issuer is £50,000 divided into 50,000 shares of nominal value of £1 each, and which are one-quarter paid up. All of the Issuer's shares are held by the Guarantor. The Issuer's shares are not admitted to trading on any stock exchange or otherwise publicly traded.

### 2. Principal Activities

The objects of the Issuer are unlimited in accordance with Section 31(1) of the Companies Act 2006. However, the Terms and Conditions of the Notes (set out in Part VII (*Terms and Conditions of the Notes*)) limit, for so long as any Notes remain outstanding, the Issuer's activities to issuing Notes under this Programme (and undertaking various related activities to the issuance of Notes) and originating and purchasing Eligible Loans (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto). Neither the issuance of Notes under this Programme nor the origination and purchase of Eligible Loans constitutes a regulated activity in the UK, other than in the case of origination of regulated bridging loans, which the Issuer will not do.

Since its incorporation, the Issuer has yet to commence operations and has not engaged in material activities other than those incidental to its registration as a public limited company under the Companies Act 2006 and those related to the establishment of the Programme, and no financial information of the Issuer is available.

The Issuer has no subsidiaries and no employees.

### 3. Lending Activities

As described in Part VII (*Terms and Conditions of the Notes*), following the Issue Date of any Series of Notes, the Issuer shall apply the net proceeds of such Notes for the purpose of originating or purchasing Eligible Loans (as defined in Part VII (*Terms and Conditions of the Notes*)). Each such Eligible Loan shall satisfy the criteria set out in the definition of Eligibility Criteria contained in Part VII (*Terms and Conditions of the Notes*).

### 4. Directors and Company Secretary

The Directors and Company Secretary of the Issuer are:

| <b>Name</b>       | <b>Function</b>   |
|-------------------|-------------------|
| Ian Thomas        | Director          |
| Roderick Lockhart | Director          |
| Michael Evans     | Director          |
| Ruth Pearson      | Company Secretary |

The business address of each of the Directors is 8 Mortimer Street, London W1T 3JJ, United Kingdom.

## **Conflicts of Interest**

There are no potential conflicts of interest between the duties of each of the Directors to the Issuer and his/her private interests or other duties.

## **5. Corporate Governance**

Since the ordinary shares of the Issuer are not listed on any stock exchange, the Issuer is not required to comply with any UK corporate governance regime.

## **6. Financial Statements**

The Issuer will prepare and publish audited financial statements on an annual basis and will also prepare and publish semi-annual unaudited financial statements. The Issuer has yet to publish its first audited financial statements or any other financial statements. The Issuer's financial statements will be prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The Issuer has an accounting reference date of 31 March with the first fiscal year expected to be ending 31 March 2023. The auditors appointed in respect of the Issuer are BDO LLP of 55 Baker Street, London W1U 7EU, United Kingdom.

## **7. Recent Developments**

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

## PART VI: BUSINESS OF THE GUARANTOR AND THE GROUP

### 1. Incorporation and Status of the Guarantor

The Guarantor was incorporated and registered in England and Wales on 17 July 2012 under the Companies Act 2006 as a public limited company with registered number 08146929. The principal legislation under which the Guarantor operates is the Companies Act 2006. The Guarantor's ordinary shares are admitted to trading on the Alternative Investment Market ("AIM") operated by London Stock Exchange plc ("LSE").

The Guarantor changed its name from "LendInvest Limited" to "LendInvest plc" at the time of the initial public offering of its ordinary shares and admission of its ordinary shares to trading on the AIM market of the LSE in July 2021. Consequently, any references in this document to LendInvest Limited are references to the Guarantor.

The Guarantor's registered address is 8 Mortimer Street, London W1T 3JJ, United Kingdom and its telephone number is +44 20 7118 1900.

The Guarantor's legal entity identifier is 213800NWMK3O4UWP9N91.

As at the date of this Base Prospectus, the total allotted, issued and fully paid share capital of the Guarantor is £69,190,523 divided into 138,381,046 ordinary shares with nominal value of £0.0005 each.

### 2. Overview of the Group

The Guarantor is the ultimate holding company of the Group (with the exception of its affiliate LendInvest Capital S.à.r.l) and is responsible for the overall business strategy and performance of the Group (other than such affiliates). The Group comprises the Guarantor and its subsidiaries (including the Issuer), together with the Funding Entities, taken as a whole. References in this Base Prospectus to Funding Entities are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities.

The Group is a property finance asset manager in the UK. Over a 14 year period, it has developed proprietary technology and digital solutions that have allowed it to capture market share from incumbents and attract significant third-party capital. The Group is driven by its mission to harness technology to build the platform of choice for its Investors, Financial Partners, Borrowers and Intermediaries.

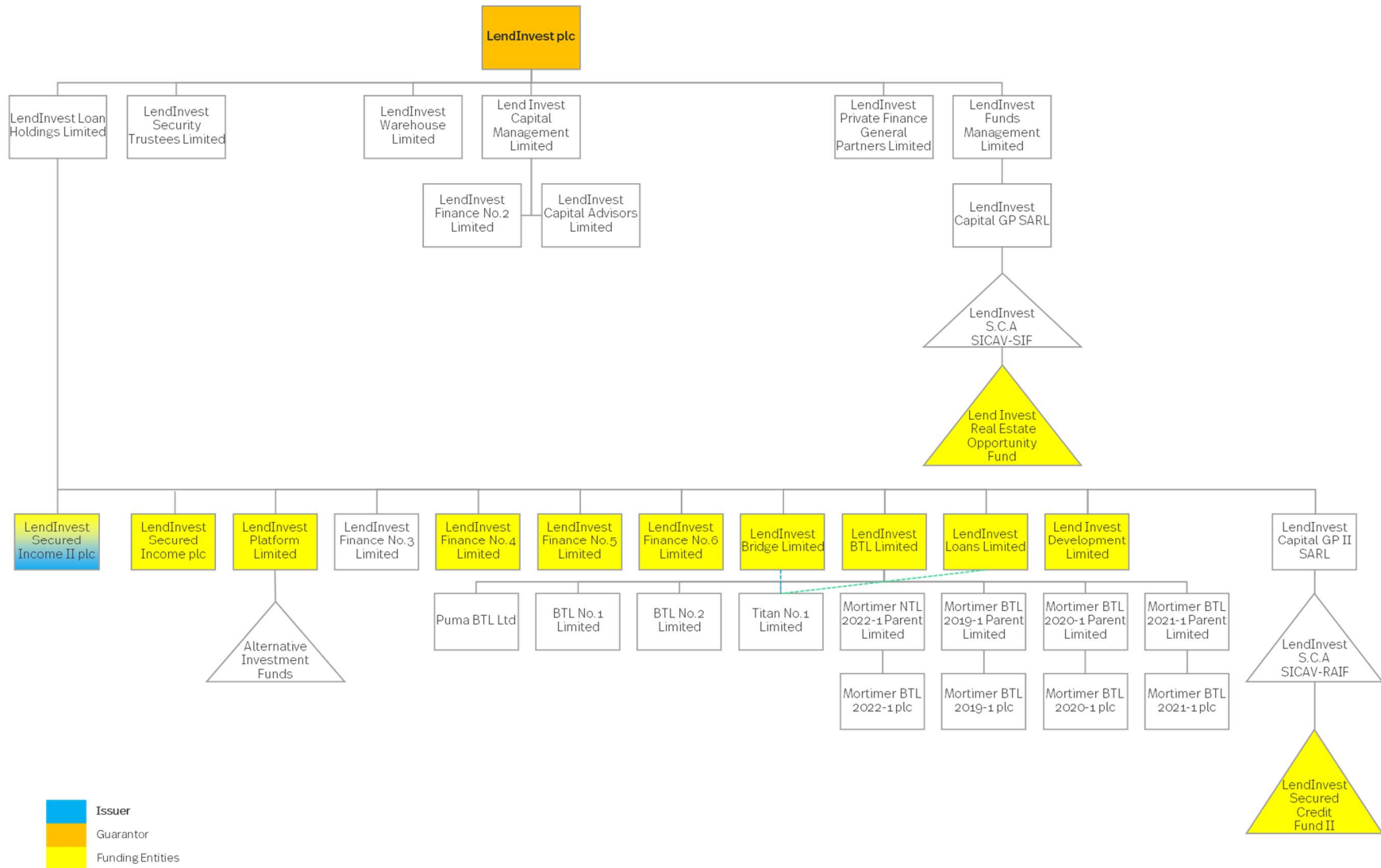
The Group's technology infrastructure allows it to offer competitive products and pricing to Borrowers and Intermediaries through a seamless and customer-centric process. This has enabled the Group to originate significant portfolios of high-quality property finance assets and grow its Platform AuM by a compound annual growth rate ("CAGR") of 45.8 per cent. from £326 million as at 31 March 2017 to £2,146 million as at 31 March 2022. The Group uses proprietary technology to provide better solutions for Borrowers and Intermediaries, and provides a highly scalable origination platform to successfully grow its Platform AuM in future. The ability to access property finance assets at scale through the Group's platform is attractive to its underlying Investors and Financial Partners, and has resulted in an increase of FuM from £375 million as at 31 March 2017 to £2,937 million as at 31 March 2022.

As an asset manager, the Group has designed a variety of investment solutions and products for its Investors that range from Funds and Separate Accounts to Financial Partnerships and RMBS. These products are tailored to address their specific risk return and investment criteria. Through the Group's platform, Investors from around the world gain exposure to attractive UK property finance assets without requiring them to establish direct lending operations or borrower services.

From these investment solutions, the Group generates revenue through management, performance and servicing fees on Separate Accounts and Funds, and interest charged on assets funded by Financial Partnerships and RMBS. Arrangement fees are earned on all property finance assets that the Group originates.

***Group Structure Chart***

The chart on the following page sets out the structure of the Group.



Note: All subsidiaries in this chart are wholly-owned subsidiaries of LendInvest plc

Each Funding Entity has its own separate source of funds and uses those funds to make the loans which are allocated to it according to the Group's lending allocation policy and any other policies and parameters specific to that Funding Entity (see "*Lending criteria and lending allocation policy*" below for more information).

### **3. History**

In late 2008, as global financial markets crashed, the Group's founders, Christian Faes and Ian Thomas, saw an opportunity to fill a capital gap in the property finance market. They set up a property finance business, then called Montello, focused on providing bridging loans.

From the incorporation of the Guarantor in July 2012, customer experience has been at the centre of its approach. The Group's management believes that as the business of the Group grew, so did its reputation to originate high-quality assets and produce stable returns for its Investors and Financial Partners. This helped to create a virtuous cycle that has allowed the Group to optimise products and investment solutions for its Borrowers and Intermediaries.

After the core operating model was established, the Group looked to improve efficiencies through streamlining the traditional mortgage origination and funding process. The solution was to build and integrate a technology platform that would optimise the Borrower and Investor experience. In 2013, the Self-Select Portal was launched, through which Private Investors could build their own diverse portfolio of property finance assets which the Group originates and manages on their behalf.

In January 2014, Real Estate Opportunity Fund, a Luxembourg-domiciled fund that offers Investors the opportunity to participate in a portfolio of UK property finance assets originated and managed by the Group was also launched.

In response to demand from Borrowers and Intermediaries and interest from Investors, the Group launched its Development finance product range in December 2015, focusing on small to medium-scale residential development projects.

In August 2017, the Group launched the Existing EMTN Programme, offering a retail-eligible asset-backed investment solution through bonds that are traded on London Stock Exchange's order book for retail bonds and are eligible for ISAs and SIPPs. It was the first, and remains the only, UK FinTech to access this market. To date, two series of Listed Bonds have been issued: the 2022 Bonds and the 2023 Bonds. The 2022 Bonds mature and fall to be repaid on 10 August 2022 and the 2023 Bonds mature and fall to be repaid on 6 October 2023.

In 2017, the Group introduced a paperless, technology-driven solution for Borrowers in the Buy-to-Let market. With an investment from one of its Financial Partners, Citibank, it developed a product tailored to the needs of professional portfolio landlords, connecting a variety of technologies to enable the completion of Buy-to-Let loans within weeks, rather than months. In 2018, the Group built its proprietary Loan Engine technology.

In March 2019, the Group entered into a Financial Partnership with HSBC to expand its short-term lending platform which provided the capital for its first Regulated Bridging product. In June 2019, the Group also completed its inaugural prime-rated RMBS Transaction, Mortimer 2019-1, securitising £259 million of prime UK Buy-to-Let loans. Shortly after completion of the RMBS Transaction, National Australia Bank was added as a funding partner, broadening the Buy-to-Let lending capital. In the same year, it also launched the Genesys origination platform.

In March 2020, the Group completed its second prime-rated RMBS Transaction in respect of £285 million Buy-to-Let loans, Mortimer 2020-1. It also became a CBILS accredited lender under the British Business Bank's coronavirus lending schemes, providing tailored financing solutions to SME property development companies that had been adversely impacted by the COVID-19 pandemic. It also completed the first part of a Separate Account mandate from J.P. Morgan in respect of a £125 million seed portfolio of property finance assets.



In 2021, the Group completed the second part of the Separate Account mandate from J.P. Morgan, worth a further £500 million. As part of the mandate, worth in aggregate £625 million, up to 50 per cent. of the Buy-to-Let mortgages may be allocated to this Separate Account. In June 2021, the Group completed its third RMBS Transaction, Mortimer 2021-1, in respect of £280 million Buy-to-Let loans. This transaction achieved the tightest spread on a UK Buy-to-Let RMBS since the issuance by Paragon Mortgages (No. 15) PLC in July 2007. In August 2021, Barclays joined the existing partnership with HSBC to further expand the short term lending platform. In May 2022, the Group completed its fourth RMBS Transaction, Mortimer 2022-1, in respect of £280 million Buy-to-Let loans.

In November 2021, the Group assisted in the completion of an RMBS Transaction sponsored by J.P. Morgan through Pierpont BTL 2021-1, a transaction that is now asset-managed by the Group. The Group is the original lender under the RMBS.

This broadening of investment solutions and property finance products has resulted in an increase of FuM and Platform AuM: as at 31 March 2022, the Group had FuM of £2,937 million and Platform AuM of £2,146 million.

### **Business**

The Group (via the Funding Entities) funds mortgages for experienced property investors, landlords and developers who are seeking short-term finance to buy, build or renovate their residential or commercial property projects in the UK. A mortgage loan is a loan secured by real property (meaning property consisting of land or buildings) owned by the borrower. When a mortgage loan is entered into, the borrower agrees to repay the principal amount borrowed from the lender, plus interest, calculated according to a stipulated interest rate and accruing over the term of the loan. If the borrower fails to satisfy its agreed repayment obligations, the lender is ultimately entitled to enforce the security over the real property, in order to satisfy the outstanding loan amount due.

As at the date of this Base Prospectus, the Group offered bridging loans, development loans, buy-to-let loans and regulated mortgages.

### **Accolades**

In 2022, the Group was named Top Real Estate Platform at the LendIt Fintech Awards.

In 2021, the Group was listed as one of the FT1000's Fastest Growing Companies in Europe, and won Property Finance Platform of the year at the AltFi Awards 2020 and Alternative Fund of the Year at the REFI European Awards 2020.

The Group also won NACFB Specialist Lender of the Year in 2019 and NACFB Buy-to-Let Lender of the Year in 2019 and in 2020. The NACFB is the UK's largest independent trade body for commercial finance brokers and this award is voted for by the members.

## **4. Key strengths**

### ***The Group considers itself a leader in an attractive market with significant barriers to entry***

The Group considers that the UK property finance market is an attractive market because of its:

- Large size - it had in aggregate over £1.6 trillion of outstanding loan balances at Q1 2022 with £309.6 billion in annual originations (source: FCA Mortgage lending statistics - June 2022);
- Relative low risk as the lending is secured and asset backed;
- Recurring revenues with high customer repeat rates;
- Proven resilience with performance robust through COVID-19; and
- High barriers to entry to new entrants due to the need for lenders to be funded at scale.

The property finance sector is yet to be transformed by technology, unlike other financial services such as money transfer, payments and wealth management. The Group believes property finance generally remains characterised by rigid products, poor customer experience and manual, paper-based processes.

The Group believes its business model and technological offering distinguishes it from competitors and provides a competitive advantage, as evidenced by its growth in Platform AuM which grew at a CAGR of 45.8 per cent. from £326 million as at 31 March 2017 to £2,146 million as at 31 March 2022. The UK mortgage market has high levels of intermediation, with 78.8 per cent. of all regulated lending in 2020 estimated to have been through Intermediaries. The Group's track record has helped developing an understanding of the needs of its customers. The Group believes that this understanding, combined with its ability to optimise and automate complex processes through its technology infrastructure, has enabled the Group to give a competitive proposition to the Intermediaries. In addition, high levels of intermediation have allowed the Group to grow Platform AuM without spending significantly on "direct to borrower" marketing strategies.

### ***The Group has access to deep pools of capital and the potential to expand the range of property finance products***

Due to the Group's track record of investment over more than 14 years, it has access to deep pools of capital, from a variety of Investors, ranging across Institutional Investors, Financial Partners and Private Investors. This diverse range of Investors provides resilience and a platform on which to scale the FuM, which the Group expects to be increasingly built in its Off-Balance Sheet Entities in Funds and Separate Accounts.

The Group's FuM is diversified, comprising Institutional Investors (£1,867 million), Financial Partners (£820 million) and Private Investors (£250 million) as at 31 March 2022. The Group's FuM has grown from £149 million in December 2014 to £2,937 million as at 31 March 2022 and at a CAGR of 45 per cent. over the same period.

### ***Scalability of business***

The Group's continued investment in technology allows it to offer attractive products and pricing to Borrowers, which together with seamless and customer-centric experience, lead to high repeat rates. This also results in deep data sets that, coupled with advanced analytical techniques, support a robust credit model with a sophisticated vantage point to qualify new property finance opportunities. This in turn enables the Group to provide attractive, optimised risk-adjusted returns that better satisfy the risk-reward expectations of its Investors and Financial Partners.

The Group has built an asset management platform with a competitive advantage over traditional lenders (in terms of technology and expertise), which the Group believes sets it apart. The creation of the Loan Engine alone is estimated to have saved over 13,500 hours of manual work per year (as at 31 March 2022).

The Group believes its business model is applicable to all segments of the property finance market and has shown that it is highly replicable across its existing products. The Group believes there is a future opportunity to replicate this success across all product categories of the property finance market, such as Specialist Homeowner mortgages, Consumer Buy-to-Let mortgages and mainstream mortgages.

### ***Resilience demonstrated by growth, profitability and asset performance through COVID-19***

The Group has grown the FuM from £149 million at 31 December 2014 to £2,937 million at 31 March 2022. Across the same period, Platform AuM has grown from £91 million to £2,146 million.

The growth in the Platform AuM has resulted in the Group's overall IFRS revenue increasing at an annual growth rate of 21.3 per cent. from the financial year ended 31 March 2021 to the financial year ended 31 March 2022, to reach £87.8 million in the financial year ended 31 March 2022. The operating leverage inherent in the Group's business model has resulted in the margin on its Adjusted EBITDA (which is a measure of profit and loss) growing at a faster rate, from 14.8 per cent. in the financial year ended 31 March 2021 to 23.1 per cent. in the financial year ended 31 March 2022, an increase of 56.1 per cent. over the same period.

The resilience of the Group's business model became apparent through its performance during the COVID-19 pandemic. The Group used open banking technology to individually assess payment deferral requests received at the outset in March 2020. As such, across all RMBS transactions launched in the last three years, the Group had the lowest rate of payment deferrals. Moreover, the Group's signed applications in July 2020 also recovered to a level higher than they were before the first UK national lockdown.

### ***Founder-led, complementary and experienced team***

The Group has a founder-led, entrepreneurial and experienced team with technology in its DNA. The Group had 227 employees as at 31 March 2022, including technology specialists, finance experts, and credit and real estate professionals. The Group has attracted technology talent from companies such as Facebook, Microsoft and IBM.

The senior management team of the Group draws upon deep skill sets and experiences from a range of successful investment banking, technology, lending and real estate market businesses.

Co-founder and Executive Chair, Christian Faes, started his career as a real estate lawyer and has in-depth experience of property finance and securitisations in the UK and abroad. Co-founder and Chief Investment Officer, Ian Thomas, is a qualified chartered surveyor with extensive experience in property valuation, mixed-use development and investment acquisitions in the UK and abroad. Chief Executive Officer, Roderick Lockhart, has been working with the Group for the past seven years and was involved with the business prior to that as an advisor in his role as a Senior Director at CBRE. Chief Financial Officer, Michael Evans, has been working with the Group for the past five years and is a Chartered Accountant with over 17 years of post-qualification experience across financial and operational roles. The Group believes its culture and people have been, and will continue to be, key to its continued growth and success.

## **5. Strategy and objectives**

Based on the Group's current plans, positioning and views on the wider-market, the Group has set out the following medium-term ambitions for the business:

- Triple its Platform AuM;
- Double its overall revenue;
- Grow its Adjusted EBITDA (a measure of profit and loss) by a multiple of between three and five times;
- Double the margin it makes on its Adjusted EBITDA; and
- Double loans processed per operational head.

The Group intends to pursue these ambitions through the following strategic objectives:

### ***Grow the FuM***

The Group intends to grow its Institutional Investor base to take advantage of prominent, developing trends that include a shift towards private debt, a growing preference for real assets, and alternatives with an ESG focus. It believes, matching the investment requirements of pension funds and insurance companies, which are borne out of holding long-dated annuities and liabilities, with the long-term, secure, stable income-producing properties of Buy-to-Let and Homeowner property finance, is a sustainable and efficient way to fund property finance loans in the future and represents a good source of diversification to traditional ways for investors to access property finance assets.

### ***Continue to optimise the FuM***

The Group plans to optimise its FuM by continuously seeking the most appropriate Investors and Financial Partners to match the risk-reward profiles of its assets. It expects a greater proportion of the Platform AuM to move towards Institutional Investors through Funds, RMBS and Separate Accounts, similar to the structure that the Group set up with J.P. Morgan in 2021.

As the Group expands its Buy-to-Let business and moves into new property finance products, it expects the asset mix to evolve and a greater proportion of the Platform AuM to be in lower risk, lower annual yielding but longer duration assets.

As the Group's understanding of how assets perform over time increases, with larger and deeper datasets to analyse, it performs advanced data analytics to iterate the credit model and improve the risk adjusted returns provided to Investors and Financial Partners. As a result, the Group anticipates this will help in attracting new Investors and Financial Partners to its investment products.

### ***Expand the Platform AuM***

The Group sees a number of opportunities for expansion of its business. The growth strategy focuses on continuing to grow its intermediary relationships, introducing new products (such as Specialist Homeowner mortgages and Long-term Fixed Rate products), and expanding the penetration of loans among existing Borrowers. Other potential avenues for growth in the longer term might include bolt-on acquisitions of complementary platforms and/or expansion into other geographies with similar characteristics to the UK property finance market, although the Group has no current plans for such initiatives.

### ***Invest in technology infrastructure***

The Group will continue to innovate and invest in its technology infrastructure, further improving the customer experience. Over the medium-term, it intends to launch a new rules engine and further process integrations to speed up decision making and create further operational efficiencies in the origination process. Further technology development will also enable the launch of new products, such as Specialist Homeowner and Consumer Buy-to-Let, that will provide more growth verticals for the business to expand.

## **6. Technology**

The Group has built a proprietary technology-enabled mortgage infrastructure which spans from Intermediaries and Borrowers through to Institutional Investors and Private Investors. The Group's technology has been engineered to drive scale and efficiency across the business as well as enhance the overall customer experience.

While the Group's technology is proprietary, it also integrates with third-party technology systems, through APIs, such as Jumio, Credit Kudos, Salesforce and Stripe, to further automate processes and reduce friction for both its customers and operations teams.

The Group uses the latest cloud technology to ensure scalability, resilience and flexibility. It believes that in implementing a high quality secure cloud environment and a microservice infrastructure, it is able to maintain and scale its products and make incremental enhancements much more efficiently than more traditional competitors which use the legacy monolithic technology.

The Group follows an agile approach to software development. The use of continuous integration and continuous delivery principles allows the Group to rapidly deploy technology, be it new products or incremental improvements to the current products. The average cycle time for an application to be developed, unit tested, regression tested, quality assured and deployed into live environment is less than five days. This means the Group is able to maintain its agile principles of releasing changes quickly and measuring the impact on the business.

The Group has invested considerably in securing and protecting data items captured by it. It utilises a cloud-based infrastructure to provide a secure and resilient technical environment. Data received from Investors, Financial Partners, Borrowers and Intermediaries is encrypted to ensure confidentiality. The security of the Group's technology infrastructure is continuously reviewed and tested by an independent third-party security team that monitors the Group's systems and scans for any vulnerabilities.

### ***Genesys***

Genesys is a loan origination platform that provides an end-to-end interface for the Group's customers to apply for loans and manage their applications.

Genesys is integrated with over 20 different third-party data and service providers to offer the Group's customers a frictionless and transparent mortgage application process. Genesys consists of three core parts - a Customer Portal, an internal Administration Portal and a customised CRM system.

*Interactive Customer Portal allows the submission of a property finance application in minutes*

The Genesys platform is where a customer can begin the application journey and manage and monitor their entire pipeline of cases. The platform is transparent and guides customers through the various sub-stages of submitting a mortgage application. It is also interactive and allows customers to communicate with the Group and be guided through the process should the need arise. Through this transparent end-to-end interface, a customer can submit a mortgage application in under five minutes.

*Administration Portal enables timely and efficient processing of applications*

The Group's internal Administration Portal enables the operations team to have a holistic view of a case in order to assess what information needs to be gathered and then automatically collates it (the "packaging" stage), that is done through the Group's proprietary rules engine with over 20 different third-party APIs integrated in Genesys, so it can be reviewed by an underwriter. Legacy approaches to this process are very manual, and, as a consequence, time consuming and expensive. Once the packaging stage is complete, Genesys leverages over 100,000 different data points per case that it collates to provide a risk assessment. From the risk assessment screen, an underwriter is able to look into the granular details, including each Borrower's Credit, KYC and Open Banking information, and any complexities associated with the case.

*CRM system provides a 360° view of customers*

The Genesys CRM is powered by Salesforce and has been heavily customised by the Group's internal development teams to meet the Group's needs, allowing the Group to segment its customers according to past value, potential value and specific product preferences. This in turn allows the Group to target its sales and marketing messages in order to optimise acquisition and retention.

## **Loan Engine**

At the core of the Group's technology infrastructure sits the patented Loan Engine. This is a web-based asset management technology system, with the following key objectives:

*Ensuring efficient portfolio allocation*

The Group manages various loan portfolios for Funds and Separate Accounts, RMBS, Listed Bonds and Financial Partnerships. These portfolios have different investment criteria and return expectations and the Loan Engine matches these with the property finance assets originated by the Group. The Loan Engine has been designed to aid the efficient allocation and legal transfer of mortgages to various portfolios of the Group, considering various factors including investment eligibility, return expectations, portfolio covenants and limits. The Loan Engine also provides the Group with a technological solution to traditional portfolio management functions, allowing for considerable operating leverage.

*Providing a comprehensive, accurate and live picture of the Group's Platform AuM*

The Loan Engine provides a live picture of the Group's Platform AuM, as well as historic snapshots of the Platform AuM at any point in time since it became operative in the second quarter of the financial year ended 31 March 2018. This enables the Group to analyse historic data efficiently and make informed decisions regarding evolving its lending and investment products.

*Increasing workflow automation*

The Group has made significant investment in the Loan Engine to automate financial reporting on loan transactions. All financial transactions on loans are processed automatically by the Loan Engine into its accounting software, NetSuite, with additional integration to its bank accounts to automate the transfer of funds. The Group estimated this has resulted in a saving of over 12,000 hours of manual work per year (as at 31 March 2022), and has also expedited various other processes, such as external audits and the legal transfer of mortgages between various portfolios.

## ***Investors' asset management platform***

Institutional Investors and Financial Partners can opt to access a bespoke view of the Loan Engine. It provides Institutional Investors and Financial Partners with data on, and real time statuses of, their respective portfolios that can be accessed on demand.

For Investors on the Self-Select Portal, it provides a simple, transparent on-boarding process. Utilising software as a service (SaaS) tools (including automated PEP and sanction screening) provides a seamless account creation procedure, a fast, secure account capital funding and withdrawal mechanism, and a tailored interface that presents Investors with the information they need in order to invest. Each of the investments are structured as AIFs. Investors are able to invest manually on a case-by-case basis or use the platform's auto-allocation capability which allows them to define their investment criteria and invest automatically. The Self-Select Portal is exclusively open to certified high net worth and self-certified sophisticated Investors and allows such Investors to build their own, diverse portfolios of property finance loans.

**Noteholders will not be investing directly or indirectly through the Group's asset management platform by virtue of their holding of any Notes issued pursuant to this Programme.**

## **7. FuM of the Group**

### ***Investor and Financial Partners***

The Group attracts a wide range of Investors and Financial Partners, from Private Investors to some of the world's largest institutions. The Group believes a diverse mix of Investors and Financial Partners is critical to providing a scalable, resilient and flexible asset management platform, and to delivering a broad range of cost-effective products for its Borrowers. As such, it continually seeks to establish new Financial Partnerships and deliver appropriate products suitable for the diverse range of Investors seeking access to a highly attractive asset class. For example, the Group has successfully secured a £625 million Separate Account with J.P. Morgan in 2021 (as at the date of this Base Prospectus, £725 million) where up to 50 per cent. of the Buy-to-Let mortgages will flow to J.P. Morgan's Separate Account.

### ***Sources of FuM***

The Group attracts funding from Investors and Financial Partners by providing them with a variety of investment products and channels that seek to address their varying investment criteria and risk appetites. The main categories of the Group's Investors are:

#### ***Institutional Investors***

These are Investors seeking real estate debt exposure that do not have direct lending operations or Borrower services. Institutional Investors can invest through Separate Accounts, Funds, Listed Bonds or RMBS structures.

Through Separate Accounts, the Group partners with Institutional Investors seeking exposure to particular segments of the UK property finance market. The Group launched a £625 million Separate Account during the financial year ended 31 March 2021 with J.P. Morgan. As at 31 March 2022, the Group had placed 34 per cent. of the Group's Buy-to-Let mortgages into this account.

Institutional Investors are also able to gain exposure to its property finance products through the Real Estate Opportunity Fund, which was launched in February 2014. The fund has delivered from its inception an annualised net return of between 7 per cent. and 8 per cent. for Investors in GBP share classes. It aims to provide Investors with a product that is less volatile than other mainstream asset classes, such as equity securities.

The Group has launched four RMBS Transactions of Buy-to-Let loans it has originated. All of the RMBS Transactions received prime ratings and the trades amounted to over £1,094 million in value. Six Investors participated in the first such transaction, representing some of the largest global asset managers. Seven Investors participated in the second RMBS Transaction, (five of whom were new Investors to the RMBS Transactions), 17 Investors participated in the third RMBS Transaction and 16 Investors participated the

fourth RMBS Transaction. With each trade, the Group built its track record and it believes it will continue to add more Institutional Investors as it expands the programme.

Through the cashflow generated from these RMBS Transactions, the Group is able to reinvest into products for future growth, with the proceeds primarily funding the development of its further Buy-to-Let products.

The Group had £1,867 million of FuM from Institutional Investors as at 31 March 2022, amounting to 63.6 per cent. of its FuM.

#### *Financial Partners*

The Group partners with some of the world's largest financial institutions, including Citibank, NAB, HSBC and Barclays, through private securitisation structures, to either increase its depth in existing property finance segments, seed its transitions into new property finance segments, or to build portfolios of assets to critical mass before selling to Separate Account Investors or exiting into public securitisations. For the Financial Partners, the Group structures bespoke solutions, such as private securitisations, revolving credit facilities and term loans. The Group's funding arrangements with Financial Partners generally have durations of one to five years, however, it regularly refinances these well ahead of the term expiry of each arrangement. The Group has at least a 5 per cent. first loss equity position in assets funded by Financial Partnerships, with all other credit risk transferred to Financial Partners.

The Group had £820 million of FuM from Financial Partners as at 31 March 2022, amounting to 27.9 per cent. of FuM.

#### *Private Investors*

Private Investors seeking real estate debt exposure can either invest through the Group's Listed Bonds or through the Self-Select Portal.

In August 2017, the Group launched the Existing EMTN Programme, offering a retail-eligible asset-backed investment solution through bonds that are traded on the London Stock Exchange's order book for retail bonds and are eligible for ISAs and SIPPs. It was the first, and remains the only, UK FinTech to access this market. Investors in the Listed Bonds, who range from individuals to pension funds and asset managers, can invest from as little as £2,000 in return for a fixed coupon with a tax-free wrapper (if eligible). To date, two series of Listed Bonds were issued: the 2022 Bonds, which are 5.25 per cent. bonds due 10 August 2022 and the 2023 Bonds, which are 5.375 per cent. bonds due 6 October 2023. The Listed Bonds have a full guarantee from LendInvest plc.

The Group's proprietary Self-Select Portal is an investment product open to high net worth, ultra-high net worth and sophisticated Investors. The Self-Select Portal enables Investors to invest in property loans originated through AIF structures. Returns generally range from 4 per cent. to 7 per cent. per annum. The Self-Select Portal allows Investors to build their own, diverse portfolios of property finance loans.

The Group had £250 million of FuM from Private Investors as at 31 March 2022, representing 8.5 per cent. of the FuM.

#### *Public Partnerships*

The Group had £48 million of guarantee and co-investment partnerships with public sector institutions such as Homes England and the British Business Bank as at 31 March 2022.

## **8. Customers and products**

### ***Borrowers of the Group***

The Borrowers primarily consist of landlords and experienced property developers who require a high degree of service and have complex financing needs. The Group provides those Borrowers with a superior value proposition that it believes has enabled, and will continue to enable, it to gain market share.

Values provided to the Borrowers by the Group include:

### *Diversified product offering*

The Group offers its Borrowers a wide variety of products with seamless product transitioning. The products comprise short-term loans (including Bridging and Development) and Buy-to-Let loans, allowing the Borrowers to transition through investment projects seamlessly.

### *Customer-centric approach*

The Group takes a customer-centric approach to lending, focusing on delivering products that meet the specific needs of Borrowers, and services and solutions that streamline the Borrower experience through the elimination of the hurdles Borrowers customarily encounter when applying for property finance. Designing solutions for Borrowers assists the Intermediaries advising Borrowers to relay the benefits of dealing with the Group. For example, for Buy-to-Let loans, it provides a completely paperless solution from enquiry through to completion.

### *Simplicity and speed*

The Group offers a simple and customer-friendly loan application process, utilising its rich data sets and advanced technology to bring speed and certainty to Borrowers and Intermediaries. Through the Group's asset management platform, Borrowers are able to access property finance when they need it quickly in a matter of days or weeks, rather than months.

## **Borrower and Intermediary products offered by the Group**

### *Products*

The Group currently offers Borrowers complementary property finance products, providing them with a comprehensive solution for their property financing needs, and allowing them to transition through investment projects seamlessly. The Group's current Borrower products comprise short-term loans (including Bridging and Development loans) and Buy-to-Let loans. The Group has expanded the range to include regulated bridging loans.

### *Bridging loans*

Bridging loans are short-term loans, which are generally less than 12 months but may be up to 24 months in duration and which are made to property investors, landlords and developers for a range of purposes including opportunistic residential and commercial property purchases, chain breaks (a "chain" is a sequence of linked house purchases, where the property professional in the chain must rely on the sale of one property or properties before proceeding with the next; a break occurs if a property takes longer than expected to complete and a bridging loan therefore enables the professional to continue with their purchases), property refurbishment (such as renovations or refits), auction purchases (where the property may have to be paid for within 30 days) and short-term liquidity for businesses (such as working capital requirements). Bridging loans are often required at short notice.

As at the date of this Base Prospectus, bridging loans granted by Funding Entities had a minimum value of approximately £75,000 and a maximum value of £15 million, a term of up to 24 months and a maximum LTV of 75 per cent. Bridging loans bear interest at a fixed monthly rate. Interest on bridging loans may be rolled up (such that it is only payable at the end of the term of the loan) but is usually serviced on a monthly basis (or retained from the borrower at the outset of the loan). All bridging loans are granted on an on-demand basis. However, the Guarantor may relax or tighten the lending criteria on a case-by-case basis. The Guarantor reviews its bridging loan criteria on a regular basis at meetings of the Credit Committee to ensure the offering remains competitive in the market.

### *Development loans*

Development loans, which have a term which is generally greater than 12 months but less than 24 months in duration, are loans secured by real estate and which are made to experienced property developers for the purposes of developing or converting a large building or site into a number of residential units and comprehensive renovations or made to professional landlords and investors for the purposes of holding pending planning approval or purchasing and refinancing letting property to achieve rental income. These development loans are often paid back through the sale of units during the term of the loan or through



refinancing with long-term property loans.

As at the date of this Base Prospectus, development loans granted by Funding Entities generally have a minimum value of £1 million and a maximum value of £20 million, a term of up to 24 months and a maximum LTGDV of 70 per cent. if the purpose of the relevant development loan is for residential development or a LTV of 75 per cent. for investment or letting opportunities. Development loans bear a fixed rate of interest.

#### *Buy-to-let loans*

Buy-to-let loans are made to experienced property landlords for the purposes of building an investment portfolio and/or refinancing existing loans. Buy-to-let properties afford property investors the opportunity to achieve rental income and realise capital growth over a period of time and can generally be up to 30 years in duration.

The Group offers buy-to-let loans, with terms generally up to 30 years, with minimum value of £50,000 and a maximum value of £3 million and a maximum LTV of 82.5 per cent. (including application fee) which is targeted at professional corporate borrowers. Buy-to-let loans bear interest at a floating rate of interest and are serviced on a monthly basis. LendInvest BTL Limited, a wholly-owned subsidiary of the Guarantor, originates the buy-to-let loans.

#### *Regulated mortgages*

Currently, the Group offers regulated mortgages in the form of regulated bridging loans. Regulated bridging loans are a form of short term finance secured against properties that borrowers currently occupy or intend to occupy. By far the most common use of a regulated bridging loan is in circumstances where there is a chain break. A buyer may use a regulated bridging loan to ensure they can purchase a new property before selling their existing property.

The Group has recently started to offer regulated bridging loans with maximum a loan term of 12 months. The maximum LTV is 65 per cent. (net of arrangement fee and rolled up interest), and the minimum and maximum loan sizes generally are £75,000 and £3 million respectively.

The Group is planning to expand its regulated mortgage loan offering to include a wider range of homeowner mortgage loans, typically having a fixed term of 2-3 years and targeted at existing homeowners and purchasers. The Group has not yet commenced offering this expanded range of regulated mortgage loans, but is planning to do so within the next 12 months. The Group does not expect to require any additional regulatory approvals in order to expand its range of regulated mortgage loans in this way.

#### *Product development strategy*

The Group's product development strategy has been driven by a strong commitment to solve Borrowers' needs for transparent, convenient and competitively-priced property finance. It therefore continually evaluates new products and market opportunities that align with this mission. The Group's product development strategy focuses on gathering detailed feedback from Borrowers and Intermediaries and then developing tailored products that deliver additional value to them, as well as where possible complementing an existing product offering. At the same time, the product development strategy also considers underlying Investors to ensure what is being developed will also meet their investment needs.

In the initial years of operations, the Group focused solely on short-term loans (including Bridging and Development loans). Leveraging the distribution channels, brand presence and agile and scalable technology the Group has developed It then moved into the Buy-to-Let market, a more mainstream product set that marked its entry into the longer-term, specialist lending market. The Group considered this to be a natural progression where it can enhance and improve the customer experience for Investors, Financial Partners, Borrowers and Intermediaries, through the targeted use of technology. The Group plans to take the lesson learned and the technology developed in these segments and introduce them to the Homeowner mortgage market, by first accessing the Specialist Homeowner sector.

### **9. Lending criteria and lending allocation policy**

The Group generally only lends to UK companies and individuals over the age of 21 who have been resident in the UK for at least 36 months prior to making the loan application. The Group will consider

lending to offshore companies and individuals on a case-by-case basis. The Group lends against properties in the UK but will consider lending against properties not in the UK on a case-by-case basis provided that an independent legal opinion on the loan and the security to be provided in relation to the loan has been provided.

As at 31 March 2021 and 31 March 2022, the distribution of the total principal amount of loans extended by the Group across the UK was as follows:

| Region                   | As at 31 March 2021                            | As at 31 March 2022 |
|--------------------------|--|---------------------|
|                          | <i>(percentage of loan portfolio by value)</i> |                     |
| London                   | 39.1%  | 38.7%               |
| South East               | 17.5%  | 14.8%               |
| East of England          | 11.6%  | 12.1%               |
| South West               | 5.7%   | 6.1%                |
| North West               | 5%   | 5.6%                |
| East Midlands            | 6.6%   | 6.7%                |
| West Midlands            | 4.6%   | 5.4%                |
| North East               | 1.1%   | 1.2%                |
| Yorkshire and the Humber | 3%   | 4.2%                |
| Wales                    | 2.1%   | 1.8%                |
| Scotland                 | 3.9%   | 3.4%                |
| <b>Total</b>             | <b>100.0</b>                                   | <b>100.0</b>        |

Note: The distribution of loans by the Group set out in the table above is not indicative of the future distribution of the Eligible Loans that will be forming part of the portfolio of loans to be held by the Issuer.

If a loan satisfies the Group's lending criteria, it will be allocated to a Funding Entity in accordance with the Group's loan allocation policy. The loan allocation policy differentiates loans according to their risk-return profile, accounting for: size, applicable LTV or LTGDV, term, nature of security and location of the property. This allocation decision is made prior to execution of the relevant loan documentation. Where a loan meets the investment criteria of more than one Funding Entity, both or all of which have sufficient funding to be considered to fund the loan, the loan is allocated on a rotation basis, or can be partially funded by both or all such entities. If a Funding Entity to which a loan has been allocated has insufficient funding to make a loan, an alternative Funding Entity will act as lender, provided the loan satisfies the lending criteria of that alternative Funding Entity.

## **10. Marketing, sales and distribution**

### ***Marketing***

The Group's primary marketing goal is to grow its customers for the investment and lending products. It manages brand reputation and messaging centrally and has tailored plans to target its customer segments, namely, Borrowers and Intermediaries. Marketing spend on Investors and Financial Partners is limited and the Group is targeting an expansion in the FuM. Pursuant to these plans, the Group intends to extend its acquisition channels and invest resources into customer retention activities, with the aim to remain front of mind and drive increased qualified leads and viable new loan enquiries for its sales teams.

### **Sales and Distribution**

## *Investors and Financial Partners*

With respect to Investors and Financial Partners, the Group primarily relies upon a combination of its reputation and referrals to drive continued growth and its capital markets, fund sales and investor relations teams, who draw upon experience from backgrounds in sales, investor relations, corporate treasury, credit rating agencies and corporate finance advisory, to attract and maintain relationships.

## *Intermediaries*

In line with the heavily intermediated nature of the UK mortgage market, the Group sources the majority of Borrowers through its Intermediaries. The Buy-to-Let product is 100 per cent. intermediated. Intermediary channels accounted for 83.9 per cent. of the short-term loans by the number of completions and 61.4 per cent. by the value of completions in the financial year ended 31 March 2022.

The Group has built diverse distribution channels which allow Intermediaries to deal directly with it, or via a Packager, Mortgage Network or Mortgage Club. After registration, it begins the process of building a relationship by assigning the Intermediary a Business Development Manager and adding them to its CRM system. The technology and data driven CRM processes allow the Group to optimise conversion of each registration. Automated CRM communications are triggered each of which is personalised to the Intermediary depending on the stage of their journey with the Group ensuring a frictionless onboarding experience and higher conversion rates.

The Group believes that it has significant potential to convert target Intermediaries to a first application and a first completion. It estimates there are 8,000 Intermediaries writing UK mortgage business. Of those 8,000 Intermediaries, 5,000 are within the Group's target market (markets in which it is currently active). It has 2,004 Intermediaries with signed applications and 1,471 with completions as of 31 March 2022. As such, the Group believes the Intermediary firm market penetration across the three markets in which the Group is currently active is 40 per cent. as at 31 March 2022.

The proportion of origination from repeat Intermediaries had stood at 60.5 per cent. in the financial year ended 31 March 2020, and was increased to 74.8 per cent. in the financial year ended 31 March 2021. It has decreased as a proportion of origination to 65.4 per cent. in the financial year ended 31 March 2022.

With respect to the Group's cumulative number of new Intermediaries, it had 764 cumulative new Intermediaries as at 31 March 2020 (i.e. including those acquired in the financial year ended 31 March 2019), and this was increased to 1,308 during the financial year ended 31 March 2021, an increase of 544 new Intermediaries. The cumulative number of new Intermediaries as at 31 March 2022 was 2,004, an increase of 519 new Intermediaries.

The Group seeks to generate a flywheel effect through converting higher numbers of new Intermediaries and increasing its repeat business. The flywheel effect can be summarised to have the following 6-step cycle:

- (1) widen distribution to customers;
- (2) prove value to broker converts via the Group's platform;
- (3) build loyalty of broker converts through the Group's services and (proprietary) technology;
- (4) increase shares of the Group's business through existing relationship and familiarity of the products and services;
- (5) cross sell new products to the Group's customers; and
- (6) increase referral within broker firms to new brokers (which will lead to step 1 again).

## **11. Underwriting**

The Group has invested and continues to invest considerably in the development of market-leading underwriting infrastructure, systems and methodologies, with the objective of continuously improving the speed, efficiency and quality of decision making by leveraging the latest technology and its rich data sets.

In the initial stage of any application, the Group undertakes comprehensive automated checks on the prospective Borrower, using automated market-leading due diligence and fraud detection systems. Information supplied by each applicant is checked for consistency and verified through its own client database and the UK's two leading fraud detection systems, SIRA and Cifas, which provide access to syndicated data that cross-references Borrower information across a network of participant members. In addition, the Group carries out a number of other automated searches on each applicant, including personal and company credit searches, land registry searches and searches on UN, EU, HM Treasury and other offshore financial sanctions lists. The Group also uses biometric verification technology to confirm an applicant's identity and comply with its KYC/AML obligations. Some of these searches and checks are repeated using at least two sources of information from third-party information providers to ensure consistency and compliance with customer due diligence requirements and Joint Money Laundering Steering Group (JMLSG) Guidance.

Once all diligence checks are completed, the Group assesses the creditworthiness of the applicant by applying a rigorous credit assessment process, using Equifax credit scoring, and indebtedness models to assess and analyse a Borrower's propensity to default, which supports and informs the decisions made by its underwriting teams. Further to this the Group uses the latest open banking technology which allows it to gain greater insight into the financial circumstances of its Borrowers and allows it to make quicker and better informed decisions. In connection with each loan application, the Group requires an independent third-party valuation of the underlying property by valuers from the panel of Royal Institution of Chartered Surveyors (RICS). For Buy-to-Let loan applications, this valuation is supplemented by a Rightmove AVM valuation covering both value of the property as well as the market rent. The Group also engages its own external solicitors on every approved loan to conduct legal due diligence on the Borrower, the property, and the security to be provided.

Information generated through the Group's API integrations including credit scoring, valuations and KYC data is automatically summarised by the Genesys platform and reviewed by its underwriters together with reports on title prepared by its solicitors.

The underwriters will consider a number of parameters when deciding whether to approve the loan, including: (i) the proposed LTV (or LTGDV); (ii) the Borrower's credit history, property portfolio, age and shareholders (for corporate Borrowers); (iii) loan size; (iv) an affordability/interest coverage assessment; (v) repayment strategy; (vi) other relevant background checks; (vii) the security being provided in connection with the loan; and (viii) the property valuation.

Approvals are then made by duly-authorized underwriters holding appropriate mandates, with built-in escalation processes at predefined credit and risk triggers. Mandates to the underwriters are only issued after a rigorous training and assessment process, and each mandate must be ratified by its credit committee.

## **12. Regulatory status**

The Group has two FCA regulated subsidiaries in the Group.

- LLL is authorised (firm reference number 737073) to administer regulated mortgage contracts, enter into regulated mortgage contracts as lender and agree to carry on these regulated activities. LLL is also registered with the FCA as a Consumer Buy-To-Let mortgage lender and administrator; and
- LFML is authorised as a small UK AIFM (Sub Threshold) (firm reference number 624223) with permission to manage an unauthorised AIF and permissions to arrange deals in investments and make arrangements with a view to transactions in investments. The types of investments in relation to which LFML can carry out these regulated activities are alternative debentures, certificates representing certain security, debentures, rights to or interests in investments (security), shares and units. LFML's MiFID services and activities are limited to the receipt and transmission of orders in relation to one or more financial instruments.

The Issuer is not regulated by the FCA or any other regulated authorities. Please also refer to risk factors “Any failure by the Group to comply with applicable laws, rules and regulations could result in investigations and enforcement actions being brought against it, financial redress having to be made, authorisations or registrations not being issued or being amended or revoked, fines or the suspension or termination of its senior management or ability to do regulated business.”; “Changes in laws, rules, regulations, policies, fines or other penalties, or the way existing laws, rules or regulations are administered, interpreted or enforced could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.”; and “The Group may fail to detect or prevent money laundering and other financial crime activities if they are not correctly identified and effective controls to mitigate those risks are not implemented” above which discuss specific risks relating to these FCA regulated subsidiaries.

### 13. Employees

#### **Culture and employees of the Group**

Employees of the Group are key to its continued growth and success. Its focus on building and promoting an open, inclusive and supportive environment is evidenced by its Glassdoor score (see website: <https://www.glassdoor.co.uk/Reviews/LendInvest-Reviews-E1047143.htm>) of 4.9 out of 5 as at 30 June 2022 and its bi-weekly engagement survey which consistently returns a 7.6 out of 10 score. All results are regularly reviewed by team managers and the executive committee to ensure that employees’ feedback and ideas are considered.

The Group has an active Social and Corporate Social Responsibility (“**CSR**”) committee and a group of Diversity & Inclusion champions who organise and lead company-wide events and initiatives that enrich the company culture such as its employee wellbeing initiatives, raising awareness and funds for its nominated charity, celebrating Pride, and introducing volunteering days.

The Group’s values (which are the heart of its culture) are:

- Simple is best. The Group seeks to make property finance simple; making it easier for its customers and ourselves and increasing the speed of decision making to get to a ‘yes’.
- The Group gets it done. It works smart to deliver quickly and then make things even better.
- New finance. The Group is entrepreneurial and innovative; creating a better customer experience and disrupting the established way of providing property finance.
- The Group is playing to win. It is ambitious; it has fun; it works as one team to create the best platform for property finance.

The Group is proud to nurture and develop talent, through its apprenticeship and mentoring programmes, and has a strong track record of promoting talent internally and offering a wide range of learning and development opportunities for both managers and employees across the organisation. Key to this is the Group’s “How we Framework”, which sets out the Group’s performance expectations for management and employees (based on the Group’s values) and is reviewed on a quarterly basis as part of the performance review process.

The Group had 220, 183 and 227 employees as at 31 March 2020, 2021 and 2022 respectively, with more than 90 per cent. of the employees based in the UK.

In the financial year ended 31 March 2021, the Group lowered headcount by 37 full-time employees to rebalance the team for the purposes of executing its future strategy. Headcount increased by 44 in the financial year ended 31 March 2022 and the Group expects that its team will grow with the business.

None of the Group’s employees are covered by a collective bargaining agreement or represented by a labour organisation. To date, the Group has not experienced a labour-related work stoppage.

All permanent employees (provided they have been employed for at least six months as at the issue date) are eligible to participate in the Group’s Share Plans, promoting alignment of interest across the entire

business and shareholders. The Group also operates a defined contribution pension plan, membership of which is open to all permanent employees.

#### **14. IT systems**

The Group has developed secure and scalable technology stacks for each product which not only address the needs of its Borrowers, Intermediaries, Investors, Financial Partners, but also ensure the fulfilment of any regulatory obligations. The core IT systems contain four main parts: Customer-facing Portals, Internal Loan Origination and Administration Systems, Financial Asset Management systems and Investor Systems.

##### ***Security Controls***

The security of the platforms and customers' information is critical to the continued business success of the Group, where the trust and confidence of its Borrowers, Intermediaries, Investors and Financial Partners is paramount. Accordingly, it has established clear policies and guidelines in connection with the collection, storage and processing of data, and implemented best-practice information security processes, to ensure the security of its platforms and customers' information.

Cloud systems of the Group are protected by Virtual Private Cloud (VPC) architecture, and its customer data and documents are encrypted to ensure confidentiality. The security of its technology infrastructure is regularly reviewed by independent third-party security consultants. The Group has firewall protection, anti-virus and anti-malware in place for all endpoint devices, and traffic at its head office is constantly monitored through a Meraki MX appliance for intrusion prevention. In addition to real-time monitoring for potential security breaches or threats, the Group also conducts regular audits of its security controls via a vulnerability management tool, [www.Tenable.io](http://www.Tenable.io).

As at the date of this Base Prospectus, the Group has not experienced any material operational or information security issues resulting from failures of, or breaches in, cybersecurity.

##### ***Business continuity and disaster recovery***

The Group's cloud infrastructure enables multiple layers of resilience ensuring no single datacentre or office is relied upon to facilitate the uninterrupted performance of its systems or operations. Best in class clustering technology is used to safeguard against any particular instance or datacentre becoming unavailable. Data is replicated in the cloud in real-time and backed up to provide further resilience.

Business Continuity Plan (BCP) scenarios including office power down and restore from backup are tested to ensure minimal disruption in the event of the loss or lack of availability of any office or data centre.

The strength of its processes in relation to remote working was clearly demonstrated when, as part of the response to the COVID-19 pandemic, the Group transitioned seamlessly to a 100 per cent. work from home policy within one day with no impact to operational services.

#### **15. Intellectual property**

Key trademarks of the Group comprise the brand name (whether used in plain or stylised forms, or in conjunction with one or more of its marketing slogans) in the form of a wordmark and a figurative mark. They are registered in the United Kingdom, Hong Kong, New Zealand, Singapore, Australia, the European Union and China, as well as a worldwide-base registration with the World Intellectual Property Organisation. The Group also holds a portfolio of domain names, including "[www.corporate.lendinvest.com](http://www.corporate.lendinvest.com)", "[www.lendinvest.com](http://www.lendinvest.com)" and "[lendinvest.co.uk](http://lendinvest.co.uk)", among others.

The Group has software development agreements in place with certain third-party software developers, pursuant to which all intellectual property and proprietary rights over the software that has been developed vest in the Group. It also licenses technology software from third parties' for managing aspects of the business, including in respect of loan origination and servicing, and also makes use of open source software where appropriate.

In addition, the Group relies on a combination of certain registered rights, unregistered rights and intellectual property laws to protect its proprietary rights. It also has confidentiality and proprietary

information arrangements in place with its employees and contractors to protect trade secrets and commercially sensitive information.

The Guarantor was issued a UK patent by the UK Intellectual Property Office (No. GB2570991) on 22 April 2020 titled "Instruction allocation and processing system and method" in relation to the Loan Engine.

## **16. Environmental, social and governance ("ESG")**

### ***ESG overview***

The Group's ESG values and principles are central to the success of its platform. The nature of its business means for almost every loan it originates, new housing stock is made available in the market, which helps to alleviate the housing crisis. Older stock is improved to comply with higher energy efficiency standards and help to minimise the carbon impact of housing. Banks and building societies still rely on paper-heavy solutions to originate mortgages, while the Group has invested in digital and paperless solutions, which save thousands of litres of water a year and significantly reduces its carbon footprint.

From rewarding Borrowers that use environmentally sound practices and contributing to social regeneration in underinvested regions, to supporting its employees' career development and fostering diversity and mental health awareness programmes, the Group's priority is to ensure its actions reflect its strong values, while providing better returns and long-term value to its stakeholders by operating a robust governance framework that is advanced for a company of its size.

The Group acknowledges that ESG considerations provide a vital role in protecting and creating value for its investors and other stakeholders in reducing risk and in enhancing long-term returns.

The Group aims to achieve high standards of conduct in the approach towards its customers, staff, service providers and the broader community in which it operates.

The Group's approach to ESG is as follows.

### ***Environmental***

In the marketplace, the Group:

- has financed the 'upcycling' of over £1,000 million of property through conversion or refurbishment, which would significantly lower environmental impact.
- has a track record of launching Development loans that incentivise Borrowers to build energy-efficient properties or improve the existing energy efficiency rating (EPC rating).
- finances Borrowers developing sustainably and regenerating old housing stock, avoiding demolition where possible and improving the environmental efficiency.
- provides Borrowers with an end-to-end paperless application process, significantly reducing unnecessary paper waste.
- finances the ground-up development of new energy efficient homes.

In the office, the Group:

- has an 'Excellent' BREEAM rating and a 'B' EPC rating in its offices.
- screens suppliers for environmental practices and discourages paper waste.
- limits international travel to a minimum and carbon is offset.
- has spearheaded recycling at the office building.

- has withdrawn the availability of plastic straws and cutlery.
- recycles and shreds confidential wastepaper.
- uses Energy Efficient Lighting including timer and movement sensor controls and efficient water taps with movement sensor controls.
- uses paperless systems, including DocuSign, which have saved in excess of 35,935kg of CO2 emissions, 15,310kg of wood, 376,198l of water and 2,488kg of waste in the financial year ended 31 March 2022.
- encourages staff to walk or cycle to work through a cycle to work scheme.

## **Social**

### *Supporting community*

The Group provides finance to SME landlords and developers. The Group believes that these Borrowers are vital in alleviating the undersupply of housing to the UK market and benefiting the local economy. The Group is committed to supporting Borrowers that are adding additional stock through new development or regeneration and fostering a political environment that supports its Borrowers.

- Through a partnership with Homes England, the Group helps to deliver affordably priced housing at scale. It has jointly provided finance for the development of 400 affordably priced units in Kent across 2 phases with a GDV of over £90 million.
- Since launching Buy-to-Let in 2017 more than £600 million of homes financed have been with affordable rents.
- Over 3,000 new homes built or being brought to market are contributing to the real economy, by helping to create 14,000+ jobs through its development lending programme.
- Social regeneration through the refurbishment of properties and contribution towards Section 106 agreements.
- Accredited CBILS lender by British Business Bank, providing SMEs with much needed finance during the COVID-19 pandemic.

### *Employees are the most important asset of the Group*

The Group is passionate about maintaining a diverse and inclusive culture where employees are committed to the organisational goals while ensuring that mental and physical wellbeing is prioritised for all staff.

The People and Talent team and CSR and Diversity & Inclusion committees of the Group implement initiatives that ensure employee wellbeing and inclusiveness across the business. In addition to company events and raising money for charitable causes, the Group:

- promises a diverse and inclusive culture which, at 31 March 2022, comprises a workforce with over 18 different nationalities (27.5 per cent. of staff are Black, Asian and minority ethnic) and a variety of ages, genders (36 per cent. of staff are female), sexual orientations and different socio-economic backgrounds.
- offers private healthcare, mental health support and weekly exercise clubs to the employees.
- encourages its employees to volunteer and fundraise for charitable causes through its CSR Committee. It has supported the House of St Barnabas, the Cystic Fibrosis Trust and now supports MIND (the mental health charity).

## **Governance**



The Group is committed to high standards of governance and believes that such standards form an essential component of the commitment to its Borrowers, Intermediaries, Investors, Financial Partners and employees and its long-term sustainable growth as a business.

Further details of the Group's governance are set out in Corporate Governance section of the Management of the Guarantor below.

#### **17. Recent Events of the Guarantor**

There have been no recent events particular to the Guarantor that are, to a material extent, relevant to the evaluation of the Guarantor's solvency.

## MANAGEMENT OF THE GUARANTOR

### Directors of the Guarantor

The following is a list of directors of the Guarantor and their principal directorships (if any) performed outside the Group which are, or may be, significant with respect to the Guarantor, as at the date of this Base Prospectus:

| Name              | Position                 | Principal outside activities  |
|-------------------|--------------------------|---|
| Christian Faes    | Executive Chairman       | Director of Faes & Co Holdings SARL<br><br>Director of Faes & Company (London) Limited  |
| Roderick Lockhart | Chief Executive Officer  | -   |
| Ian Thomas        | Chief Investment Officer | Director of Fideoak Limited<br><br>Director of Kilford Investments Ltd.<br><br>Director of Kilford Capital Limited<br><br>Director of Kilford Lettings Limited  |
| Michael Evans     | Chief Financial Officer  | -   |
| Penny Judd        | Non-Executive Director   | Director of Alpha Financial Markets Consulting plc<br><br>Director of Team17 Group plc<br><br>Director of TruFin plc  |
| Dale Murray       | Non-Executive Director   | Director of Regents Park Special Purposes 2 LLP<br><br>Director of The Cranemere Group Limited<br><br>Director of Rated People Limited<br><br>Director of Xero Limited<br><br>Director of Lightspeed Commerce Inc.<br><br>Director of Jupiter Fund Management plc |
| Nina Spencer      | Non-Executive Director   | Director of Addidat Ltd<br><br>Director of Greenstone+ Limited  |

Stephan Wilcke

Non-Executive Director

Director of Equiom (Isle of Man)  
Limited

Director of Tangelo Latam

Director of Hamburg  
Commercial Bank AG

**Christian Faes** is a co-founder of the Guarantor and was the Chief Executive Officer of the Group from incorporation until January 2020. Christian started his career as a real estate lawyer in Australia with Allens Arthur Robinson. He was subsequently a partner at a boutique law firm and founded a mezzanine mortgage finance business in Australia. He has also practised as a securitisation lawyer at Clifford Chance and in-house legal counsel at Deutsche Bank, both in London. In 2008, Christian co-founded Montello, a UK Bridging finance lender, before setting up LendInvest. Christian is an advisor to HM Government on FinTech, sitting on HM Government's FinTech Delivery Panel and the Trade Advisory Group for Telecoms and Technology. Christian also founded the UK not-for-profit lobby group called FinTech Founders, which has over 200 members and works to be the voice for entrepreneurs in the sector. Christian holds a Bachelor's degree in Law (Hons) from Bond University.

**Roderick Lockhart** joined the Group in 2015 to lead the business' Capital Markets and Fund Management division. Within that time Rod has seen the Group's Platform AuM grow from £100 million to £1.7 billion and managed the launch of its Listed Bonds and RMBS Transaction programmes. Rod became Chief Executive Officer of the Group in January 2020. Rod is a Chartered Surveyor with 19 years' experience in property and property finance. He was previously Senior Director and a board member of the Investment Advisory Committee for CBRE. There, as well as advising the Group on its Real Estate Opportunity Fund, he advised UK and global institutional clients and managed a range of property and property finance portfolios.

**Ian Thomas** is a co-founder of the Guarantor and has been its Chief Investment Officer since its incorporation, overseeing all investment strategy and decision-making. A qualified chartered surveyor, Ian has more than 17 years of experience in property valuation, mixed-use development and investment acquisitions in the UK and abroad, and has held positions with Ballymore Property Group and SEGRO. Ian is a member of the MIPIM PropTech Advisory Committee. Ian holds a Bachelor's degree in Investment and Finance in Property from the University of Reading.

**Michael Evans** is a chartered accountant having qualified while working at Ernst & Young. He has over 17 years of post-qualified experience across a range of financial and operational roles. Michael has previously held senior positions in Barclays and National Australia Bank, successfully heading up projects spearheading organisational change and strategy. Michael joined the Group in 2017 to transform financial and operational processes that allowed it to scale effectively, and became Chief Financial Officer in 2020.

**Penny Judd** is an experienced Chair, Senior Independent Director and Audit Committee Chair with over 30 years of City and financial services experience. She is currently a Senior Independent Director at TruFin and at Alpha FMC. She is also a Non-Executive Director at Team17. Her previous roles include Non-Executive Chair of Plus500, EMEA Head of Compliance at Nomura, EMEA Head of Compliance at UBS and Head of Equity Markets at the London Stock Exchange. Penny is a qualified Chartered Accountant.

**Dale Murray** is a Non-Executive Director at the following public companies: Lightspeed Commerce Inc., Jupiter Fund Management plc and Xero Limited, as well as the following private companies: The Cranemere Group Limited and Rated People Limited. She also co-founded and was Chief Executive Officer of Omega Logic and is a former Non-Executive Director at the Department for Business, Innovation and Skills. Dale was awarded a CBE in 2013 for services to business.

**Nina Spencer** is a highly experienced FinTech and asset management executive having spent approximately 15 years, from 2006 to 2021, at AIM-quoted Alpha Financial Markets Consulting plc, a global provider of specialist consultancy services to the asset management, wealth management and insurance industries; this included the roles of Global Chief Operating Officer, between 2016 and 2020, and, from 2019, Chief Executive of Alpha Data Solutions. Following Nina's departure from Alpha FMC, she has provided independent consultancy advice to boards on topics such as ESG strategy and regulatory reporting and is a Non-Executive Director at GreenStone+. Prior to joining Alpha FMC, Nina held positions at Accenture and Morgan Stanley.

**Stephan Wilcke** currently serves on the boards of Hamburg Commercial Bank, Tangelo Latam and Equiom. He is a former Executive Chair of OneSavings Bank and has also served on the boards of Amigo, Azimut, Bima, Independer, Farmafactoring, the Jersey Financial Services Commission, the Hellenic Financial Stability Fund, Nova Lubjanska Bank, TBC Bank Plc and Travelex. In his executive career he served as CEO of HM Treasury's Asset Protection Agency, was a partner at Apax Partners responsible for Financial Services in Europe and started his career at Oliver Wyman where he progressed to partner level. Stephan is an active early stage investor and has been an advisor to the business since 2016.

The business address of each of the Directors of the Guarantor is 8 Mortimer Street, London W1T 3JJ, United Kingdom.

There are no potential conflicts of interest between the duties of each of the Directors to the Guarantor and his/her private interests or other duties.

### **Corporate governance**

The Guarantor's Board of Directors has established the following committees in connection with the management of the Group's business: Executive Committee, Audit & Risk Committee, Credit Committee, Disclosure Committee and Remuneration Committee.

Following the initial offering of the Shares listed on the AIM in 2021, the Guarantor is required to disclose on its website and review annually details of a recognised corporate governance code that the Board of the Guarantor has decided to apply and how it complies with the selected code in accordance with Rule 26 of AIM Rules. The Board of the Guarantor chose the Quoted Companies Alliance Corporate Governance Code as its corporate governance code.

### **Executive Committee**

The Executive Committee is responsible for the day-to-day management of the Guarantor and the Group, as well as the implementation of the Group's long-term strategy. The Executive Committee meets on a weekly basis.

The following is a list of the principal members of the Guarantor's executive committee and their roles within the Guarantor as at the date of this Base Prospectus:

| <b>Name</b>       | <b>Role</b>                               |
|-------------------|---|
| Christian Faes    | Co-Founder and Executive Chairman         |
| Roderick Lockhart | Chief Executive Officer                   |
| Ian Thomas        | Chief Investment Officer                  |
| Michael Evans     | Chief Financial Officer                   |
| Arman Tahmassebi  | Chief Operating Officer                   |
| Ruth Pearson      | General Counsel and Company Secretary     |
| Matthew Tooth     | Chief Commercial Officer                  |
| Melanie Oakley    | Chief People Officer                      |
| Daniel Underwood  | Head of Credit Risk and Recoveries        |
| Esther Morley     | Managing Director, Specialist Residential |
| Hugo Davies       | Chief Capital Officer                     |

**Conflicts of Interest**

There are no potential conflicts of interest between the duties of each of the principal members of the Guarantor's executive committee to the Guarantor and his/her private interests or other duties.

***Audit & Risk Committee***

The Audit & Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's financial statements and accounting policies, external audits and controls, advising on the appointment of external auditors, overseeing the Group's relationship with external auditors and reviewing the effectiveness of the external audit process. The Audit & Risk Committee will meet as often as it deems necessary but in any case at least three times a year. The Audit & Risk Committee is chaired by Penny Judd and its other members are Stephan Wilcke, Dale Murray and Nina Spencer, of whom Penny Judd is deemed to have recent and relevant financial expertise.

## SHAREHOLDERS OF THE GUARANTOR

As at the date of this Base Prospectus, the total allotted, issued and fully paid share capital of the Guarantor is £69,190.523 divided into 138,381,046 ordinary shares with nominal value of £0.0005 each.

As at the date of this Base Prospectus, based on the information available to the Guarantor, shareholders who are holding, directly or indirectly, 3 per cent. or more of the Guarantor's share capital are as follows:

| <b>Shareholders</b>           | <b>Number of ordinary shares</b> | <b>Percentage of voting rights</b> |
|-------------------------------|----------------------------------|------------------------------------|
| Christian Faes <sup>(1)</sup> | 40,055,912                       | 28.9                               |
| Ian Thomas <sup>(2)</sup>     | 40,055,912                       | 28.9                               |
| Atomico <sup>(3)</sup>        | 16,861,040                       | 12.2                               |
| Liontrust Asset Management    | 8,081,350                        | 5.8                                |

### Notes:

- (1) Includes 276,712 ordinary shares held by Mr. Faes and 39,779,200 ordinary shares held by Faes & Co Holdings SARL, of which Mr. Faes is the beneficial owner.
- (2) Includes 11,057,364 ordinary shares held by Mr. Thomas and 28,998,548 ordinary shares held by Kilford Investments Limited, of which Mr. Thomas is the beneficial owner.
- (3) Includes 13,756,252 ordinary shares held by funds managed by Atomico IV LP and 3,104,788 ordinary shares held by funds managed by Atomico IV (Guernsey) LP.

## PART VII: TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Bearer Notes or Registered Notes in definitive form (if any) issued under the Programme. The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms, shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are, unless otherwise stated, to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 12 July 2022 between the Issuer, the Guarantor and U.S. Bank Trustees Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) and as Security Trustee. Security (as defined in Condition 20) for, among other things, the Notes and the Coupons is created by the Security Deed (the “**Security Deed**”) dated 12 July 2022 between the Issuer and U.S. Bank Trustees Limited (in its capacity as “**Security Trustee**”, which expression shall include all persons for the time being the security trustee or security trustees under the Security Deed). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below, and the Security Deed. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 12 July 2022 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Elavon Financial Services DAC, UK Branch as initial issuing and paying agent, paying agent and calculation agent and Elavon Financial Services DAC as registrar and transfer agent. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. The “**Agents**” shall mean the Issuing and Paying Agent, the Paying Agents, the Calculation Agent(s), the Registrar and the Transfer Agents or any of them and shall include such other Agent or Agents as may be appointed from time to time. Copies of the Trust Deed, the Security Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Fifth Floor, 125 Old Broad Street, London EC2N 1AR) and at the specified offices of the Paying Agents.

The Noteholders and the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons (the “**Talons**”) for further Coupons (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Security Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

### 1. **Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. **No Exchange of Notes and Transfers of Registered Notes**

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 7(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant



Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(b)).

### 3. **Partial 20% Guarantee, Status and Application of Moneys**

- (a) **Partial 20% Guarantee:** The Guarantor has irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons pursuant to (and subject to the limitation on the amounts guaranteed contained within) a conditional guarantee contained in the Trust Deed (the “**Partial 20% Guarantee**”). The sole condition attaching to the Partial 20% Guarantee is that, in respect only of any arrears of interest remaining unpaid in respect of the Notes or Coupons and all principal moneys due on or in respect of the Notes, the liability of the Guarantor thereunder is limited to a nominal amount equal to 20 per cent. of the Early Redemption Amount (as determined in accordance with Condition 7(b)) of the Notes of the relevant Series at the time at which a claim is made by the Trustee under the Partial 20% Guarantee.

The sole condition described above does not apply to, and accordingly the Partial 20% Guarantee will be unlimited insofar as it relates to, the Issuer’s payment obligations towards the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts (i) incurred by or payable to the Trustee and/or the Security Trustee in preparing and executing the trusts and carrying out its or their respective functions under the Transaction Documents; (ii) incurred by or payable to any Receiver appointed by the Trustee or the Security Trustee, including in either case the costs of enforcing and/or realising any Security; and (iii) incurred by or payable to the Paying Agents, the Transfer Agents and the Calculation Agents under the Transaction Documents to which they are a party.

- (b) **Status of the Notes:** The Notes and Coupons constitute direct and unconditional obligations of the Issuer, secured in the manner described in Condition 4, and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 3(d), at all times rank at least equally with all other present and future unsubordinated obligations of the Issuer.
- (c) **Status of the Partial 20% Guarantee:** The obligations of the Guarantor under the Partial 20% Guarantee shall constitute direct and (subject to Condition 5(c)) unsecured obligations of the Guarantor. The payment obligations of the Guarantor under the Partial 20% Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 5(c), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.
- (d) **Application of Moneys (Post-Enforcement Priority of Payments):**

All moneys received by the Trustee or the Security Trustee in respect of the Notes or Coupons or recovered by the Trustee, the Security Trustee or any Receiver (as defined in Condition 20) following the enforcement of the Security, despite any appropriation of all or part of any such moneys by the Issuer, the Guarantor or any of the Guarantor’s other

Subsidiaries (including any moneys which represent principal or interest in respect of Notes or Coupons which have become void under the Conditions), shall be held by the Trustee or the Security Trustee on trust to apply them in the following order of priority pursuant to the terms of the Trust Deed:

- (i) *firstly*, in or towards satisfaction of or provision for (i) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by or payable to the Trustee and/or the Security Trustee in preparing and executing the trusts and carrying out its or their respective functions under the Transaction Documents and (ii) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by or payable to any Receiver appointed by the Security Trustee or the Trustee, including in either case the costs of enforcing and/or realising any Security;
- (ii) *secondly*, and *pari passu*, in or towards satisfaction of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by or payable to the Paying Agents, the Transfer Agents and the Calculation Agents under the Transaction Documents to which they are a party;
- (iii) *thirdly*, in or towards payment of all arrears of interest remaining unpaid in respect of the Notes or Coupons (including Further Securities) and all principal moneys due on or in respect of the Notes (including Further Securities); and
- (iv) *fourthly*, the balance (if any) in payment to the Issuer.

#### 4. Floating Charge Security

- (a) **Grant of Security:** The Noteholders and the other Secured Creditors will share in the benefit of the Security. The Security is granted by the Issuer under the terms of the Security Deed in favour of the Security Trustee, on trust for and on behalf of itself, the Trustee, the Noteholders and the other Secured Creditors, as security for the Secured Liabilities (as such terms are defined in Condition 20).
- (b) **Floating Charge:** The Security comprises a first floating charge upon the whole of the undertaking and all property, assets and rights, from time to time, of the Issuer.
- (c) **Trustee and Security Trustee not liable for Security:** The Trustee and the Security Trustee will not be liable for any failure to make any investigations in relation to the undertaking, property, assets or rights which are the subject of the Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer to the Secured Property (as defined in Condition 20), whether such defect or failure was known to the Trustee and/or the Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the limitation on the Trustee's and/or the Security Trustee's ability to enforce or for any other restrictions or limitations or for the validity, sufficiency or enforceability of the Security whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise.

#### 5. Covenants

- (a) **Eligibility Criteria and Management of the Portfolio:** Following the Issue Date of any Notes, the Issuer shall apply the net proceeds of such Notes (and it shall apply the net proceeds of any Further Securities, as defined in Condition 16) for the purpose of originating or purchasing Eligible Loans. The Issuer shall thereafter use reasonable endeavours, for so long as any Note or Coupon remains outstanding: (i) to monitor compliance by each Mortgagor with the terms of its respective Eligible Loan(s), (ii) to collect cash payments under Eligible Loans and (iii) to enforce any Eligible Loans (or any terms of any Eligible Loans) and any related Security Interests.
- (b) **Financial Covenants:** So long as any Note or Coupon remains outstanding, the Issuer and the Guarantor shall ensure that:

- (i) at any time, the Weighted Average LTV Ratio of the Portfolio does not exceed 77.5 per cent.;
  - (ii) at any time, the aggregate Value of the Relevant Assets will be at least equal to the Relevant Proportion; and
  - (iii) as at each Quarter Date falling on or after the first anniversary of the Issue Date of any Notes, the Issuer maintains an Interest Coverage Ratio of at least 1.20 : 1.0, in respect of the three month period ending on the next following Quarter Date.
- (c) **Negative Pledge of the Guarantor:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor will not create, permit to subsist or have outstanding, any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (d) **Restrictions on the Issuer:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer shall not (save as provided for in the Transaction Documents or with the prior written consent of the Trustee):
- (i) **No Security:** create, permit to subsist or have outstanding any Security Interest, other than the Security, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital);
  - (ii) **Restriction on Activities:** (x) engage in any activity which is not incidental to or necessary in connection with any of the activities which these Conditions and the Transaction Documents provide or envisage that the Issuer will engage in (such activities which the Issuer will engage in to include the issue of Notes and Further Securities, the origination or purchase of Eligible Loans, management of the Portfolio and any business ancillary or complementary thereto); or (y) have or form any subsidiaries or employees or premises, act as a director of any company or maintain any pension scheme;
  - (iii) **Dividends or Distributions:** at any time that an Event of Default or any Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing, pay any dividend or make any other distribution (other than, for the avoidance of doubt, for the purposes of the origination or purchase of Eligible Loans from time to time) to any Person;
  - (iv) **Indebtedness:** incur any indebtedness (other than in connection with the issue of any Further Securities) in respect of borrowed moneys whatsoever, or give any guarantee or indemnity in respect of any indebtedness or obligation of any Person, save in each case for any intra-group borrowing which is fully subordinated to the Notes pursuant to the terms of the agreement between the Issuer (as borrower of such indebtedness) and the relevant member of the Consolidated Group (as lender of such indebtedness);
  - (v) **Arrears Position:** acquire, dispose of or transfer any Eligible Loan (or any part thereof) the effect of which would be to materially increase the level of arrears of the Portfolio at the time of the relevant acquisition, disposal or transfer; or
  - (vi) **Merger:** consolidate or merge with any other Person or convey or transfer its properties or assets substantially or as an entirety to any other Person (save in respect of a solvent reorganisation the terms of which have been previously

approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or a substitution pursuant to Condition 12(c)).

- (e) **Financial Reporting (Guarantor):** For so long as any Note or Coupon remains outstanding, (i) within four months of its most recent financial year-end, the Guarantor shall send to the Trustee a copy of its Financial Statements for such financial year, together with the report thereon of the Guarantor's independent auditors; and (ii) within three months of the end of the first half of each financial year, the Guarantor shall send to the Trustee a copy of its Financial Statements as at, and for the period ending on, the end of such period.
- (f) **Financial and other Reporting (Issuer):** For so long as any Note or Coupon remains outstanding:
  - (i) (x) within four months of its most recent financial year-end, the Issuer shall send to the Trustee a copy of its Financial Statements for such financial year, together with the report thereon by the Issuer's independent auditors; and (y) within three months of the end of the first half of each financial year, the Issuer shall send to the Trustee a copy of its Financial Statements as at, and for the period ending on, the end of such period; and
  - (ii) within 30 days of each Quarter Date, the Issuer shall prepare and publish (in accordance with Condition 5(h) below) an Analysis of the Loan Portfolio, including (x) the Individual LTV Ratio of the Issuer's non buy-to-let Eligible Loans, the Indexed LTV Ratio of the Issuer's buy-to-let Eligible Loans and the Weighted Average LTV Ratio of the Portfolio, and (y) the level of arrears of the Portfolio and the Interest Coverage Ratio, in each case as at such Quarter Date.
- (g) **Compliance Certificate:** The Issuer shall, concurrently with the delivery of its annual and half-year Financial Statements referred to in Condition 5(f) above, provide to the Trustee a certificate signed by two directors of the Issuer (or one director and the Chief Financial Officer of the Guarantor) confirming compliance with each of the covenants contained in this Condition 5 (throughout the relevant period, or as at the most recent Quarter Date, as applicable), or, if not compliant with such covenants, setting out the details of such non-compliance and any proposed action to be taken in connection therewith; upon which certificate(s) the Trustee may rely absolutely without any liability to any person for so doing or further enquiry being required.
- (h) **Publication of Reports:** Contemporaneously with the furnishing of each of the Financial Statements described in Conditions 5(e) and 5(f)(i) above, and when required pursuant to Condition 5(f)(ii) above, the Guarantor (on behalf of itself and the Issuer) will: (i) publish a press release with the appropriate regulatory information service (expected to be the Regulatory News Services (RNS) operated by the London Stock Exchange plc) confirming that such Financial Statements and/or Analysis of the Loan Portfolio, as the case may be, have been so furnished or published, as the case may be, and (ii) post such Financial Statements and/or the Analysis of the Loan Portfolio (as applicable) for viewing on the Guarantor's website.

## 6. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(g).
- (b) **Interest on Floating Rate Notes:**
  - (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable

shall be determined in accordance with Condition 6(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, “**Interest Payment Date**” shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes (Term Rate - EURIBOR)

(x) If Screen Rate Determination – Applicable (Term Rate) is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for EURIBOR which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (Brussels time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the EURIBOR at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for EURIBOR, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for EURIBOR, at which, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market; provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes (Overnight Rate - SONIA)

If Screen Rate Determination – Applicable (Overnight Rate) is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be the rate of return of a daily compounded interest investment, as calculated by the Calculation Agent on the Interest Determination Date as follows, with the resulting percentage rounded if necessary to the fourth decimal place (with 0.00005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where for the purposes of this Condition 6(b)(C):

“**d**” is the number of calendar days in the relevant Interest Accrual Period;

“**d<sub>0</sub>**” is the number of London Banking Days in the relevant Interest Accrual Period;

“**i**” is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period;

“**London Banking Day**” or “**LBD**” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business and to settle payments in London;

“**n<sub>i</sub>**”, for any London Banking Day “**i**”, means the number of calendar days from and including such London Banking Day “**i**” up to but excluding the following London Banking Day;

“**Observation Look-back**” means the number of days specified as such hereon;

“**p**” means, in respect of any Interest Accrual Period, the number of London Banking Days included in the Observation Look-back specified in the applicable Final Terms (or, if no such number is specified, five London Banking Days);

“**SONIA**” means, in respect of any London Banking Day, a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day), provided that:

- (x) if in respect of any relevant London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, the SONIA reference rate shall be: (i) the BoE’s bank rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate;
- (y) notwithstanding paragraph (x) above, in the event the BoE publishes guidance as to: (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified hereon) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for so long as the SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the authorised distributors; and
- (z) in the event that SONIA cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date; or (ii) if there is no such

preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date; and

“**SONIA<sub>i-pLBD</sub>**” means, in respect of any London Banking Day falling in the relevant Interest Accrual Period, the SONIA reference rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

(D) **Linear Interpolation**

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination (Term Rate – EURIBOR) or Screen Rate Determination (Overnight Rate – SONIA) is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) **Benchmark Discontinuation**

(i) **Independent Adviser**

If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate or, failing which, an Alternative Rate (in accordance with Condition 6(c)(ii)), and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6(c)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6(c) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 6(c).

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(c)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual



Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6(c)(i).

(ii) **Successor Rate or Alternative Rate**

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6(c)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6(c)).

(iii) **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6(c) and the Independent Adviser determines (A) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(c)(v), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 6(c)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed or the Agency Agreement) and the Trustee shall not be liable to any party for any consequences thereof, notwithstanding any provision of this Condition 6(c) to the contrary, the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed or Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 6(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Notices**

Any Successor Rate, Alternative Rate or Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6(c) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6(c); and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 6(c)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 6(b)(iii) will continue to apply unless and until the Issuer determines a Benchmark Event has occurred.

(vii) **Definitions**

As used in this Condition 6(c):

**"Adjustment Spread"** means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Independent Adviser determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied)

- (C) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6(c)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

**“Benchmark Amendments”** has the meaning given to it in Condition 6(c)(iv).

**“Benchmark Event”** means:

- (1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) whichever is the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (a); or
- (3) whichever is the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (a); or
- (4) whichever is the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will (on or before a specified date) be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions or adverse consequences and (b) the date falling six months prior to the date specified in (a); or
- (5) there has taken place a change in customary market practice in the international debt capital markets applicable generally to floating rate notes denominated in the Specified Currency (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) that, in the view of the Issuer or the Guarantor (acting in good faith and commercially), such Original Reference Rate is no longer representative of an underlying market or the methodology to calculate such Original Reference Rate has materially changed; or
- (6) it has or will on or prior to a specified date within the following 6 months become unlawful for any Paying Agent, the Calculation Agent, the Issuer or the Trustee to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the UK Benchmarks Regulation, if applicable).

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(c)(i).

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**“Successor Rate”** means the rate that the Independent Adviser determines is a successor to or replacement of the Original Reference Rate and which is formally recommended by any Relevant Nominating Body.

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).
- (e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date (as defined in Condition 9).
- (f) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of

such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

- (g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee in its sole discretion otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest or proven error) be final and binding upon all parties.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**); and/or

- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/365 (Sterling)”** is specified hereon, 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;
- (iv) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, 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:

**“Y<sub>1</sub>”** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**“Y<sub>2</sub>”** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**“M<sub>1</sub>”** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**“M<sub>2</sub>”** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**“D<sub>1</sub>”** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**“D<sub>2</sub>”** 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if **“30E/360”** or **“Eurobond Basis”** is specified hereon, 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:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>2</sub>** will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified hereon, 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:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” 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 **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>2</sub>** will be 30;

- (viii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

**“Determination Date”** means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

**“EURIBOR”** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone 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 Money Markets Institute (or any other person which takes over the administration of that rate) 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-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the date falling five London Banking Days prior to the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.



**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“Reference Banks”** means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Issuer or as specified hereon.

**“Reference Rate”** means EURIBOR for the relevant period or SONIA as specified hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 7. Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).
- (b) **Early Redemption:**
- (i) *Zero Coupon Notes:*
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 7(c), Condition 7(d) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised

Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(c), Condition 7(d) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note (as defined in sub-paragraph (B) above), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(c), Condition 7(d) or Condition 7(e) or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Partial 20% Guarantee were called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 9 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Partial 20% Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer (or one director and the Chief Financial Officer of the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate without further investigation or enquiry and without any liability to any person as sufficient evidence of the satisfaction of the condition precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon as being applicable, the Issuer may, unless an Exercise Notice has been given pursuant to Condition 7(e), on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)), together with interest

accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 7(d).

If Make-whole Amount is specified hereon as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be equal to the higher of the following, in each case, together with interest accrued to (but excluding) the Optional Redemption Date(s):

- (i) the nominal amount of the Note; and
- (ii) the nominal amount of the Note multiplied by the price (as reported in writing to the Issuer and the Trustee by an independent financial adviser acting as expert (the “**Financial Adviser**”) appointed by the Issuer and at its expense and approved in writing by the Trustee) expressed as a percentage (rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up)) at which the Gross Redemption Yield on the Notes on the Determination Date is equal to the Gross Redemption Yield at the Quotation Time specified hereon on the Determination Date specified hereon of the Reference Bond specified hereon (or, where the Financial Adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin specified hereon.

Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon. Any notice of redemption given under this Condition 7(d) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 7(c).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as is appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The Trustee shall be entitled to rely on any advice of the Financial Adviser pursuant to this Condition without liability to any person and without further enquiry or evidence and such advice shall be binding on all parties.

In this Condition 7(d):

“**Gross Redemption Yield**” means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer and the Trustee by the Financial Adviser.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon as being applicable, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 7(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or

(in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Purchases:** Each of the Issuer, the Guarantor and the Guarantor's Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (g) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered for cancellation, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 8. **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 8(f)(v)) or Coupons (in the case of interest, save as specified in Condition 8(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
  - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15<sup>th</sup> day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 9 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 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 9). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved in writing by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 8(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest

Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
  - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 9. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons or the Guarantor under the Partial 20% Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders 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 with respect to any Note or Coupon presented (or in respect of which the Certificate representing it is surrendered) for payment:

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting their Note(s) or Coupon(s) for payment on the thirtieth day after the Relevant Date.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other

amounts payable pursuant to Condition 6 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

#### 10. **Prescription**

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

#### 11. **Events of Default**

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (an “**Acceleration Notice**”) to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (i) **Non-Payment:** default is made in the payment of any principal of or interest when due on any of the Notes and such default continues for a period of 14 days; or
- (ii) **Breach of Covenants:** the Issuer or the Guarantor does not perform or comply with any one or more of its covenants or obligations under Conditions 4 or 5 which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or
- (iii) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Transaction Documents which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or
- (iv) **Cross-Acceleration:** (A) any other present or future indebtedness of the Issuer or the Guarantor or any Material Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or the Guarantor or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 11(iv) have occurred equals or exceeds £1,000,000 or its equivalent; or
- (v) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or the Guarantor or any Material Subsidiary and is not discharged or stayed within 45 days; or
- (vi) **Security Enforced:** any Security Interest present or future, created or assumed by the Issuer or the Guarantor or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and (in the case of the Guarantor or the Material Subsidiary only) in any case is not discharged or stayed within 45 days; or
- (vii) **Insolvency:** any of the Issuer or the Guarantor or any Material Subsidiary is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend

payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any Material Subsidiary, in each case other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

- (viii) **Winding-up:** an administrator is appointed an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor or any Material Subsidiary, or the Issuer or the Guarantor or any Material Subsidiary shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another Material Subsidiary; or
- (ix) **Ownership:** the Issuer ceases to be wholly-owned and controlled by the Guarantor; or
- (x) **Security:** the Security Deed is not in full force and effect or does not create the Security which it is expressed to create with the ranking and priority that it is expressed to have; or
- (xi) **Partial 20% Guarantee:** the Partial 20% Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (xii) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 11,

provided that, in the case of Conditions 11(iii); and (in respect of any Material Subsidiary only) Conditions 11(v), 11(vi), 11(vii) and 11(viii); and (insofar as it relates to any of the paragraphs specifically mentioned in this proviso) Condition 11(xii), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

The Security, constituted by and held on the terms of the Security Deed, shall become enforceable upon the delivery of an Acceleration Notice by the Trustee.

## 12. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings (including virtual meetings and hybrid meetings) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Transaction Documents. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding (as defined in the Trust Deed). The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such



Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify or cancel the Partial 20% Guarantee or (ix) to modify, amend, waive or release the Security, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that (i) a resolution signed in writing or (ii) consent given by way of electronic consents through the relevant clearing system(s), by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.*

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or is made to comply with mandatory provisions of law, and (ii) 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 Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary as defined in the Trust Deed of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or Guarantor, or of any previous substituted company, as principal debtor or Guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or any Transaction Document provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

### 13. **Enforcement**

- (a) At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings or take such steps or actions against the Issuer or the Guarantor as it may think fit to enforce the terms of the Transaction Documents, the Notes and the Coupons, and, at any time after the Security has become

enforceable the Trustee may, at its discretion and without further notice, take such steps, actions or proceedings as it may see fit to enforce the Security, but it need not take any such proceedings, steps or actions unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

- (b) Only the Security Trustee may enforce the Security in accordance with and subject to the terms of the Security Deed.

#### 14. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, valuers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely without further investigation or enquiry and without liability to any person for so doing on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

#### 15. **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

#### 16. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities ("**Further Securities**", which expression shall include any further securities constituted by the Trust Deed and any further securities constituted by such Trust Deed as amended, supplemented or replaced from time to time in relation to the Programme) secured by the Secured Property and either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any Further Securities issued pursuant to this Condition and forming a single series with the Notes. Any Further Securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed or any deed supplemental to it. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

## 17. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 17.

*Notwithstanding the above, for so long as all the Notes are represented by a Global Note or Global Certificate which is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or any such alternative clearing system and such notices shall be deemed to have been given to Noteholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg and/or any alternative clearing system.*

## 18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## 19. Governing Law

The Trust Deed, the Security Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

## 20. Definitions

**“Analysis of the Loan Portfolio”** means a summary of the key characteristics of the Portfolio, given by reference to the Eligibility Criteria, substantially in the agreed form scheduled to the Trust Deed referred to in the first paragraph of these Conditions.

**“Base Prospectus”** means the Base Prospectus published by the Issuer on 12 July 2022 upon the establishment of its £1,000,000,000 Euro Medium Term Note Programme.

**“Cash”** means cash for the time being held in hand or credited to a bank account in the name of the Issuer and to which the Issuer is beneficially entitled and for so long as: (i) that cash is repayable on demand, (ii) repayment of that cash is not contingent on the prior discharge of any other indebtedness of the Issuer or of any other Person or on the satisfaction of any other conditions, (iii) there is no Security Interest over that cash except pursuant to the Trust Deed; and (iv) the cash is freely available to be applied in repayment or prepayment of the Notes.

**“Consolidated Group”** means the Guarantor and its consolidated Subsidiaries taken as a whole.

**“Eligibility Criteria”** means the following criteria which are required to be satisfied in respect of each Eligible Loan originated or purchased by the Issuer (and in respect of any Further Advance made by the Issuer) at the time of entering into a binding commitment to advance or acquire such obligation, provided that where an Eligible Loan is held by the Issuer jointly with one or more Subsidiaries and secured jointly for the benefit of the Issuer and such other Subsidiary or Subsidiaries of the Guarantor, the proportionate part thereof owned by and secured for the benefit of the Issuer:

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| <b>Identity of</b> | Companies and individuals over the age of 18 who have been resident in the UK for at least 36 months prior to making the loan application. |
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| <b>Borrower</b>  | Individuals must not be aged over 85 when loan matures.  |
| <b>Security</b>  | All loans must be secured by a first-ranking or second-ranking legal charge over the property of the relevant borrower. No more than 20 per cent. of the Portfolio may be secured by second-ranking legal charges.   |
| <b>Maximum loan-to-value (“LTV”) (including capitalised fees)</b>  | Individual LTV Ratio of 85 per cent. where the loan is secured by a first-ranking legal charge and 75 per cent. where the loan is secured by a second-ranking legal charge. Weighted Average LTV Ratio of the Portfolio shall not exceed 77.5 per cent. at any time.   |
| <b>Loan Size</b>   | Up to £5 million (in the case of loans secured over a single family home, house or dwelling (i.e. a building which can only be occupied by one household or family, and consists of just one dwelling unit or suite)) or commercial property, or up to 10 per cent. of the nominal amount of Notes outstanding from time to time (in the case of loans secured over more than one property), provided that the value of any one property over which the loan is secured does not exceed £5 million for residential property or £5 million for commercial property.   |
| <b>Single Borrower Limit</b>   | Up to £5 million unless more than £50 million in nominal amount of Notes is outstanding, in which case the single borrower limit is increased to 10 per cent. of the nominal amount of Notes outstanding.  |
| <b>Loan Purpose</b>  | Bridging loans, Eligible Intercompany Loans, buy-to-let loans or Regulated Mortgage Loans (not development loans). Buy-to-let loans must not make up more than 10 per cent. of the Portfolio at any time.  |
| <b>No Regulated or Consumer Lending (other than Regulated Bridging Loans and Regulated Mortgage Loans)</b> | <p>With the exception of Regulated Bridging Loans and Regulated Mortgage Loans, loans originated or purchased by the Issuer from other Funding Entities must not constitute:</p> <ul style="list-style-type: none"> <li>(i) “regulated mortgage contracts” as defined by Article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the “<b>RAO</b>”);</li> <li>(ii) “regulated credit agreements” as defined by Article 60B of the RAO;</li> <li>(iii) “consumer buy-to-let mortgages contracts” as defined by Article 4 of the Mortgage Credit Directive Order 2015 (as amended or substituted from time to time); or</li> <li>(iv) credit agreements or other loans subject to regulation by the UK Financial Conduct Authority (or any successor or replacement thereto) or such other authority in the United Kingdom having supervisory oversight and/or responsibility for the lending activities of the Issuer or the Guarantor,</li> </ul> <p>in each case, as applied and in effect as at the date of the Base Prospectus.</p> |
| <b>Property Criteria</b>   | <p>Property must be located in England or Wales. Property may be freehold or leasehold, provided that (in the case of a leasehold property) there is more than 50 years remaining on the lease at the time the loan is granted.</p> <p>Property may be residential, commercial or mixed use, provided that (i) commercial properties do not make up more than 20 per cent. of the Portfolio at any time; and (ii) the maximum Individual LTV Ratio for</p>   |

loans in respect of commercial properties is 72.5 per cent. gross.

All properties must be valued by a Royal Institution of Chartered Surveyors (RICS) registered valuer through desktop assessment, drive-by inspection or automated valuation model in keeping with the Group's credit policy.

Desktop assessment is a valuation done without the requirement to physically view the property. Desktop assessments are carried out using information made available online and existing data the surveyor has on the house and/or area.

Drive-by inspection is a valuation done by virtue of the valuer visiting the property without entering for a full inspection. The appraiser would examine the exterior and available data and records on the property.

Automated Valuation Model (AVM) is a valuation performed by a mathematical algorithm using data sources related to the relevant property.

No loans may be granted in respect of properties with non-standard construction (which is a term used within the mortgage industry to describe properties built in a way that is considered "non-standard"; it is typically harder to get a mortgage on such properties).

**Borrower Credit History**

In the case of bridging loans to an individual, applicant must not have been declared bankrupt within previous 36 months of loan application being made. In the case of buy-to-let loans to an individual, applicant must not have been declared bankrupt previously.

No secured arrears within previous 36 months of loan application being made.

All county court judgments must have been cleared or set aside prior to disbursement of loan.

**"Eligible Loans"** means, as of any date of determination, any debt obligation originated or purchased and held by the Issuer either by itself or jointly, or indirectly with one or more other Funding Entities to the extent that such loan is secured for the benefit of the Issuer (or the Issuer and one or more other Funding Entities, where held jointly with such Funding Entity) on the Property in respect of which such loan was advanced and which satisfied the Eligibility Criteria at the time of entering into a binding commitment to advance or acquire such obligation. For the purposes of calculating amounts or ratios in respect of the terms "Further Advance", "Indexed LTV Ratio", "Indexed Valuation", "Individual LTV Ratio", "Interest Receivable", "Original Balance", "Original Valuation", "Portfolio", "Principal Balance", "Value", "Weighted Average LTV Ratio of the Portfolio" and "Weighted Individual LTV", where Eligible Loans are held by the Issuer jointly with one or more Funding Entities and secured jointly for the benefit of the Issuer and such other Funding Entity or Funding Entities, the term Eligible Loan shall accordingly be construed as to mean the proportionate part thereof owned by and secured for the benefit of the Issuer.

**"Eligible Intercompany Loan"** means a loan made by the Issuer to a company incorporated in the United Kingdom:

- (a) which is a wholly-owned subsidiary (within the meaning of Section 1159 of the Companies Act 2006) of the Guarantor;
- (b) whose activities are limited (whether pursuant to its constitutional documents, by contract or otherwise) to the origination of Eligible Loans, and matters incidental thereto;

- (c) which has no other borrowings at the time of receipt of the relevant loan (other than any others loans made by the Issuer from time to time and which satisfy the criteria for being Eligible Intercompany Loans pursuant to this definition) unless the claims of the lender in respect of such borrowings rank junior to the claims of the Issuer under the relevant loan;
- (d) which will use the relevant loan for the purposes of originating Eligible Loans only; and
- (e) which is not permitted to on-lend all or any part of the relevant loan to any other person or entity other than where any such on-loan constitutes an Eligible Loan.

**“Financial Statements”** means, (x) in the case of the Issuer, its audited annual financial statements or its half-year financial statements (which may be unaudited), as the case may be, and (y) in the case of the Guarantor, its audited consolidated financial statements or its half-year financial statements (which may be unaudited), as the case may be, including the relevant accounting policies and notes to the accounts where applicable and in each case prepared in accordance with IFRS, consistently applied.

**“Funding Entities”** means any Subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Consolidated Group and for which a member of the Consolidated Group acts as investment adviser or manager.

*As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities.*

**“Further Advance”** means an additional advance of principal made by the Issuer (or one or more other Funding Entities to the extent that such loan is purchased or held by the Issuer jointly with one or more other Funding Entities) to the relevant Mortgagor on the same loan account, beyond the amount of the initial advance of principal in respect of an Eligible Loan, and which satisfied the Eligibility Criteria at the time of entering into a binding commitment to advance such obligation.

**“Further Securities”** has the meaning given to such term in Condition 16.

**“IFRS”** means the generally accepted accounting practice and principles applicable to the business the Consolidated Group conducts, which are currently UK-adopted International Accounting Standards in accordance with section 474(1) of the Companies Act 2006.

**“Indexed LTV Ratio”** means, as at any date of determination, the proportion (expressed as a percentage) represented by (1) the Principal Balance of an Eligible Loan *plus* any monies secured by any prior ranking legal charge secured on the same Property which is the subject of such Eligible Loan to (2) the amount of the Indexed Valuation in respect of that Eligible Loan.

**“Indexed Valuation”** means, in relation to any Eligible Loan on any date of determination, the Original Valuation in respect of the Property which is the subject of such Eligible Loan on an indexed basis using the UK House Price Index (HPI).

**“Individual LTV Ratio”** means, as at any date of determination, the proportion (expressed as a percentage) represented by (1) the Principal Balance of an Eligible Loan *plus* any monies secured by any prior ranking legal charge secured on the same Property which is the subject of such Eligible Loan to (2) the amount of the Original Valuation in respect of that Eligible Loan.

**“Individual Relevant Percentage”** means, in respect of each Series of Notes, (a) at any time prior to the first Quarter Date ending after the end of the first anniversary of the Issue Date of the most recently issued Tranche of Notes of the relevant Series, 97.5 per cent., and (b) at any time thereafter, 100 per cent.

**“Interest Coverage Ratio”** means, with respect to any period, the ratio of Interest Receivable to Interest Payable in respect of such period.

**“Interest Payable”** means, as at any Quarter Date, the aggregate interest that is due to accrue, in respect of any Notes and any Further Securities, during the three month period ending on (and including) the next following Quarter Date, in each case whether or not interest actually falls due and payable by the Issuer on any day within such period.

Where interest is payable in respect of any Notes or Further Securities in any currency or currencies other than pounds sterling, it will be converted into pounds sterling at such spot rate on the relevant Quarter Date as the Issuer shall select.

**“Interest Receivable”** means, as at each Quarter Date, the aggregate interest receivable that is due to accrue to the Issuer on Eligible Loans (excluding interest that is due to accrue to the Issuer in respect of any Eligible Loan (whether or not in arrears) where the Issuer has not obtained a Relevant Valuation which, after deducting estimated costs of sale of the relevant Property, does not (in the sole opinion of the Issuer) support full recovery of such interest), during the three month period ending on (and including) the next following Quarter Date, whether or not interest actually falls due and payable to the Issuer on any day within such period.

**“Material Subsidiary”** at any time shall mean a Subsidiary of the Guarantor (other than the Issuer, and other than a Non-Recourse Company):

- (a) whose gross assets (or, if the Subsidiary in question prepares consolidated accounts, whose total consolidated gross assets) attributable to the Guarantor represent not less than 10 per cent. of the consolidated gross assets of the Consolidated Group, all as calculated by reference to the then latest audited accounts (unconsolidated or, as the case may be, consolidated) of the Subsidiary and the then latest audited consolidated accounts of the Consolidated Group; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately before the transfer is a Material Subsidiary.

**“Mortgagor”** means, in relation to an Eligible Loan, the Person or Persons named as entering into the Eligible Loan and to whom the Eligible Loan is advanced, together with any guarantor or surety and any Persons from time to time assuming the obligations of a Mortgagor to repay an Eligible Loan or any part of it.

**“Non-Recourse Borrowings”** means, at any time, borrowings (as identified in the then latest audited consolidated accounts of the Guarantor or which, having arisen since the date of the then latest audited consolidated accounts of the Guarantor, the Guarantor intends will be identified in the next consolidated accounts) made by a ring-fenced special purpose company such that the lender has recourse for repayment of those borrowings only to that company or its assets and (if applicable) to other Non-Recourse Companies or their assets.

**“Non-Recourse Company”** means a member of the Consolidated Group whose borrowings are Non-Recourse Borrowings, or to whom or against whose assets the lender of Non-Recourse Borrowings has recourse for their repayment.

**“Original Balance”** means the principal amount of an Eligible Loan (together with any capitalised fees) advanced to a Mortgagor by the Issuer at the time of that Eligible Loan’s inception.

**“Original Valuation”** means, in relation to any Eligible Loan, the open market valuation obtained by the Issuer (together with one or more other Funding Entities to the extent that such Eligible Loan is purchased or held by the Issuer jointly with such other Funding Entity or Entities) in respect of the Property which is the subject of such Eligible Loan either on or about the time of origination or purchase of the Eligible Loan (and, for the purposes of the definitions of Indexed Valuation and Individual LTV Ratio in relation to any Eligible Loan, means any updated open market valuation obtained by the Issuer to support any Further Advance on such Eligible Loan).

**“Person”** means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, government, or any agency or subdivision thereof or any other entity.

**“Portfolio”** means all Eligible Loans held by the Issuer from time to time.

**“Principal Balance”** means, as of any date of determination, the principal amount outstanding as of such date to the Issuer under an Eligible Loan (excluding accrued interest, arrears of interest, insurance premia, fees, charges or other expenses but including fees and charges in each case capitalised at any time during the term of the Eligible Loan included in the total sum outstanding from the Mortgagor).

**“Programme”** has the meaning given to it under the definition of Base Prospectus.

**“Property”** means freehold or leasehold property (or properties) in England or Wales, as the case may be.

**“Quarter Date”** means 31 March, 30 June, 30 September and 31 December, in each year.

**“Receiver”** means a receiver and manager or other receiver (whether appointed pursuant to the Transaction Documents, pursuant to any statute, by a court of otherwise) in respect of all or part of any Secured Property and shall, if allowed by law, include an administrative receiver.

**“Regulated Bridging Loans”** means short-term loans with a term of 18 months or less which are subject to regulation by the UK Financial Conduct Authority (or any successor or replacement thereto) or such other authority in the United Kingdom having supervisory oversight and/or responsibility for the lending activities of the Issuer or the Guarantor.

**“Regulated Mortgage Loans”** means mortgage loans which are subject to regulation by the UK Financial Conduct Authority (or any successor or replacement thereto) or such other authority in the United Kingdom having supervisory oversight and/or responsibility for the lending activities of the Issuer or the Guarantor.

**“Related Rights”** means, in relation to any asset:

- (a) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset;
- (b) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset;
- (c) the proceeds of sale, transfer or other disposal, lease, licence, or agreement for sale, transfer or other disposal, lease or licence of all or any part of that asset;
- (d) any other moneys paid or payable in respect of that asset;
- (e) any awards or judgments in favour of the Issuer in relation to that asset; and
- (f) any right against any clearance system and any right under any custodian or other agreement.

**“Relevant Assets”** means (a) the Portfolio and (b) any Cash, in each case that is for the time being forming part of the Secured Property.

**“Relevant Percentage”** shall be at any time the percentage determined by:

- (a) adding together each Series Proportion;
- (b) dividing the total of the Series Proportions by the aggregate nominal amount of all outstanding Notes; and
- (c) multiplying the resultant figure by 100.



**“Relevant Proportion”** means the product of the Relevant Percentage and the aggregate nominal amount of all outstanding Notes (including any Further Securities) at the relevant time.

**“Relevant Indebtedness”** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be (with the agreement of the issuer thereof), quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

**“Relevant Valuation”** means, with respect to any Quarter Date, a valuation made by a firm (or firms) of independent professional valuers which is (or are) members of the Royal Institution of Chartered Surveyors, on an open market basis or through desktop assessment, drive-by inspection or automated valuation model, in respect of the Property which is the subject of the relevant loan and, in the case of any loan in arrears, was obtained by the Issuer not more than 12 months prior to such Quarter Date.

**“Secured Creditors”** means each of (a) the Trustee, (b) the Security Trustee, (c) any Receiver appointed by the Trustee or the Security Trustee, (d) the Paying Agents, Transfer Agents and the Calculation Agents, (e) the Noteholders, (f) the Couponholders and (g) the holders of any Further Securities (including any note, coupon or talon in relation thereto or the person in whose name the relevant note is registered, as the case may be).

**“Secured Liabilities”** means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer to the Secured Creditors or any of them under or in connection with the Notes, Coupons, any Transaction Document and any Further Securities (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal, guarantor, surety or otherwise).

**“Secured Property”** means the undertaking, property, assets and rights from time to time subject, or expressed to be subject, to the Security or any part of those assets and any Related Rights.

**“Security”** means any Security Interest created, evidenced or conferred by or under the Security Deed.

**“Security Interest”** means any mortgage, lien, charge, assignment, hypothecation or security interest or any other arrangement having a similar effect under the laws of any applicable jurisdiction.

**“Series”** means a series of Notes.

**“Series Proportion”** shall be determined by multiplying the Individual Relevant Percentage of a Series of Notes by the aggregate nominal amount of such Series of Notes.

**“Subsidiary”** means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

**“Transaction Documents”** means the Trust Deed, the Security Deed, the Agency Agreement and any document supplemental thereto or issued in connection therewith.

**“Value”** means, as of any date of determination, (x) in the case of the Portfolio, the Principal Balance under each Eligible Loan and (y) in the case of Cash, the amount thereof for the time being.

**“Weighted Average LTV Ratio of the Portfolio”** is the sum of the Weighted Individual LTV calculation for each Eligible Loan in the Portfolio, expressed as a percentage.

**“Weighted Individual LTV”** is calculated:

- (a) in the case of an Eligible Loan that is not a buy-to-let loan, by dividing the Principal Balance of such Eligible Loan by the Principal Balance of all outstanding Eligible Loans in the Portfolio and multiplying the result by the Individual LTV Ratio of such Eligible Loan; and

- (b) in the case of an Eligible Loan that is a buy-to-let loan, by dividing the Principal Balance of such Eligible Loan by the Principal Balance of all outstanding Eligible Loans in the Portfolio and multiplying the result by the Indexed LTV Ratio of such Eligible Loan.

## **PART VIII: SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM IN THE CLEARING SYSTEMS**

### **Initial issue of Notes**

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Upon the initial deposit of a Global Note with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative global Certificate (the “**Global Certificate**”) to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also (if indicated in the applicable Final Terms) be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Relationship of accountholders with clearing systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer or the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **Exchange/Transfer**

#### ***Temporary Global Notes***

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) if the applicable Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see Part XII (*Subscription and Sale - Selling restrictions*) of this Base Prospectus), in whole, but not in part, for the Definitive Notes (as defined and described below); and
- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the applicable Final Terms, for Definitive Notes.

If the applicable Final Terms indicates that the temporary Global Note may be exchanged for Definitive Notes, trading of such Notes in Euroclear and Clearstream, Luxembourg will only be permitted in amounts which are an integral multiple of the minimum Specified Denomination.

#### ***Global Notes***

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below) in whole but not in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing

system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### ***Global Certificates***

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to either paragraph (a) or (b) above, the registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### ***Delivery of Notes***

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will: (a) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (b) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### ***Exchange Date***

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

### ***Amendments to Conditions***

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

## ***Payments***

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

## ***Prescription***

Claims against the Issuer or the Guarantor in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

## ***Meetings***

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

## ***Cancellation***

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

## ***Purchase***

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any their Subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

## ***Issuer's option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System (as the case may be).

### ***Noteholders' options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to a Paying Agent for notation.

### ***Trustee's powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

### ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate, as the case may be, and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Notes represented by such Global Note or Global Certificate.

### ***Electronic Consent and Written Resolution***

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified

together with the amount of such holding. None of the Issuer, the Guarantor or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## PART IX: USE OF PROCEEDS

An amount equal to the net proceeds from each issue of each Tranche of Notes will be applied by the Issuer for the purpose of originating and purchasing loans which fulfil the eligibility criteria contained in Part VII (*Terms and Conditions of the Notes*).

In the case of Notes issued in the form of “**Green Bonds**” (as indicated in the applicable Final Terms), such loans shall also fulfil the criteria for eligible green investments (“**EGIs**”) in accordance with the Group’s Green Bond Framework (as defined below), as it may be amended or replaced from time to time. Green Bonds are designed to enable capital-raising and investment for new and existing projects with environmental benefits.

### The Group's Green Bond Framework

Prior to issuing any Green Bonds, the Guarantor will publish a green bond framework which it believes will follow, among other things, the guidelines specified in the 2021 edition of the Green Bond Principles published by the International Capital Market Association (“**ICMA**”) (as amended from time to time, the “**Green Bond Framework**”). The Green Bond Principles published by ICMA seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. The Guarantor may, in the future, update the Green Bond Framework in line with developments in the market.

Under the Green Bond Framework, the Issuer (and other members of the Group) may issue Green Bonds to fund loans, secured on property in England, Scotland or Wales, that promote energy efficiency (“**Green Loans**”).

Where the Issuer issues Notes which are designated as Green Bonds, this means that an amount equal to the net proceeds from each such issue of Green Bonds will be applied by the Issuer for the purpose of originating and purchasing Green Loans.

### The Second Party Opinion Provider

The Issuer will appoint an independent third party with appropriate expertise to conduct an external review of the Green Bond Framework and provide a second party opinion (the “**Second Party Opinion**”), commenting on the alignment of the Green Bond Framework with the four components of the 2021 Green Bond Principles, which are:

1. Use of Proceeds (i.e. that the net proceeds of issuance of the Green Bonds should be used for eligible “green” projects, providing clear environmental benefits);
2. Process for Project Evaluation and Selection (i.e. that (i) clear information should be provided by the issuer of the bonds on the environmental sustainability objectives of the eligible green projects; (ii) the process by which the issuer determines how the projects fit within the eligible green projects categories should be clearly specified; and (iii) complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant projects should be clearly communicated);
3. Management of Proceeds (i.e. that the net proceeds of the issue of the Green Bonds, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible green projects); and
4. Reporting (i.e. that the issuer of the Green Bonds should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments).

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion and in particular, as to whether any Green Loans will fulfil any environmental criteria. The Second Party Opinion is not a recommendation to buy, sell or hold any Notes.

The Green Bond Framework, the Second Party Opinion and any public reporting by or on behalf of the Issuer in respect of the allocation of an amount equal to the net proceeds of a Tranche of Notes to the



funding of Green Loans will be published at: [www.lendinvest.com/bonds](http://www.lendinvest.com/bonds).

None of the Green Bond Framework, the Second Party Opinion or any public reporting are incorporated by reference into, and they do not form part of this Base Prospectus.

## PART X: 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 €100,000 (or its equivalent in another currency) other than in respect of Notes admitted to trading only on a UK Regulated Market, or a specific segment thereof, to which only qualified investors, as defined in the UK Prospectus Regulation, have access:*

### **[Prohibition of Sales to EEA Retail Investors**

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

### **[MiFID II product governance / Retail investors, professional investors and ECPs target market**

Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and EITHER [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [**Consider any negative target market**]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

### **[UK MiFIR product governance / Retail investors, professional investors and ECPs target market**

Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA, and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”); and EITHER [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable].]

**Final Terms dated [●]**

**LendInvest Secured Income II plc**

**Legal Entity Identifier: 213800ELFI7VXYLEIV74**

**Issue of [●] Notes**

**under the £1,000,000,000 Euro Medium Term Note Programme**

**The Notes will have the benefit of a partial 20% guarantee by LendInvest plc**

Any person making or intending to make an offer of the Notes may only do so[:

- (i) in the Public Offer Jurisdiction mentioned in Paragraph 8 of Part B below, provided such person is of a kind specified in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or
- (ii) otherwise] in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

None of the Issuer, the Guarantor or any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in any other circumstances.

The expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”).

**Part A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 12 July 2022 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the UK Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [and the supplement(s) dated [●]]. However, a summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

|   |  |  |
|---|--|--|
| 1 | Issuer:  | LendInvest Secured Income II plc   |
| 2 | Guarantor:   | LendInvest plc   |
| 3 | (i) Series Number:   | [●]  |
|   | (ii) Tranche Number:   | [●]  |
|   | (iii) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [●] on the Issue Date/exchange of the temporary Global Note for interests in the permanent Global Note, as referred to in paragraph 22 below, which is expected to occur on or about [●]/[the Issue Date][Not Applicable] |
| 4 | Specified Currency or Currencies:  | [GBP/EUR/U.S.\$]   |

|    |  |  |
|----|--|--|
| 5  | Aggregate Nominal Amount:  |  |
|    | (i) Series:  | [•]  |
|    | (ii) Tranche:  | [•]  |
| 6  | Issue Price:   | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]   |
| 7  | (i) Specified Denominations:   | [•] [and each integral multiple of the Calculation Amount in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•]] |
|    | (ii) Calculation Amount:   | [•]  |
| 8  | (i) Issue Date:  | [•]  |
|    | (ii) Interest Commencement Date:                                       | [[•]/Issue Date/Not Applicable]  |
| 9  | Maturity Date:   | [[•]/Interest Payment Date falling in or nearest to [•]]   |
| 10 | Interest Basis:  | [[•] per cent. Fixed Rate]<br>[[•] +/- [•] per cent. Floating Rate]<br>[Zero Coupon]<br>[(further particulars specified in [•] and [•]below)]                                  |
| 11 | Redemption 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.                        |
| 12 | Change of Interest Basis:  | [Applicable/Not Applicable]  |
| 13 | Put/call options:  | [Investor Put]<br>[Issuer Call]<br>[Not Applicable]<br>[(further particulars specified in [•] and [•] below)]  |
| 14 | Date of [Board] approval for issuance and guarantee of Notes obtained: | [•] [and [•], respectively]]   |

**Provisions relating to Interest (if any) payable**

|    |                                     |  |
|----|-------------------------------------|--|
| 15 | Fixed Rate Note Provisions          | [Applicable/Not Applicable]  |
|    | (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   |
|    | (iii) Fixed Coupon Amount[(s)]:     | [•] per Calculation Amount   |
|    | (iv) Broken Amount(s):              | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] |
|    | (v) [Day Count Fraction in relation | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]                    |

|    |   |   |
|----|---|---|
|    | to Early Redemption:]   | [Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |
|    | (vi) [Determination Dates:  | [•] in each year]   |
| 16 | Floating Rate Note Provisions   | [Applicable/Not Applicable]   |
|    | (i) Interest Period(s):   | [•]   |
|    | (ii) Specified Interest Payment Dates:  | [[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below]   |
|    | (iii) First Interest Payment Date:  | [•]   |
|    | (iv) Interest Period Date:  | [•]   |
|    | (v) Business Day Convention:  | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]                       |
|    | (vi) Business Centre(s):  | [•]   |
|    | (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 Issuing and Paying Agent): | [•]   |
|    | (ix) Screen Rate Determination:   | [Applicable (Term Rate)/Applicable (Overnight Rate)/Not Applicable]   |
|    | - Reference Rate:   | [EURIBOR/SONIA]   |
|    | - Interest Determination Date(s):   | [•]/[•] [London Banking Days/Business Days in [•]] prior to the end of each Interest Accrual Period]  |
|    | - Relevant Screen Page:   | [•]   |
|    | - [Observation Look-back  | [•] London Banking Days]  |
|    | (x) ISDA Determination:   | [Applicable/Not Applicable]   |
|    | - Floating Rate Option:   | [•]   |
|    | - Designated Maturity:  | [•]   |

|        |                           |  |
|--------|---------------------------|--|
|        | - Reset Date:             | [●]  |
|        | - ISDA Definitions:       | [2006]   |
| (xi)   | Linear Interpolation:     | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]  |
| (xii)  | Margin(s):                | [[+/-][●] per cent. per annum/Not Applicable]  |
| (xiii) | Minimum Rate of Interest: | [[●] per cent. per annum/Not Applicable]   |
| (xiv)  | Maximum Rate of Interest: | [[●] per cent. per annum/Not Applicable]   |
| (xv)   | Day Count Fraction:       | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |

17 Zero Coupon Note Provisions [Applicable/Not Applicable]

|      |   |  |
|------|---|--|
| (i)  | Amortisation Yield:                                 | [●] per cent. per annum  |
| (ii) | Day Count Fraction in relation to Early Redemption: | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |

### Provisions Relating to Redemption

18 Call Option [Applicable/Not Applicable]

|       |   |   |
|-------|---|---|
| (i)   | [Optional Redemption Date(s):               | [●]   |
| (ii)  | Optional Redemption Amount(s) of each Note: | [[●] per Calculation Amount][Make-whole Amount]<br>[Condition 7(b) applies] |
| (iii) | [Make-whole Amount                          |   |
|       | - Quotation Time:                           | [●]   |
|       | - Determination Date:                       | [●]   |

|    |  |  |
|----|--|--|
|    | - Reference Bond:  | [•]  |
|    | - Redemption Margin:   | [[•] per cent./None]                                 |
|    | (iv) If redeemable in part:  |  |
|    | Minimum Redemption Amount:   | [•] per Calculation Amount                           |
|    | Maximum Redemption Amount:   | [•] per Calculation Amount                           |
|    | (v) Notice period:   | [•]  |
| 19 | Put Option:  | [Applicable/Not Applicable]                          |
|    | (i) Optional Redemption Date(s):   | [•]  |
|    | (ii) Optional Redemption Amount(s) of each Note:   | [[•] per Calculation Amount][Condition 7(b) applies] |
|    | (iii) Notice period:   | [•]  |
| 20 | Final Redemption Amount of each Note:  | [•] per Calculation Amount                           |
| 21 | Early Redemption Amount  |  |
|    | Early Redemption Amount(s) per Calculation Amount payable on Redemption for taxation reasons or on event of default or other early redemption: | [[Par]/[•] per Calculation Amount]                   |

**General Provisions Applicable to the Notes**

|     |                      |   |
|-----|----------------------|---|
| 22  | Form of Notes:       | <p><b>Bearer Notes:</b></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><b>Registered Notes:</b></p> <p>Global Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg.</p> |
| [23 | Green Bonds:         | [Yes][No]   |
| 24  | Financial Centre(s): | [Not Applicable/[•]]  |

25 Talons for future Coupons to be [No/Yes]  
attached to Definitive Notes (and dates  
on which such Talons mature):

**[Third Party Information**

[•] has been extracted from [•]. The Issuer and the Guarantor confirm 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 information inaccurate or misleading.]

Signed on behalf of LendInvest Secured Income II plc:

By: .....

Duly authorised

Signed on behalf of LendInvest plc:

By: .....

Duly authorised



## Part B – OTHER INFORMATION

- 1      **Listing and admission to trading**      [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's main market [through its order book for retail bonds] 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 the London Stock Exchange plc's main market [through its order book for retail bonds] with effect from [•].]
- 2      **Ratings**
- Ratings:      [[The Notes to be issued [are not/have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
- [Standard & Poor's:      [•]]
- [Moody's Investor Services Limited:      [•]]
- [Fitch Ratings Limited:      [•]]
- [AM Best:      [•]]
- [Explanation of ratings to be included.]*
- 3      **Interests of natural and legal persons involved in the issue/offer**
- [Save for [•]] so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Notes has an interest material to the issue/offer, including conflicting interests./So far as the Issuer and the Guarantor are aware, the following persons have an interest material to the issue/offer: [•]]
- 4      **Reasons for the offer, use of proceeds, estimated net proceeds and total expenses**
- Reasons for the offer:      [•]
- Use of proceeds:      [[•]/[The amount equal to the net proceeds of the Notes shall be applied such that it fulfils the criteria for eligible green investments in accordance with the Green Bond Framework (as defined in the Base Prospectus).]]
- [Estimated net proceeds:      [•]]
- [Estimated total expenses related to the admission to trading:      [•]]
- 5      **[Fixed Rate Notes – Yield**
- Indication of yield:      Calculated as [•] on the Issue Date. Yield is not an indication of future price.]
- 6      **[Floating Rate Notes – Historic interest rates**

Details of historic [[EURIBOR]/[SONIA]] rates can be obtained from [[Reuters]/[•]] .]

7

### Operational information

|  |                                    |
|--|------------------------------------|
| ISIN:  | [•]                                |
| Common Code:   | [•]                                |
| Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable/[•]]               |
| Delivery:  | Delivery [against/free of] payment |
| Names and addresses of additional Paying Agent(s) (if any):  | [•]                                |

8

### Distribution

|   |  |
|---|--|
| (i) Names and addresses of underwriters and underwriting commitments:                               | [Not Applicable/[•]]   |
| (ii) Stabilisation Manager(s) (if any):   | [•]  |
| (iii) Date of underwriting agreement:   | [•]  |
| (iv) Material features of underwriting agreement, including quotas:                                 | [•]  |
| (v) Portion of issue/offer not covered by underwriting commitments:                                 | [•]  |
| (vi) Indication of the overall amount of the underwriting commission and of the placing commission: | [•] per cent. of the Aggregate Nominal Amount  |
| (vii) U.S. Selling Restrictions (Categories of potential investors to which the Notes are offered): | Reg. S Compliance Category [2]; [C Rules/D Rules/TEFRA Not Applicable]   |
| (viii) Prohibition of Sales to EEA Retail Investors:  | [Applicable]/[Not Applicable]<br><br><i>(If the Notes constitute packaged products “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)</i> |
| (ix) Public Offer/Basis of Consent:   |  |
| (a) Public Offer:   | [Not Applicable] [An offer of the Notes may be made by [•] [and any other Authorised Offerors in accordance with paragraph [•] below] (the “ <b>Initial Authorised Offerors</b> ”) other than pursuant to                                    |

Article 1(4) of the UK Prospectus Regulation in the United Kingdom (the “**Public Offer Jurisdiction**”) during the period from [•] until [•] (the “**Offer Period**”). See further paragraph [9(xii)] below.

- (b) General Consent: [Applicable][Not Applicable]
- (c) Other Authorised Offeror Terms: [Not Applicable/[•]]

9 [Terms and conditions of the offer

- (i) Offer Price: [Issue Price/Not Applicable/[•]]
- (ii) Conditions to which the offer is subject: [Not Applicable/[•]]
- (iii) Description of the application process: [Not Applicable/[•]]
- (iv) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/[•]]
- (v) Details of the minimum and/or maximum amount of application: [Not Applicable/[•]]
- (vi) Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/[•]]
- (vii) Manner in and date on which results of the offer are to be made public: [Not Applicable/[•]]
- (viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/[•]]
- (ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/[•]]
- (x) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/[•]]
- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/[•]]

- |        |   |   |
|--------|---|---|
| (xii)  | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  | The Initial Authorised Offerors identified in paragraph [[8(ix)(a)] above [and any additional financial intermediaries who have or obtain the Issuer's and the Guarantor's consent to use the Base Prospectus in connection with the UK Public Offer and who are identified on the website of the Issuer at [•] as an Authorised Offeror] (together the " <b>Authorised Offerors</b> ") [and [•]] |
| (xiii) | 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: | [•] will be appointed as registered market maker[s] [through London Stock Exchange plc's order book for retail bonds when the Notes are issued.]  |

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## **BENCHMARK REGULATION**

[[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") and [•], [•] [appears/does not appear] in the register of benchmarks and administrators established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**").] [As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).]/[Not Applicable]

**Annex to Final Terms**

**Summary of the Notes**

[•]

*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 €100,000 (or its equivalent in another currency) or less than €100,000 if admitted to trading only on a regulated market, or a specific segment thereof, to which only qualified investors, as defined in the UK Prospectus Regulation (as applicable), have access:*

#### **[Prohibition of Sales to EEA Retail Investors**

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

#### **[Prohibition of Sales to UK Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, varied, superseded or substituted from time to time (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

#### **[MiFID II product governance / Professional investors and ECPs only target market**

Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients, each as defined in MiFID II; and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

#### **[UK MiFIR product governance / Professional investors and ECPs only target market**

Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the

manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [●]**

**LendInvest Secured Income II plc**

**Legal Entity Identifier: 213800ELFI7VXYLEIV74**

**Issue of [●] Notes**

**under the £1,000,000,000 Euro Medium Term Note Programme**

**The Notes will have the benefit of a partial 20% guarantee by LendInvest plc**

**Part A – CONTRACTUAL TERMS**

The expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”).

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 12 July 2022 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the UK Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [and the supplement(s) dated [●]]. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

|   |  |   |
|---|--|---|
| 1 | Issuer:  | LendInvest Secured Income II plc  |
| 2 | Guarantor:   | LendInvest plc  |
| 3 | (i) Series Number:   | [●]   |
|   | (ii) Tranche Number:   | [●]   |
|   | (iii) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [●] on the Issue Date/exchange of the temporary Global Note for interests in the permanent Global Note as referred to in paragraph 22 below, which is expected to occur on or about [●]/[the Issue Date][Not Applicable] |
| 4 | Specified Currency or Currencies:  | [GBP/EUR/U.S.\$]  |
| 5 | Aggregate Nominal Amount of Notes:   |   |
|   | (i) Series:  | [●]   |
|   | (ii) Tranche:  | [●]   |
| 6 | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]  |
| 7 | (i) Specified Denominations:   | [●] [and each integral multiple of the Calculation Amount in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]]  |

|    |      |  |   |
|----|------|--|---|
|    | (ii) | Calculation Amount:  | [•]   |
| 8  | (i)  | Issue Date:  | [•]   |
|    | (ii) | Interest Commencement Date:  | [[•]/Issue Date/Not Applicable]   |
| 9  |      | Maturity Date:   | [[•]/Interest Payment Date falling on or nearest to [•]]  |
| 10 |      | Interest Basis:  | [[•] per cent. Fixed Rate]<br>[[•] +/- [•] per cent. Floating Rate]<br>[Zero Coupon]<br>[(further particulars specified in [15] and [16] below)]        |
| 11 |      | 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. |
| 12 |      | Change of Interest Basis:  | [Applicable/Not Applicable]   |
| 13 |      | Put/Call Options:  | [Investor Put]<br>[Issuer Call]<br>[Not Applicable]<br>[(further particulars specified in [18] and [19] below)]   |
| 14 |      | Date of [Board] approval for issuance and guarantee of Notes obtained: | [•] [and [•], respectively]   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

|    |       |                            |  |
|----|-------|----------------------------|--|
| 15 |       | Fixed Rate Note Provisions | [Applicable/Not Applicable]  |
|    | (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   |
|    | (iii) | Fixed Coupon Amount[(s)]:  | [•] per Calculation Amount   |
|    | (iv)  | Broken Amount(s):          | [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]  |
|    | (v)   | Day Count Fraction:        | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |
|    | (vi)  | [Determination Dates:      | [•] in each year]]   |



|    |   |   |
|----|---|---|
| 16 | Floating Rate Note Provisions   | [Applicable/Not Applicable]   |
|    | (i) [Interest Period(s):  | [•]   |
|    | (ii) Specified Interest Payment Dates:  | [[•] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below]                                       |
|    | (iii) First Interest Payment Date:  | [•]   |
|    | (iv) Interest Period Date:  | [•]   |
|    | (v) Business Day Convention:  | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]           |
|    | (vi) Business Centre(s):  | [•]   |
|    | (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 Issuing and Paying Agent): | [•]   |
|    | (ix) Screen Rate Determination:   | [Applicable (Term Rate)/Applicable (Overnight Rate)/Not Applicable]   |
|    | – Reference Rate:   | [EURIBOR/SONIA]   |
|    | – Interest Determination Date(s):   | [•]/[•] [London Banking Days/Business Days in [•]] prior to the end of each Interest Accrual Period]  |
|    | – Relevant Screen Page:   | [•]   |
|    | – [Observation Look-back  | [•] London Banking Days]  |
|    | (x) ISDA Determination:   | [Applicable/Not Applicable]   |
|    | – Floating Rate Option:   | [•]   |
|    | – Designated Maturity:  | [•]   |
|    | – Reset Date:   | [•]   |
|    | – ISDA Definitions:   | [2006]  |
|    | (xi) Linear Interpolation:  | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] |
|    | (xii) Margin(s):  | [[+/-][•] per cent. per annum/Not Applicable]   |
|    | (xiii) Minimum Rate of Interest:  | [•] per cent. per annum   |

|    |       |   |  |
|----|-------|---|--|
|    | (xiv) | Maximum Rate of Interest:                           | [●] per cent. per annum  |
|    | (xv)  | Day Count Fraction:                                 | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |
| 17 |       | Zero Coupon Note Provisions                         | [Applicable/Not Applicable]  |
|    | (i)   | [Amortisation Yield:                                | [●] per cent. per annum  |
|    | (ii)  | Day Count Fraction in relation to Early Redemption: | [Actual/Actual]<br>[Actual/Actual – ISDA]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360]<br>[360/360]<br>[Bond Basis]<br>[30E/360]<br>[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual – ICMA] |

#### PROVISIONS RELATING TO REDEMPTION

|    |       |   |   |
|----|-------|---|---|
| 18 |       | Call Option                                 | [Applicable/Not Applicable]   |
|    | (i)   | [Optional Redemption Date(s):               | [●]   |
|    | (ii)  | Optional Redemption Amount(s) of each Note: | [[●] per Calculation Amount][Make-whole Amount][Condition 7(b) applies] |
|    | (iii) | [Make-whole Amount                          |   |
|    |       | - Quotation Time:                           | [●]   |
|    |       | - Determination Date:                       | [●]   |
|    |       | - Reference Bond:                           | [●]   |
|    |       | - Redemption Margin:                        | [[●] per cent./None]  |
|    | (iv)  | If redeemable in part:                      |   |
|    |       | (a) Minimum Redemption Amount:              | [●] per Calculation Amount  |
|    |       | (b) Maximum Redemption Amount:              | [●] per Calculation Amount  |

|    |  |  |
|----|--|--|
|    | (v) Notice period  | [•]  |
| 19 | Put Option   | [Applicable/Not Applicable]                          |
|    | (i) Optional Redemption Date(s):   | [•]  |
|    | (ii) Optional Redemption Amount(s) of each Note:   | [[•] per Calculation Amount][Condition 7(b) applies] |
|    | (iii) Notice period:   | [•]  |
| 20 | Final Redemption Amount of each Note   | [[Par] per Calculation Amount]                       |
| 21 | Early Redemption Amount  |  |
|    | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: | [[Par]/[•] per Calculation Amount]                   |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

|     |   |   |
|-----|---|---|
| 22  | Form of Notes:  | <p><b>Bearer Notes:</b></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><b>Registered Notes:</b></p> <p>Global Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg.</p> |
| [23 | Green Bonds:  | [Yes][No]   |
| 24  | Financial Centre(s):  | [Not Applicable/[•]]  |
| 25  | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [No/Yes]  |

#### [Third party information

[•] has been extracted from [•]. The Issuer and the Guarantor confirm 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 information inaccurate or misleading.]

Signed on behalf of LendInvest Secured Income II plc:

By: .....

Duly authorised

Signed on behalf of LendInvest plc:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 Listing and admission to trading

Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's main market 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 the London Stock Exchange plc's main market with effect from [•].]

### 2 Ratings

Ratings: [[The Notes to be issued [are not/have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[Standard & Poor's: [•]]

[Moody's Investor Services Limited: [•]]

[Fitch Ratings Limited: [•]]

[AM Best: [•]]

*[Explanation of ratings to be included.]*

### 3 Interests of natural and legal persons involved in the issue/offer

[Save for [•]] so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Notes has an interest material to the issue/offer, including conflicting interests./So far as the Issuer and the Guarantor are aware, the following persons have an interest material to the issue/offer: [•]

### 4 Reasons for the offer, estimated net proceeds and total expenses

Reasons for the offer: [•]

Use of proceeds: [[•]/[The amount equal to the net proceeds of the Notes shall be applied such that it fulfils the criteria for eligible green investments in accordance with the Green Bond Framework (as defined in the Base Prospectus).]]

[Estimated net proceeds:

[Estimated total expenses related to the admission to trading:

[•]

[•]

### 5 [Fixed Rate Notes – Yield

Indication of yield: Calculated as [•] on the Issue Date. Yield is not an

indication of future price.]

6 **[Floating Rate Notes - Historic interest rates]**

Details of historic [[EURIBOR]/[SONIA]] rates can be obtained from [[Reuters]/[●]].]

7 **Operational information**

ISIN: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]]

Names and addresses of additional Agent(s) (if any): [●]

7 **Distribution**

(i) U.S. Selling Restrictions: Reg. S Compliance Category [2]; [C Rules/D Rules/TEFRA Not Applicable]

(ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]  
*(If the Notes constitute packaged products "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

(iii) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]  
*(If the Notes constitute packaged products "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

(iv) Method of distribution: [Syndicated]/[Non-syndicated]

(v) If syndicated [Not Applicable]/[●]

(a) Names of Managers and underwriting commitments: [Not Applicable]/[●]

(b) Stabilisation Manager(s) (if any): [Not Applicable]/[●]

(vi) If non-syndicated, name and address of Dealer: [Not Applicable]/[●]

8 **BENCHMARK REGULATION**

[[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to

Article 36 of Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) and [•], [•] [appears/does not appear] in the register of benchmarks and administrators established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).]/[Not Applicable]

## PART XI: CLEARING AND SETTLEMENT

Following their delivery into a clearing system, interests in Notes may be delivered, held and settled in CREST by means of the CDIs) representing the Underlying Notes. The CDIs will be issued by the CREST Depository to the CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of the CREST Nominee in the Underlying Notes. Pursuant to the CREST Deed Poll, the CREST Manual, Notes held in global form by the Common Depository for Euroclear and Clearstream may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with Euroclear 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 CDI Holders any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holder. 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 Euroclear and Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

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 of the FCA.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of 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, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part 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 settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) 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.
- (b) 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 clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.
- (c) 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 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.

- (d) 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 and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) You 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.
- (f) 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. Your attention is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).
- (g) You 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 CDIs through the CREST International Settlement Links Service.
- (h) You should note that none of the Issuer, the Guarantor, the Dealer(s), the Trustee, the Issuing and Paying Agent or their respective advisers 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.
- (i) You should note that Notes issued in temporary global form exchangeable for a permanent Global Note will not be eligible for CREST settlement as CDIs. As such, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such temporary Global Note is exchanged for a permanent Global Note, which could take up to 40 days after the issue of the Notes.

## PART XII: SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 12 July 2022 (the “**Dealer Agreement**”) between LendInvest Secured Income II plc (the “**Issuer**”), LendInvest plc (the “**Guarantor**”) and Allia C&C (a trading name of City & Continental Ltd) as initial dealer (the “**Dealer**”, and together with any other dealers subsequently appointed, the “**Dealers**”), the Notes will be issued from time to time by the Issuer and may be subscribed for from time to time by one or more Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers who are appointed as Dealers in respect of specified Tranches only. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer may pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealer(s) for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealer(s) against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer(s) to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling restrictions

Notes may be offered by the Issuer, the Guarantor or Dealer(s) to any investors, subject to the restrictions described below.

#### United States

The Notes and the Partial 20% Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (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 under the Securities Act.

Notes in bearer form having a maturity of more than one year 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 as amended and Treasury regulations thereunder.

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering within the United States and the issuance date or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period 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, an 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.

#### United Kingdom

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of FSMA by the Issuer or the Guarantor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”). Accordingly, the Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

## Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, the Notes of that Series to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## Prohibition of Sales to Retail Investors in the United Kingdom

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, the Notes of that Series to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA;
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### Sales to EEA Retail Investors

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA (each, a “**Relevant State**”) the Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, 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 to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant 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 State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer and the Guarantor has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer and the Guarantor for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to above shall require the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

In this provision and in this Base Prospectus generally, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### Sales to UK Retail Investors

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, in relation to the UK, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that 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 to the public in the UK, except that it may make an offer of such Notes to the public in the UK:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the UK (a “**UK Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the FCA, provided that any such prospectus has subsequently been completed by the final terms contemplating such UK Public Offer, in accordance with the UK Prospectus Regulation, 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 UK Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Notes referred to above shall require the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In this provision and in this Base Prospectus generally, the expression an “**offer of Notes to the public**” in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## **Singapore**

The Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “**SFA**”) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

### **Jersey**

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this document as contemplated by the Final Terms in relation thereto in Jersey, save to the extent that such Dealer is authorised, or otherwise permitted, to do so pursuant to the Financial Services (Jersey) Law 1998.

### **Guernsey**

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this document in or from within the Bailiwick of Guernsey, and that it will not distribute or circulate this document, directly or indirectly, to any persons in the Bailiwick of Guernsey, save to the extent that such Dealer is licensed or otherwise permitted to do so pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 or any exemption therefrom. This document has not been delivered to, nor approved or authorised for circulation in the Bailiwick of Guernsey by the Guernsey Financial Services Commission or the States of Guernsey Policy Council and therefore this document may not be circulated by way of public offer in the Bailiwick of Guernsey.

### **Isle of Man**

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011 (as amended) or any exemption therefrom.

### **General**

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealer(s) following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms therefor in all cases at its own expense.

## **PART XIII: ADDITIONAL INFORMATION**

### **Listing and admission to trading of the Notes**

It is expected that each Tranche of Notes which is to be admitted to the official list of the FCA and to trading on the London Stock Exchange's main market (where specified, through its order book for retail bonds (in the case of Notes where the authorised denominations are less than €100,000 (or its equivalent in other currencies))) will be admitted separately as and when issued, subject only to the issue of a Global Note or one or more Certificates in respect of each Tranche. The listing of the Programme in respect of Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus is expected to be granted on or about 14 July 2022, although there can be no assurance that the application for listing will be accepted. Prior to official listing and admission to trading of such Notes, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. The Issuer may also issue Notes under the Programme that are admitted to trading through the electronic order book for retail bonds of the London Stock Exchange (where the authorised denominations of such Notes are less than €100,000 (or its equivalent in other currencies)).

The London Stock Exchange's main market is the UK Regulated Market for the purposes of Article 2(1)(13A) of UK MiFIR.

### **Authorisations**

The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was duly authorised by resolutions of the Board of Directors of the Issuer and the Board of Directors of the Guarantor each passed on 11 July 2022.

### **Significant or material change statement**

There has been no significant change in the financial performance or financial position of the Guarantor or the Group since 31 March 2022 (being the date to which the last published audited financial information of the Guarantor was prepared, no unaudited interim financial information on the Guarantor having been prepared subsequently as at the date of this Base Prospectus). There has been no material adverse change in the prospects of the Guarantor since 31 March 2022 (being the date to which the last published audited financial information of the Guarantor was prepared).

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

### **Litigation statement**

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 month period preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer, the Guarantor and/or the Group's financial position or profitability.

### **Bearer Notes having a maturity of more than one year**

Each Bearer Note having a maturity of more than one year, Coupon and Talon 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".

### **Clearing systems information and Note security codes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). Interests in the Notes may also be held through CREST through the issuance of CDIs representing the Underlying Notes. The appropriate Common Code and International Securities Identification Number ("ISIN") for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through

an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

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 SA, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB. The address of any alternative clearing system will be specified in the applicable Final Terms.

### **Documents available for inspection**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and available at the following website ([www.lendinvest.com/bonds](http://www.lendinvest.com/bonds)):

- (a) the articles of association of the Issuer and the Guarantor;
- (b) the Documents Incorporated by Reference;
- (c) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Global Certificates, the Certificates, the Coupons and the Talons), the Security Deed and the Agency Agreement;
- (d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus; and
- (e) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that any Final Terms relating to Notes which are neither admitted to trading on a UK Regulated Market nor offered in the United Kingdom in circumstances where a prospectus is required to be published under the UK Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

### **Auditors**

The financial statements of the Guarantor for the financial years ended 31 March 2021 and 31 March 2022 have been audited without qualification by BDO LLP of 55 Baker Street, London W1U 7EU, Chartered Accountants and a member firm of The Institute of Chartered Accountants in England and Wales. The Issuer has not published any financial statements since the date of its incorporation.

### **Third Party Information**

Where information appearing in this Base Prospectus has been sourced from third parties, the information has been accurately reproduced and, as far as the Issuer and the Guarantor are aware and able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Base Prospectus, the source of such information has been identified.

### **Prospectus Regulation exempt Notes**

The Issuer does not intend to issue any Notes under this Base Prospectus which fall within an exemption from the requirement to publish a prospectus under the UK Prospectus Regulation.



## PART XIV: IMPORTANT LEGAL INFORMATION

If, in the context of a UK Public Offer (as defined below), you are offered Notes by any entity, you should check that such entity is authorised to use this Base Prospectus for the purposes of making such offer before agreeing to purchase any Notes. To be authorised to use this Base Prospectus in connection with a UK Public Offer (referred to below as an “**Authorised Offeror**”), an entity must either be:

- named as an “Initial Authorised Offeror” in the applicable Final Terms; or
- named on the website of LendInvest plc (the “**Guarantor**”) (on behalf of LendInvest Secured Income II plc (the “**Issuer**”) available at [www.lendinvest.com/bonds](http://www.lendinvest.com/bonds) as an Authorised Offeror in respect of the relevant UK Public Offer (if the entity has been appointed after the applicable Final Terms were published); or
- if “Basis of Consent” in paragraph 8(ix)(b) of Part B of the applicable Final Terms specifies “General Consent” as being applicable, authorised to make such offers under UK MiFIR (as defined below) and have published on its website that it is using this Base Prospectus for the purposes of such UK Public Offer in accordance with the consent of the Issuer and the Guarantor.

Valid offers of Notes may only be made by an Authorised Offeror in the context of a UK Public Offer if the offer is made in the United Kingdom and within the time period referred to in the Final Terms as the “Offer Period”. Other than as set out above, neither the Issuer, the Guarantor nor any Dealer has authorised the making of any UK Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with any offer of Notes.

Please see below for certain important legal information relating to UK Public Offers.

### UK Public Offers

This Base Prospectus has been prepared on a basis that permits “**UK Public Offers**” (in this context meaning an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) that is not within an exemption from the requirement to publish a prospectus under Article 1(4) of the UK Prospectus Regulation in the United Kingdom. Any person making or intending to make a UK Public Offer of Notes on the basis of this Base Prospectus as completed by the relevant Final Terms must do so only with the consent of the Issuer and the Guarantor. See “*Consent given in accordance with Article 5(1) of the UK Prospectus Regulation*” below.

### Consent given in accordance with Article 5(1) of the UK Prospectus Regulation

In addition, in the context of any UK Public Offer of the Notes, the Issuer and the Guarantor accept responsibility, in the United Kingdom, for the content of this Base Prospectus with respect to subsequent resale or final placement of Notes by any financial intermediary to whom each of the Issuer and the Guarantor has given its consent to use this Base Prospectus where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are described below.

Except in the circumstances described below, neither the Issuer, the Guarantor nor any Dealer has authorised the making of any UK Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with any offer of Notes.

If, in the context of a UK Public Offer, you are offered Notes by a person which is not an Authorised Offeror, you should check with such person whether anyone is responsible for this Base Prospectus in the context of such UK Public Offer and, if so, who that person is. If you are in any doubt about whether you can rely on this Base Prospectus and/or who is responsible for its contents, you should take legal advice.

The conditions attached to the consent (all of which must be met in order for the consent to be validly granted) are that:

- (a) the UK Public Offer is only made in the United Kingdom (the “**Public Offer Jurisdiction**”);

- (b) the UK Public Offer is only made during the offer period specified in the Final Terms (the “**Offer Period**”);
- (c) the UK Public Offer is made by an entity (any such entity, an “**Authorised Offeror**”) which either:
  - (i) is expressly named as an Initial Authorised Offeror in the Final Terms; or
  - (ii) is a financial intermediary appointed after the date of publication of the applicable Final Terms whose name and address are published on the Issuer’s website [www.lendinvest.com/bonds](http://www.lendinvest.com/bonds) and identified as an Authorised Offeror in respect of the relevant UK Public Offer; or
  - (iii) if “Basis of Consent” in paragraph 8(ix)(b) of Part B of the applicable Final Terms is specified as, or includes, “General Consent”, is a financial intermediary which is authorised to make such offers under Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”) (in which regard, investors should consult the register maintained by the FCA at <https://register.fca.org.uk>) (UK MiFIR governs the organisation and conduct of the business of investment firms and the operation of regulated markets within the United Kingdom in order to promote market transparency and the protection of investors) and which accepts the offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the “**Acceptance Statement**”):

*“We, [insert legal name of financial intermediary], refer to the offer of [insert details of the relevant Notes] (the “Notes”) described in the Final Terms dated [insert date] (the “Final Terms”) published by LendInvest Secured Income II plc (the “Issuer”) and LendInvest plc (the “Guarantor”). In consideration of the Issuer and the Guarantor offering to grant their consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in the United Kingdom (the “UK Public Offer”) during the Offer Period specified in the Final Terms and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept such UK Public Offer by the Issuer and the Guarantor in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus in connection with the UK Public Offer accordingly.”*

The “**Authorised Offeror Terms**”, being the terms to which the relevant financial intermediary agrees in connection with the use of this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer, the Guarantor and the relevant Dealer(s) that it will, at all times in connection with the relevant UK Public Offer:
  - (1) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the FCA (including, but not limited to, its guidance for distributors in, “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers” and its sourcebook for “Product Intervention and Product Governance”) from time to time including, without limitation and in each case, Rules relating to both the target market for the Notes and appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor or relevant manufacturer;
  - (2) comply with the restrictions set out under Part XII (*Subscription and Sale*) of this Base Prospectus which would apply as if the relevant financial intermediary were a Dealer;
  - (3) acknowledge the target market and distribution channels identified under the “UK MiFIR Product Governance Legend” set out in the applicable Final Terms;
  - (4) ensure that any fee, commissions or benefits of any kind or rebates received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to investors or potential investors;

- (5) 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 and/or the Financial Services Act 2012;
- (6) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential investor prior to initial investment in any Notes by the investor), 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;
- (7) retain investor identification records for at least the minimum period required under the applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer(s) and/or the Issuer and/or the Guarantor or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Guarantor and/or the relevant Dealer(s) in order to enable the Issuer and/or the Guarantor and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applicable to them;
- (8) ensure that it does not, directly or indirectly, cause the Issuer, the Guarantor or the relevant Dealer(s) to breach any Rule or subject the Issuer the Guarantor or the relevant Dealer(s) to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (9) immediately give notice to the Issuer, the Guarantor and the relevant Dealer(s) if at any time it becomes aware or suspects that it is or may be in violation of any Rules or these Authorised Offeror Terms, and take all appropriate steps to remedy such violation and comply with such Rules and these Authorised Offeror Terms in all respects;
- (10) comply with the conditions to the consent referred to in paragraphs (a), (b) and (c) above and any further requirements or other Authorised Offeror Terms relevant to the UK Public Offer as specified in the applicable Final Terms;
- (11) make available to each potential investor in the Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms, any applicable key information document and any applicable information booklet provided by the Issuer and the Guarantor for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus and the applicable Final Terms;
- (12) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer and the Guarantor for the purposes of the relevant UK Public Offer) in connection with the relevant UK 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 and the Guarantor, that such financial intermediary is solely responsible for such communication and that the Issuer, the Guarantor and the relevant Dealer(s) do not accept any responsibility for such communication and (C) does not, without the prior written consent of the Issuer, the Guarantor or the relevant Dealer(s) (as applicable), use the legal or publicity names of the Issuer, the Guarantor or the relevant Dealer(s) or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer and the Guarantor as guarantor of the relevant Notes on the basis set out in this Base Prospectus;
- (13) ensure that no holder of Notes or potential investor in Notes shall become an indirect or direct client of the Issuer, the Guarantor or the relevant Dealer(s) for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

- (14) co-operate with the Issuer, the Guarantor and the relevant Dealer(s) in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (7) above) upon written request from the Issuer, the Guarantor or the relevant Dealer(s) as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer, the Guarantor or the relevant Dealer(s):
- (i) in connection with any request or investigation by the FCA or any other regulator in relation to the Notes, the Issuer, the Guarantor or the relevant Dealer(s); and/or
  - (ii) in connection with any complaints received by the Issuer and/or the Guarantor and/or the relevant Dealer(s) relating to the Issuer and/or the Guarantor and/or the relevant Dealer(s) or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or
  - (iii) which the Issuer, the Guarantor or the relevant Dealer(s) may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer, the Guarantor or the relevant Dealer(s) fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (15) during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer(s)); (ii) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer(s)); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer(s)); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer(s); and
- (16) either (i) obtain from each potential investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (B) agrees and undertakes to indemnify each of the Issuer, the Guarantor and the relevant Dealer(s) (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 (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) 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 or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor or the relevant Dealer(s); and
- (C) agrees and accepts that:
- (1) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's and the Guarantor's offer to use this Base Prospectus and the applicable Final Terms with its consent in connection with the relevant UK 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;

- (2) subject to (4) below, 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) (a “Dispute”) and accordingly submits to the exclusive jurisdiction of the English courts;
- (3) for the purposes of (1) and (2), the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute;
- (4) to the extent allowed by law, the Issuer, the Guarantor and each relevant Dealer(s) may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
- (5) each relevant Dealer(s) 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, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

The applicable Final Terms may specify other conditions to which the consent is subject.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a UK Public Offer as set out 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 UK Public Offer in accordance with the consent of the Issuer, the Guarantor and the conditions attached thereto (in the form of the Acceptance Statement).**

Other than as set out above, neither the Issuer, the Guarantor nor the Dealer(s) has authorised the making of any UK Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with any offer of Notes. Any such offers are not made on behalf of the Issuer, the Guarantor or by the Dealer(s) or other Authorised Offerors and none of the Issuer, the Guarantor, the Dealer(s) or other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

#### **Arrangements between you and the financial intermediaries who will distribute any Notes issued under the Programme**

An investor intending to acquire or acquiring any Notes in a UK Public Offer from an Authorised Offeror will do so, and offers and sales of such 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 (the “Terms and Conditions of the Public Offer”). Neither the Issuer nor the Guarantor will be a party to any such arrangements in connection with the offer or sale of any Notes and, accordingly, this Base Prospectus does not contain such information.

**In the event of any UK Public Offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the Terms and Conditions of the UK Public Offer at the time the UK Public Offer is made.**

None of the Issuer, the Guarantor or any of the Dealer(s) has any responsibility for any of the actions of any Authorised Offeror (except for a Dealer, where it is acting in the capacity of a financial intermediary), 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.

**If you intend to acquire or do acquire any Notes from an Authorised Offeror, you will do so, and offers and sales of the Notes to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you including as to price, allocations and settlement arrangements.** Neither the Issuer, nor the Guarantor will be a party to any such arrangements with you in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus does not, and any Final Terms will not, contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to you at the

relevant time. None of the Issuer, the Guarantor, the Dealer(s) or other Authorised Offerors has any responsibility or liability for such information.

### **Notice to investors**

Notes issued under the Programme may not be a suitable investment for all investors. You must determine the suitability of any investment in light of your own circumstances. In particular, you may wish to consider, either on your own or with the help of your financial and other professional advisers, whether you:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus (and any applicable supplement to this Base Prospectus);
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on your overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency which you usually use;
- (d) understand thoroughly the terms of the Notes and are familiar with the behaviour of any relevant indices and financial markets; and
- (e) are able to evaluate (either alone or with the help of your financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

No person is or has been authorised by the Issuer, the Guarantor, the Dealer(s) or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Dealer(s) or the Trustee.

Neither the publication of this Base Prospectus nor the offering, sale or delivery of the Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date of this Base Prospectus or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date of this Base Prospectus or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Dealer(s) nor the Trustee undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes should be considered as a recommendation by the Issuer, the Guarantor, the Dealer(s) or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. You should determine for yourself the relevance of the information contained in this Base Prospectus and any purchase of Notes should be based upon such investigation as you deem necessary.

### **The Dealer(s) and the Trustee**

To the fullest extent permitted by law, neither the Trustee nor the Dealer(s) accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Trustee or a Dealer or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of the Notes. The Trustee and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement.

## No incorporation of websites

The contents of the websites of the Guarantor do not form part of this Base Prospectus, and you should not rely on them.

## Stabilisation

In connection with the issue of any Tranche of Notes (as defined in “*Terms and Conditions of the Notes*”), the Dealer or Dealers (if any) named as Stabilisation Manager(s) (or any persons acting on behalf of any Stabilisation 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, stabilisation may not necessarily occur. 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 cease 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 Stabilisation Manager(s) or person(s) acting on behalf of any Stabilisation Manager(s) in accordance with all applicable laws and rules.

## Forward-looking statements

This Base Prospectus includes statements that are, or may be deemed to be, ‘forward-looking statements’. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, or ‘should’ or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer, the Guarantor and the Guarantor and its subsidiaries (including the Issuer), together with the Funding Entities (as defined below), taken as a whole (the “**Group**”) concerning, amongst other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Group, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other factors are discussed in more detail under Part I (*Risk Factors*) and Part VI (*Business of the Guarantor and the Group*) and Part V (*Business of the Issuer*) of this Base Prospectus. Many of these factors are beyond the control of the Issuer, the Guarantor and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Base Prospectus as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer and the Guarantor do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Base Prospectus.

In this Base Prospectus, references to “**Funding Entities**” are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of this Base Prospectus, LendInvest Secured Income II plc, LendInvest Secured Income plc, LendInvest Platform Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Bridge Limited, LendInvest BTL Limited, LendInvest Loans Limited, LendInvest Development Limited, LendInvest Secured Credit Fund II and LendInvest Real Estate Opportunity Fund were Funding Entities.

**English law as of the date of this Base Prospectus**

This Base Prospectus is based on English law in effect as of the date of issue of this Base Prospectus. Except to the extent required by laws and regulations, the Issuer and the Guarantor do not intend, and do not assume any obligation, to update this Base Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Base Prospectus.



## PART XV: DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the audited consolidated financial statements of the Guarantor for the financial year ended 31 March 2021, together with the related auditors' report thereon (set out on pages 21 to 105 of the Guarantor's annual report for the financial year ended 31 March 2021); and
- (b) the audited consolidated financial statements of the Guarantor for the financial year ended 31 March 2022, together with the related auditors' report thereon (set out on pages 62 to 134 of the Guarantor's annual report for the financial year ended 31 March 2022);

(together, the "**Documents Incorporated by Reference**").

Any statement contained herein, or in a document which is deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the UK Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus are available on the website of the Guarantor at <https://www.lendinvest.com/media-centre/reports/> and can also be obtained, free of charge, from the registered office of the Issuer.

Any information contained in any of the documents incorporated by reference which is not incorporated in and does not form part of this Base Prospectus is either not relevant for investors or is covered elsewhere in this Base Prospectus.

### **Non-IFRS Measures**

The financial information incorporated by reference in this Base Prospectus contains a number of non-IFRS measures (together, the "**Non-IFRS Measures**"). These measures are not required by, or presented in accordance with, IFRS. The Non-IFRS Measures do not have any standardised meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures reported by other companies. The Directors of the Guarantor believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Guarantor's performance and ability to generate cash flow. This is provided as additional information and should not be considered in isolation, or as a substitute, for measures of performance prepared in accordance with IFRS.

Prospective investors of any Notes issued pursuant to the Programme should exercise caution in comparing the Non-IFRS Measures to other companies as these measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. None of the Non-IFRS Measures is recognised as a measure of financial performance or liquidity under IFRS and none of the Non-IFRS Measures is indicative of the Guarantor's historical operating results, nor are they meant to be predictive of future results. The Non-IFRS Measures are used by the Guarantor's management to monitor the underlying performance of the business and the operations. In some cases, the Non-IFRS Measures presented throughout this Base Prospectus have not consistently been disclosed by the Guarantor previously and have been calculated and presented for comparability purposes in this document only. As a result of the foregoing, prospective investors should not place undue reliance on this data. The Non-IFRS Measures have limitations as analytical tools and prospective investors should not consider them in isolation or as a substitute for an analysis of the Guarantor's results as reported under IFRS.

As a result of such limitations, none of the Non-IFRS Measures should be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. The Guarantor relies primarily on its IFRS results and uses the Non-IFRS Measures only as a supplement to its results prepared in accordance with IFRS.

Definitions of the Non-IFRS Measures are set out in Part XVI: Definitions and Glossary and the audited consolidated financial statements of the Guarantor for the year ended 31 March 2022. Quantifications of the Non-IFRS Measures are also set out in the consolidated financial statements of the Guarantor for the year ended 31 March 2022.

## PART XVI: DEFINITIONS AND GLOSSARY

The following definitions and glossary of terms apply throughout this document, unless otherwise stated or the context requires otherwise. The definitions in the Terms and Conditions apply throughout this Base Prospectus, and shall prevail over definitions and glossary in this section, in the case of any conflict.

|                                   |   |
|-----------------------------------|---|
| <b>2022 Bonds</b>                 | £60,000,000 5.25 per cent. bonds due 10 August 2022 first issued by LSI on 10 August 2017   |
| <b>2023 Bonds</b>                 | £60,000,000 5.375 per cent. bonds due 6 October 2023 first issued by LSI on 06 April 2018   |
| <b>Adjusted EBITDA</b>            | a Non-IFRS Measure, represents the Group's profit or loss before finance income, finance expense, income tax, depreciation and amortisation, and exceptional items  |
| <b>AIF</b>                        | Alternative Investment Fund   |
| <b>AIFM</b>                       | Alternative Investment Fund Manager   |
| <b>AIM</b>                        | the market of that name operated by the London Stock Exchange   |
| <b>AIM Rules</b>                  | the AIM Rules for companies published by the London Stock Exchange from time to time  |
| <b>AML</b>                        | Anti-money laundering   |
| <b>API</b>                        | Application Programming Interface   |
| <b>Atomico</b>                    | Atomic Advisors IV. Ltd., funds managed by Atomico IV LP and funds managed by Atomico IV (Guernsey) LP  |
| <b>Audit &amp; Risk Committee</b> | the audit & risk committee of the Board, details of which are set out in <i>Management of Guarantor</i> of this Base Prospectus   |
| <b>AuM</b>                        | assets under management   |
| <b>AWS</b>                        | Amazon Web Services, a subsidiary of <a href="https://www.amazon.com">Amazon.com</a> , Inc.   |
| <b>Bank Base Rate</b>             | the rate that the Bank of England charges other banks and other lenders when they borrow money  |
| <b>Barclays</b>                   | Barclays Bank plc   |
| <b>Board or Directors</b>         | the (1) directors of the Issuer or the Guarantor as at the date of this Base Prospectus (as the case may be); or (2) the directors of the Issuer or the Guarantor from time to time (as the case may be), as the context requires |
| <b>BoE</b>                        | the Bank of England   |
| <b>Borrowers</b>                  | actual or prospective borrowers under the loans that are originated by LendInvest   |
| <b>Bridging</b>                   | short-term finance, typically for one year or less, where the borrower needs to move quickly to acquire a property or intends to complete asset management to the property before they refinance or sell it                       |
| <b>Buy-to-Let</b>                 | acquiring a property as an investment   |

|                                 |  |
|---------------------------------|--|
| <b>CAGR</b>                     | compound annual growth rate  |
| <b>CBILS</b>                    | the Coronavirus Business Interruption Loan Scheme  |
| <b>Citibank</b>                 | Citibank, N.A., London Branch  |
| <b>Companies Act</b>            | the Companies Act 2006 (as amended from time to time)  |
| <b>Consumer Buy-to-Let</b>      | as defined in The Mortgage Credit Directive Order 2015, being a “buy-to-let mortgage contract which is not entered into by the borrower wholly or predominantly for the purpose of a business carried on, or intended to be carried on, by the borrower”   |
| <b>CREST</b>                    | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations), which facilitates the transfer of title to shares without a written instrument  |
| <b>CREST Regulations</b>        | the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force |
| <b>Development</b>              | short-term loans, usually of 24 months or longer, that are secured against property and are used to finance construction   |
| <b>EEA</b>                      | European Economic Area   |
| <b>Eligible Loans</b>           | loans which fulfil the eligibility criteria contained in Part VII ( <i>Terms and Conditions of the Notes</i> )   |
| <b>EMMI</b>                     | European Money Markets Institute (formerly Euribor-EBF)  |
| <b>EU Benchmarks Regulation</b> | Regulation (Regulation (EU) 2016/1011) of the European Parliament and Council of 8 June 2016   |
| <b>EU Prospectus Regulation</b> | Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 and the delegated acts, implementing acts, technical standards and guidance made thereunder   |
| <b>EURIBOR</b>                  | Euro-zone inter-bank offered rate  |
| <b>EUWA</b>                     | the European Union (Withdrawal) Act 2018   |
| <b>Existing EMTN Programme</b>  | the £500,000,000 euro medium term note programme issued by LSI   |
| <b>FCA</b>                      | the United Kingdom’s Financial Conduct Authority   |
| <b>FCA Handbook</b>             | the FCA’s Handbook of Rules and Guidance   |
| <b>Financial Partners</b>       | actual or prospective financial institutions that partner with LendInvest to finance a portion of the loans that are originated by LendInvest  |
| <b>Financial Partnerships</b>   | the arrangements entered into between LendInvest and Financial Partners  |
| <b>FinTech</b>                  | Financial services technology company or companies   |

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|---|---|
| <b>FSMA</b>                             | the Financial Services and Markets Act 2000 of the UK as amended  |
| <b>FuM</b>                              | LendInvest's funds under management, being the aggregate sum available to LendInvest under each of its funding lines with its Investors and Financial Partners  |
| <b>Funding Entities</b>                 | any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager |
| <b>Funds</b>                            | the Real Estate Opportunity Fund and AIFs managed by the Group  |
| <b>GDV</b>                              | gross development value   |
| <b>Genesys</b>                          | the LendInvest loan origination platform  |
| <b>Gravis</b>                           | GCP Asset Backed Income (UK) Limited, which changed its name from Project Finance Investments (UK) Limited on 21 October 2016   |
| <b>Group</b>                            | the Guarantor and its consolidated subsidiaries (including the Issuer), together with the Funding Entities, taken as a whole  |
| <b>Homeowner</b>                        | acquiring a property as a residential property  |
| <b>HM Government</b>                    | Government of the United Kingdom  |
| <b>HMRC</b>                             | HM Revenue and Customs  |
| <b>HSBC</b>                             | HSBC Bank plc   |
| <b>IFRS</b>                             | the UK-adopted International Accounting Standards in accordance with section 474(1) of the Companies Act  |
| <b>Institutional Investors</b>          | actual or prospective institutional investors that invest, through one or more of LendInvest's investment channels, in the loans that are originated by LendInvest  |
| <b>Intermediaries</b>                   | brokers and other intermediaries that refer to LendInvest prospective Borrowers   |
| <b>Insurance Distribution Directive</b> | Directive (EU) 2016/97  |
| <b>Investors</b>                        | Institutional Investors and Private Investors   |
| <b>ISA</b>                              | Individual Savings Account  |
| <b>ISIN</b>                             | International Securities Identification Number  |
| <b>J.P. Morgan</b>                      | J.P. Morgan Chase Bank, N.A.  |
| <b>KYC</b>                              | know your customer  |
| <b>LendInvest</b>                       | the On-Balance Sheet Entities and the Off-Balance Sheet Entities and, in the context of any financial information relating thereto, the On-Balance Sheet Entities and the Off-Balance Sheet Entities as consolidated  |

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|-------------------------------------|---|
| <b>LFML</b>                         | LendInvest Funds Management Limited   |
| <b>LIBOR</b>                        | London Inter-Bank Offered Rate  |
| <b>Listed Bonds</b>                 | secured notes issued under the Existing EMTN Programme and this Programme, which as at the date of this Base Prospectus comprises the 2022 Bonds and 2023 Bonds   |
| <b>LLL</b>                          | LendInvest Loans Limited  |
| <b>Loan Engine</b>                  | LendInvest's patented web-based, internal facing asset management technology system   |
| <b>London Stock Exchange</b>        | London Stock Exchange plc   |
| <b>LSI</b>                          | LendInvest Secured Income plc   |
| <b>LTGDV</b>                        | loan-to-gross development-value, representing: (a) in the case of a loan which is secured by a first-ranking legal charge, the ratio (expressed as a percentage) of the aggregate of (i) the principal amount of a loan; and (ii) the accrued interest and fees thereon (after suspended income), compared to the appraised value of the property securing the loan on the assumption that the development has completed; and (b) in the case of a loan which is secured by a second-ranking legal charge, the ratio (expressed as a percentage) of the aggregate of (i) the principal amount of such loan; (ii) the accrued interest and fees thereon (after suspended income); and (iii) the other loans secured over the same property by a first-ranking legal charge, compared to the appraised value of the property securing the loan on the assumption that the development has completed |
| <b>LTIP</b>                         | the Guarantor's long term incentive plan  |
| <b>LTV</b>                          | loan-to-value, representing the ratio (expressed as a percentage) of the aggregate of (i) the principal amount of a loan; and (ii) the anticipated interest and fees for the period (after suspended income), compared to the appraised value (the assessed value of the property in the opinion of a qualified appraiser or valuer) of the property assuming the development has been completed  |
| <b>Member State</b>                 | a member state of the European Economic Area  |
| <b>Money Laundering Regulations</b> | Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended by The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (SI 2019/1511)   |
| <b>Mortimer 2019-1</b>              | Mortimer BTL 2019-1 plc   |
| <b>Mortimer 2020-1</b>              | Mortimer BTL 2020-1 plc   |
| <b>Mortimer 2021-1</b>              | Mortimer BTL 2021-1 plc   |
| <b>Mortimer 2022-1</b>              | Mortimer BTL 2022-1 plc   |
| <b>NAB</b>                          | National Australia Bank Limited   |
| <b>Non-Executive Directors</b>      | non-executive Directors   |

|                                     |  |
|-------------------------------------|--|
| <b>Non-IFRS Measure</b>             | financial measures that are not defined or recognised under IFRS. Further information is set out in Part XV of this Base Prospectus  |
| <b>Off-Balance Sheet Assets</b>     | a Non-IFRS Measure, represents the total amount of outstanding loans and advances (including accrued interest) that the Group originates but does not hold on its own balance sheet on an IFRS basis, comprising those loans that are held by Off-Balance Sheet Entities. Off-Balance Sheet Assets are not presented net of any impairment provisions relating thereto   |
| <b>Off-Balance Sheet Entity</b>     | an entity or vehicle that is part of LendInvest but is not controlled by or under common control of the Group in accordance with IFRS, which as at the date of this Base Prospectus comprise the Real Estate Opportunity Fund and the Self-Select Portal   |
| <b>On-Balance Sheet Assets</b>      | represents the total amount of outstanding loans and advances (including accrued interest, and gross of impairment provisions and fair value adjustments), as reported on an IFRS basis  |
| <b>On-Balance Sheet Entity</b>      | the Guarantor or any company which is a subsidiary of the Guarantor or which is a parent or subsidiary undertaking of any subsidiary undertaking of the Guarantor, including any person or entity controlled by or under common control thereof in accordance with IFRS  |
| <b>Partial 20% Guarantee</b>        | The partial 20% guarantee granted by the Guarantor pursuant to which the Guarantor will guarantee payments of principal and interest in respect of each Series of Notes. Although there is no limit on the number of claims that can be made under the Partial 20% Guarantee in respect of any arrears of interest and principal outstanding, the maximum aggregate amount that can be claimed in respect of all such claims will be a monetary amount equal to 20 per cent. of the redemption amount of such Series of Notes (such redemption amount being the nominal amount repayable to Noteholders, as calculated pursuant to the Terms and Conditions of the Notes) at the time at which any such claim under the Partial 20% Guarantee is made by the Trustee |
| <b>PEP</b>                          | politically exposed person   |
| <b>Pepper</b>                       | Pepper UK Limited  |
| <b>Pierpont 2021-1</b>              | Pierpont BTL 2021-1 plc  |
| <b>Platform AuM</b>                 | a Non-IFRS Measure, represents the sum of On-Balance Sheet Assets and Off-Balance Sheet Assets   |
| <b>PRA</b>                          | Prudential Regulation Authority  |
| <b>Private Investors</b>            | actual or prospective individual investors that invest, through one or more of LendInvest's investment channels, in the loans that are originated by LendInvest  |
| <b>Prospectus Regulation Rules</b>  | the prospectus regulation rules made by the FCA pursuant to Part VI of FSMA (as set out in the FCA Handbook), as amended   |
| <b>Real Estate Opportunity Fund</b> | the LendInvest Real Estate Opportunity Fund, an open-end fund incorporated in Luxembourg   |

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|---------------------------------|---|
| <b>Registrar</b>                | Elavon Financial Services DAC   |
| <b>Regulated Bridging</b>       | Bridging that is regulated by the FCA   |
| <b>Regulation S</b>             | Regulation S as promulgated under the Securities Act  |
| <b>Remuneration Committee</b>   | the remuneration committee of the Board of the Guarantor  |
| <b>RMBS</b>                     | residential mortgage-backed securities  |
| <b>RMBS Transactions</b>        | the RMBS transactions undertaken by LendInvest  |
| <b>Salesforce</b>               | salesforce UK Limited   |
| <b>Security</b>                 | first floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer as described in this Base Prospectus                          |
| <b>Securities Act</b>           | the United States Securities Act of 1933, as amended  |
| <b>Self-Select Portal</b>       | the online self-select portal hosted by LendInvest, through which Borrower loans are originated and allocated to Investors in the self-select product   |
| <b>Separate Accounts</b>        | separate account arrangements entered into between LendInvest and Financial Partners  |
| <b>Share Plans</b>              | the CSOP, the Leaver Option Plan, the LTIP and the SIP  |
| <b>Shares</b>                   | the shares in the capital of the Guarantor issued from time to time   |
| <b>SIP</b>                      | the Guarantor's share incentive plan  |
| <b>SIPP</b>                     | Self-invested personal pension  |
| <b>SME</b>                      | small and medium-sized enterprise   |
| <b>Specialist Homeowner</b>     | borrowers who seek mortgage products that are non-standard or have bespoke underwriting requirements  |
| <b>SONIA</b>                    | Sterling Overnight Index Average rate   |
| <b>subsidiary</b>               | have the meanings given to them in the Companies Act 2006   |
| <b>UK or United Kingdom</b>     | the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies  |
| <b>UK Benchmarks Regulation</b> | the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA |
| <b>UK Prospectus Regulation</b> | Regulation (EU) 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of United Kingdom domestic law by virtue of the EUWA                            |
| <b>US or United States</b>      | the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia   |



and all other areas subject to its jurisdiction

**US Persons**

bears the meaning ascribed to such term by Regulation S promulgated under the Securities Act

**£ or sterling or GBP or pence**

the lawful currency of the United Kingdom

**U.S. dollars or U.S.\$ or USD**

the lawful currency of the United States

**ISSUER**

**LendInvest Secured Income II plc**  
Two Fitzroy Place  
8 Mortimer Street  
London W1T 3JJ

**GUARANTOR**

**LendInvest plc**  
Two Fitzroy Place  
8 Mortimer Street  
London W1T 3JJ

**ARRANGER AND DEALER**

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**TRUSTEE AND SECURITY TRUSTEE**

**U.S. Bank Trustees Limited**  
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125 Old Broad Street  
London EC2N 1AR

**ISSUING AND PAYING AGENT  
AND PAYING AGENT**

**Elavon Financial Services Limited, UK Branch**  
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London EC2N 1AR

**REGISTRAR AND TRANSFER AGENT**

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*To the Arranger and Dealer, the Trustee and the  
Security Trustee as to English law*

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**INDEPENDENT AUDITORS TO THE ISSUER AND GUARANTOR**

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